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Mack-Cali Completes Development and Acquisition Transactions with AAA

EDISON, N.J.--(BUSINESS WIRE)--

Mack-Cali Realty Corporation (NYSE: CLI) today announced that it has completed its development and acquisition transactions with AAA Mid-Atlantic for properties in Hamilton Township, N.J.

The transactions consist of:

- Mack-Cali's development for AAA of a three-story, 120,000 square-foot class A office building on a 21.6 acre land site at Mack-Cali's Horizon Center Business Park. AAA pre-leased the building, which it will use as an operations center, for 15 years. The architect for the project was Fletcher Thompson.
- Mack-Cali's acquisition from AAA, for approximately \$8.8 million, of two office buildings totaling 69,232 square feet and land for the development of up to an additional 243,000 square feet of commercial space.

The properties and land sites acquired consist of:

- A 33,962 square-foot office building on 9.5 acres of land at 2 South Gold Drive. The site can be redeveloped to accommodate up to a total of 120,000 square feet of commercial space. AAA has leased back 9,784 square feet at the building for 10 years.
- A 35,270 square-foot office building with 17 acres of land at 3 and 5 AAA Drive. The site can be redeveloped to accommodate up to a total of 161,000 square feet of commercial space.
- A 2.4 acre land parcel at 6 AAA Drive for the development of up to 32,000 square feet of commercial space.

In addition, prior to closing, through Mack-Cali's pre-leasing efforts, Mack-Cali was able to complete the following transactions:

- Entered into a lease with Kleinfelder, Inc. for 15,736 square feet at 3 AAA Drive for a term of 86 months.
- Facilitated a direct transfer of 6 South Gold Drive, a 13,800 square-foot office/flex building, from AAA to Northeast Spa & Pool Association ("NESPA"). Mack-Cali was originally under contract to acquire 6 South Gold with the other AAA properties for a combined price of \$10 million. However, during Mack-Cali's pre-leasing discussions with NESPA regarding 6

South Gold, NESPA made an offer to acquire the property. Accordingly, Mack-Cali relinquished its rights to purchase 6 South Gold, thereby reducing its investment in the remaining AAA properties to approximately \$8.8 million, and AAA conveyed the property directly to NESPA.

Mitchell E. Hersh, president and chief executive officer of Mack-Cali, commented, "We are pleased to be able to accommodate AAA's long-term needs for office space. In addition, this transaction enhances our presence and growth opportunities in Mercer County, one of Mack-Cali's core Northeast submarkets."

Robert Bull, Philip Lipper and Michael Kennedy of Studley represented AAA Mid-Atlantic in the transactions.

Mack-Cali Realty Corporation is a fully-integrated, self-administered, self-managed real estate investment trust (REIT) providing management, leasing, development, construction and other tenant-related services for its class A real estate portfolio. Mack-Cali currently owns or has interests in 302 properties, primarily office and office/flex buildings located in the Northeast, totaling approximately 34.4 million square feet. The properties enable the Company to provide a full complement of real estate opportunities to its diverse base of approximately 2,200 tenants. Additional information on Mack-Cali Realty Corporation is available on the Company's Web site at www.mack-cali.com.

AAA Mid-Atlantic serves more than one million members in 11 counties in New Jersey and a total of 3.8 million members in Washington, D.C.; Maryland; Virginia; Delaware; Pennsylvania; and New Jersey. It provides a wide range of automotive, insurance, travel, and financial services through its 50-plus retail branches, regional operations centers, and the Internet at www.aaamidatlantic.com.

Statements made in this press release may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "should," "expect," "anticipate," "estimate," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate, and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Reports on Form 10-K, as may be supplemented or amended by the Company's Quarterly Reports on Form 10-Q, which are incorporated herein by reference. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

Source: Mack-Cali Realty Corporation