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Mack-Cali Updates Capital Markets Activity

JERSEY CITY, N.J., Oct. 20, 2016 /PRNewswire/ -- Mack-Cali Realty Corporation (NYSE: CLI) today announced an update on its dispositions as part of its previously announced strategic plan. The Company has sold approximately \$465 million of assets year to date. Currently, Mack-Cali has contracts out for an additional \$265 million of dispositions, on which it expects to close in the fourth quarter. The Company anticipates 2016 dispositions to total approximately \$730 million which will be comprised of 27 office buildings totaling 4.5 million square feet and one residential building with a GAAP NOI yield of approximately 5.5 percent overall. At this time, the Company is also providing details on recent financing activity.



The proceeds from these dispositions are expected to be used to pay down debt, fund development, and purchase suitable acquisitions if available.

During the third quarter, the Company acquired 111 River Street in Hoboken, New Jersey for \$235 million. This premier asset is 566,215 square feet and sits directly on the Hudson River Waterfront, offering breathtaking views and superior transportation options. Additionally, the Company is under contract to acquire a \$27 million portfolio adjacent to an existing office campus.

"As we look to refine our plan for 2017, we anticipate disposition activity in the \$500 to \$600 million range depending on market conditions," said Michael J. DeMarco, Mack-Cali President. "We continue to be focused on strengthening our balance sheet and possibly increasing our holdings in waterfront and transit-based locations that will return significant value to shareholders."

In September 2015, the Company outlined a new strategic plan that coincided with the naming of a new leadership team. The plan, dubbed 20 / 15, called for a focus on Hudson River Waterfront properties in Jersey City, Weehawken, Hoboken, and West New York. This focus includes both office properties and multi-family communities.

The new strategic plan also provided that the Company would seek to lengthen its debt maturity profile and reduce its average cost of debt. In furtherance of the plan, the Company

completed the following financing activity in the quarter:

- Closed on a \$250 million mortgage loan secured by 101 Hudson Street, its 1.2 million-square-foot class A office building located on the Hudson River Waterfront in Jersey City, New Jersey. The loan has a 10-year term, interest only and has an effective annual interest rate of 3.12 percent.
- Closed on a \$59 million mortgage loan secured by Portside 7, its 175-unit, luxury multi-family community located on the Boston Harbor Waterfront. The loan has a seven-year term, interest only and has an effective annual interest rate of 3.569 percent.
- The Company's joint venture with Hyatt Corporation completed a \$100 million mortgage loan refinancing, secured by the venture's 350-room Hyatt Regency on the Hudson in Jersey City, New Jersey. The loan has a 10-year term, interest only and has an effective annual interest rate of 3.668 percent. At the closing, the Company received a distribution from the venture of approximately \$18 million representing its share of the excess proceeds of the refinancing.

Proceeds from the completed financing activity were used primarily to repay outstanding secured and unsecured debt.

In September, the Company redeemed \$114.9 million of its 7.75 percent unsecured bonds scheduled to mature in 2019 paying 115.977 percent of the principal, plus accrued and unpaid interest.

As a result of the successful execution of these highlighted financing activities, at quarter end, the Company's \$2.5 billion of total debt had a weighted average interest rate of 4.48 percent, down from 4.79 percent at June 30. Additionally, at quarter-end, the weighted average maturity of its indebtedness was 3.93 years, up from 3.38 years at June 30.

"The steps we've taken this quarter and throughout 2016 clearly demonstrate the lending community's continued confidence in Mack-Cali, and have meaningfully reduced our interest cost and lengthened our debt maturity profile, as we have planned," said Tony Krug, Chief Financial Officer of Mack-Cali. Mr. Krug continued "We plan to continue our strategic balance sheet plan going into 2017, including extending our unsecured credit facility which is scheduled to mature in July 2017, obtaining additional secured and unsecured financings on favorable terms and utilizing proceeds from planned property sales to reduce our debt levels."

About Mack-Cali Realty Corporation

Mack-Cali Realty Corporation is a fully integrated, self-administered, self-managed real estate investment trust (REIT) providing management, leasing, development, and other tenant-related services for its two-platform operations of waterfront and transit-based office and luxury multi-family assets. Mack-Cali provides its tenants and residents with the most innovative communities that empower them to re-imagine the way they work and live.

Additional information on Mack-Cali Realty Corporation and the commercial real estate properties and multi-family residential communities available for lease can be found on the Company's website at www.mack-cali.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," "potential," "projected," "should," "expect," "anticipate," "estimate," "target," "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.

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