



#### TO OUR SHAREHOLDERS, CONTINUED

operating experience, and deep relationships in these core markets enable us to better serve our tenants, increase operating efficiencies, and pursue opportunities for growth. And most of our markets are outperforming others throughout the country, as the supply of new office space in them has been limited.

In 2002, we acquired seven office buildings totaling over 742,000 square feet for \$123.5 million, all in our core markets. Each of these acquisitions—including Soundview Plaza in Stamford, Connecticut, and 16 and 18 Sentry Park West in Blue Bell, Pennsylvania—fit well into Mack-Cali’s premier suburban property portfolio.

Because of the caliber of our assets, our buildings are not only attractive to tenants, but to buyers as well. As a result, we were able to complete the sales of 13 buildings for over \$163 million this year in non-core markets such as Dallas, Houston, Phoenix, and Tampa.

#### **Building Our Tenant Base**

Despite the slow economy, our occupancies remained strong, with 92.3 percent of our portfolio leased. Our proactive early lease renewal program, implemented several years ago, has helped us maintain our strong tenant base. By renewing leases up to two years in advance of expiration, we kept our buildings well-leased, with laddered maturities and manageable rollovers even in this economic downturn.

Mack-Cali’s exceptional property management is also key to keeping a well-leased portfolio. We are first and foremost real estate operators, and since day one our Company has adhered to a “tenant-first” philosophy that puts us at the forefront of our industry in customer relationships. This is the reason why so many companies have made Mack-Cali their preferred provider of office space.