

FOREST CITY RATNER STATEMENT ON PACB APPROVAL OF ATLANTIC YARDS PROJECT IN BROOKLYN

Developer Announces Additional Community Initiatives and Enhanced Housing Program

(Brooklyn, NY) – December 20, 2006 – Bruce Ratner, the President and CEO of Forest City Ratner Companies, the developer of the proposed Atlantic Yards project in Brooklyn, and the chairman of the NBA Nets basketball team, today thanked the members of the Public Authorities Control Board for approving the proposed development.

“We are very thankful to Governor Pataki, Speaker Silver and Senate Majority Leader Bruno for their support and today’s approval, and we are especially grateful for Mayor Bloomberg’s continued effort over the past three years to make this day possible,” Bruce Ratner said. “We’re excited about the prospect of bringing professional sports back to Brooklyn. And even more importantly, we’re excited about building a development that will include thousands of affordable and low-income units and that will create desperately needed jobs for the people of Brooklyn and New York.”

Mr. Ratner today also announced some additional programs to support the Atlantic Yards project, as well as a reduction to the height of the proposed “Ms. Brooklyn” building, ensuring that no building at the site will be taller than the 512-foot Williamsburg Savings Bank.

The additions include:

- In addition to the commitment to eight acres of open space within the Atlantic Yards footprint, FCRC will invest \$3 million to improve existing parks in and around the project.
- As part of the affordable housing program, FCRC has already agreed to build 600 to 1,000 affordable home ownership units on or off site. Today, FCRC announced that it will seek to build at least 200 of these affordable home-owner units on site (they will be part of the proposed 6,430 units of housing already approved as part of the Atlantic Yards FEIS/GPP). FCRC will also seek to build the remaining affordable home-owner units as close to Atlantic Yards as possible. (The Community Benefits Agreement already calls for half of the proposed 4,500 rental units to be affordable and low-income, all of them on site.)
- Forest City Ratner will also open a community affairs office on the project site that will be operated and staffed during all phases of the construction project.

In addition to these project specific elements, FCRC will also work with the City, State and the United Federation of Teachers on the creation of a new 21st Century Brooklyn Tech High School, at a yet to be determined location in the borough.

Mr. Ratner also expressed thanks today to the Borough President, the Brooklyn delegations of the Assembly, Senate and City Council, the staffs of the New York Empire State Development Corporation, the Metropolitan Transportation Authority and, of course, the thousands of supporters and proponents of Atlantic Yards, especially the Community Benefits Agreement partners and other local leaders and organizations that supported Atlantic Yards through its 3-year approval process.

“Three years ago we joined the Mayor and Borough President, and officials from throughout Brooklyn, to unveil a work in progress. Today, we’re excited to have completed the public review process and thrilled at the prospect of breaking ground and making Atlantic Yards a reality.

“From the beginning, we reached out to as many people and organizations as possible,” Mr. Ratner continued. “We are tremendously proud of how this development has evolved and appreciative of all the input and ideas we have been given along the way. As we go forward we will continue to work with our partners and to seek out others to ensure that Atlantic Yards continues to benefit from the input of diverse community leaders and organizations.”

Finally, Mr. Ratner commented on the Nets pending move to Brooklyn and their current home at the Continental Arena in New Jersey. The Nets are expected to move to Brooklyn in time for the start of the 2009-10 NBA season.

“We are ecstatic about what this signifies for the future of the Nets organization and for our fans,” said Mr. Ratner. “We want all of our fans to remain part of the Nets family and we are determined to make this transition as seamless and enjoyable as possible for all of our fans across the Metro area. This is a tremendous day for the Nets and a tremendous day for Brooklyn.”

About Forest City Ratner Companies

FCRC is a subsidiary of Forest City Enterprises, Inc., an \$8.5 billion NYSE-listed (ticker: FCEA & FCEB) national real estate company. Forest City Enterprises is principally engaged in the ownership, development, management and acquisition of commercial and residential real estate and land throughout the United States.

Safe Harbor Language

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development and investment risks, economic conditions in the Company's core markets, reliance on major tenants, the impact of terrorist acts, the Company's substantial leverage and the ability to service debt, guarantees under the Company's credit facility, changes in interest rates, continued availability of tax-exempt government financing, the sustainability of substantial operations at the subsidiary level, significant geographic concentration, illiquidity of real estate investments, dependence on rental income from real property, conflicts of interest, competition, potential liability from syndicated properties, effects of uninsured loss, environmental liabilities, partnership risks, litigation risks, risks associated with an investment in a professional sports franchise, and other risk factors as disclosed from time to time in the Company's SEC filings, including, but not limited to, the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2006.