



FCRC CLOSSES ON ATLANTIC YARDS

Master Closing on the Project Means Barclays Center, Thousands of Jobs, Affordable Housing and the Nets Coming to Brooklyn

(Brooklyn, NY) – December 23, 2009 – Bruce Ratner, the Chairman and CEO of Forest City Ratner Companies (FCRC), the developer of Atlantic Yards in Brooklyn, announced today that FCRC, the Empire State Development Corporation (ESDC), the Metropolitan Transportation Authority (MTA), the City of New York, and other parties have executed all necessary documents and officially closed on the project.

“Today, what has long been a vision for the future of Brooklyn becomes a reality,” Mr. Ratner said. “Six years after we announced our plan for Atlantic Yards we are very pleased to be closing on the project with our public partners. Today’s closing represents a vital step forward for New York City, one that is all the more important because of the economic challenges our City faces. The jobs we are creating today, as we set forth on the arena and one of the boldest affordable housing initiatives in our City’s history, will create a new dynamic center in this wonderful borough.”

While construction on the Barclays Center and the project site in downtown Brooklyn has commenced and is ongoing, today’s closing includes the issuance of bonds and the execution of various real estate documents, including the arena lease, financing, development, and purchase and sale agreements.

To date, 35 buildings, roughly 56% of the structures on the site, have been demolished and construction of the temporary rail yard has been completed. Removal of the Vanderbilt Yard tracks and critical upgrades to the sewer and water infrastructure in the area are underway.

Mr. Ratner thanked the Governor, the Mayor, the Brooklyn Borough President, ESDC, the MTA – Long Island Rail Road and the vast majority of the people of Brooklyn and New York who have stood by us and have long believed in the benefits and promise of Atlantic Yards.

Atlantic Yards will create close to 17,000 union construction jobs, as well as 8,000 permanent jobs once the project is complete. The project involves the redevelopment of 22 acres in downtown Brooklyn, which will include approximately six million square feet of residential space (6,430 units of affordable and market-rate housing), an 18,000-seat sports and entertainment arena to be known as the Barclays Center, 247,000 square feet of retail use, approximately 336,000 square feet of office space, and eight acres of publicly accessible open space.

FCRC and the Nets today also have placed branded signage along fencing at the arena construction site, which includes logos of the major partners of the Barclays Center. Those partners include Barclays, which is the naming rights partner, along with ADT, Cushman & Wakefield, EmblemHealth, MGM Grand at Foxwoods, Anheuser-Busch, High Point Solutions, IZOD, Jones Soda, and MetroPCS.

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About Forest City

Forest City Ratner Companies (FCRC), a wholly owned subsidiary of Forest City Enterprises, owns and operates 31 properties in the New York metropolitan area. Forest City Enterprises, Inc., a \$11.9-billion NYSE-listed national real estate company, 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

Statements made in this news release that state the Company's or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. The Company's actual results could differ materially from those expressed or implied in such forward-looking statements due to various risks, uncertainties and other factors. Risks and factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, the impact of current market conditions on our liquidity, ability to finance or refinance projects and repay our debt, the impact of the current economic environment on our ownership, development and management of our commercial real estate portfolio, general real estate investment and development risks, liquidity risks we could face if we do not close the transaction with Onexim Group to create a strategic partnership for our Brooklyn Atlantic Yards project, vacancies in our properties, further downturns in the housing market, competition, illiquidity of real estate investments, bankruptcy or defaults of tenants, anchor store consolidations or closings, international activities, the impact of terrorist acts, risks associated with an investment in a professional sports team, our substantial debt leverage and the ability to obtain and service debt, the impact of restrictions imposed by our credit facility and senior debt, exposure to hedging agreements, the level and volatility of interest rates, the continued availability of tax-exempt government financing, the impact of credit rating downgrades, effects of uninsured or underinsured losses, environmental liabilities, conflicts of interest, risks associated with developing and managing properties in partnership with others, the ability to maintain effective internal controls, compliance with governmental regulations, increased legislative and regulatory scrutiny of the financial services sector, volatility in the

market price of our publicly traded securities, litigation risks, as well as other risks listed from time to time in the Company's SEC filings, including but not limited to, the Company's annual and quarterly reports.