

Southeast Federal Center becomes "The Yards"

Tuesday, October 24, 2006

Washington DC----(October 24, 2006) Forest City Washington, Inc. today unveiled a new name and logo for the area long known as Southeast Federal Center as a part of the company's large-scale, planned, mixed-use redevelopment in Near Southeast DC. The 42-acre site, which fronts on the Anacostia River has been redubbed "The Yards." The unveiling took place at an event the company staged to acknowledge the contributions of many including Representative Eleanor Holmes Norton, DC Mayor Anthony Williams and Ward 6 Council Member Sharon Ambrose, all of which have provided leadership in the ongoing redevelopment of Southeast Federal Center as The Yards.

The event was held at the project site, on the banks of the Anacostia River. Additional speakers included Rear Admiral Terence McKnight, commandant of Naval District Washington and Deborah Ratner Salzberg, president of Forest City Washington, Inc., the project's master developer.

The \$1.7 billion redevelopment is the largest such project in the District of Columbia. It will ultimately include 5.5 million SF of new development/redevelopment including approximately 2,800 residential units (both rental and for sale), 1.8 million SF of office space, up to 400,000 SF of retail/dining space a public park, riverfront esplanade and trail that will connect with the Navy Yard's riverfront walk to the east and a similar feature to the west of the site that will connect with the Ballpark District development.

The Yards project will blend adaptive reuse of several historically protected, former industrial buildings that were originally part of the neighboring Washington Navy Yard, as well as numerous sites of all-new construction.

With more than 30 buildings planned overall, The Yards will ultimately generate millions of dollars annually from land that was previously not on the District's tax rolls, over 3,000 new residents, sustainable design including the adaptive reuse of the historic buildings onsite and hundreds of construction and permanent jobs for DC residents. In addition, the project will provide LSDBE, job training and First Source hiring programs throughout its multi-phase development plan.

"We're on track to begin construction in early 2007 with infrastructure improvements," said Forest City Washington's Deborah Ratner Salzberg. "We have several buildings currently under design, including three of the historic buildings which will involve residential and retail uses," she added.

Forest City Washington and the General Services Administration signed the project's Development Agreement in June, 2005, its Master Lease Agreement is expected to be signed in a few weeks and other supporting documents that will enable the start of construction are in final stages of negotiation.

The name "The Yards" was chosen as a result of market research conducted by Forest City Washington which indicated that by associating the name of the project with a familiar landmark such as the neighboring Washington Navy Yard, that awareness of the project and familiarity with its location would be greatly enhanced. The Yards logo consists of an offset compass rose referencing the site's nautical history. The compass rose is offset to visually emphasize its southeast quadrant, referencing the project's location within the District of Columbia.

Forest City Washington is a division of Forest City Enterprises, Inc., an \$8 billion NYSE-listed national real estate company. Forest City Enterprises is principally engaged in the ownership, development, acquisition and management of commercial and residential real estate and land throughout the United States. For more information on Forest City Washington, go to www.fcwashington.com. For information on Forest City Enterprises, go to www.forestcity.net.

Safe Harbor Language

Statements made in this news release that state the Company or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, real estate development and investment risks, economic conditions in the Company's target markets, reliance on major tenants, the impact of terrorist acts, the Company's substantial leverage in 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 for real property, conflicts of interest, competition, potential liability from syndicated properties, effects of uninsured loss, environmental liabilities, partnership risks, litigation risks, risk 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.

