

## What's Inside:



# FCTimes

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A FC Communications Group Publication

## Welcome to the New *FCTimes*!

*The Forest City Times* is all set to celebrate its two-year anniversary, and what better time, than the start of a new year, to bring you an all new *FCTimes* – with a new look and a new logo! *The Forest City Times* was revamped with all new features to allow associates better functionality and increased interactivity, to include a “question of the week” as well as offering such capabilities as submitting feedback, story ideas and reporting problems.

The weekly *FCTimes* is available in three different formats. The traditional format is to receive a link by e-mail to your Outlook Inbox, where you are then directed to the *FCTimes* page on Forest City’s Intranet. For those who carry a Blackberry PDA, you can also receive the *FCTimes* in text format, to read while you are traveling. In addition, the *FCTimes* can be sent to you as a PDF file, also sent to your e-mail inbox, where you can then print it to take home with you and/or share with others at your location who do not have access to e-mail. If you have associates who report to you who do not have access to a computer, please utilize this version and post it or distribute it to those associates.

New interactive features of the *FCTimes* can be found by clicking on links and navigation bars at the top and left-hand column of the page. You can easily subscribe to the Blackberry or print versions or you can easily contact a *FCTimes* staff member if you have questions

or comments. You may also easily print each edition of the *FCTimes* by clicking on the “print this week’s articles” icon at the top right-hand side of the page. To print only one article, go to the bottom of that article and click “print this article,” then choose preferences, layout, orientation, and then choose landscape.

The *FCTimes* archives also allow for easier access of past articles, with articles being searchable by date and department. Videos and photo features will also be accessible by date. Articles and videos, prior to January 2005, can still be searched on the archives page of Forest City Central at [http://fctimes.fceinc.com/content/archives/FCC\\_archives\\_post.html](http://fctimes.fceinc.com/content/archives/FCC_archives_post.html).

The *FCTimes* is brought to you by the FC Communications Group. Publications created by the group include the *FCTimes* as well as a quarterly print magazine, *FOCUS*. Other online products the department is involved in includes the company Web site, [www.forestcity.net](http://www.forestcity.net); the company Intranet, Forest City Central; the Business Information Library and the Photo Library. The department is also active in creating and providing graphic materials; photography; videography; and writing and editing services.

The staff of the *FCTimes* is eager to bring you a new format that allows you to more easily submit your ideas and suggestions, so that we can always report what you want to know! We are proud to bring you the new *FCTimes*!

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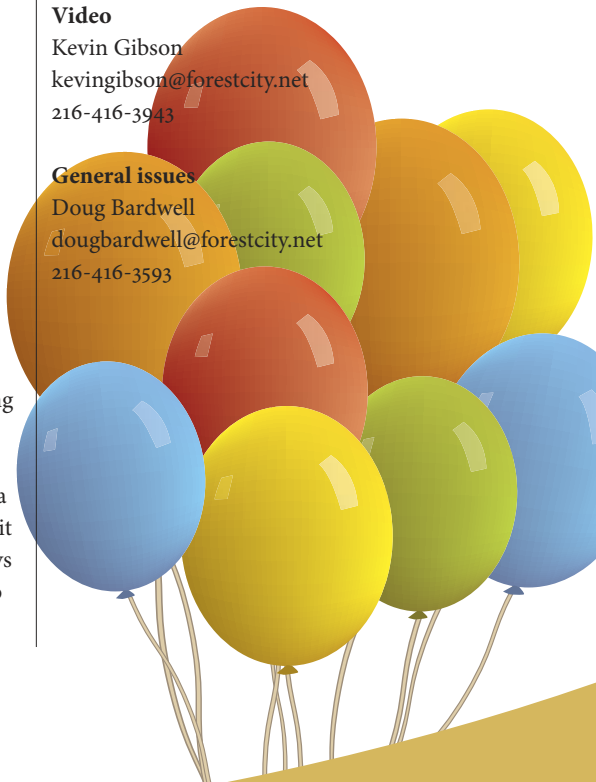
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# Forest City Establishes New Sustainability ICC



Forest City's Executive Committee recently approved the creation of a new Sustainability Intra-Company Council (ICC), making it the fourth ICC at Forest City Enterprises.

The Executive Committee also approved modifications to the wording used to define our sustainability core value. Both actions result from work being done by a sustainability team that was formed in spring 2004 as a sub-group of the Development ICC. The sustainability team is made up of a cross-section of employees, from a variety of offices and SBUs.

## Defining Sustainability

One of the team's first tasks was to create a new definition for Forest City's sustainability core value, which better defines what sustainability means to Forest City and how we will strive to utilize the definition within our organization and with all possible business transactions. The new definition was agreed upon by the team at its recent Sustainability Retreat in Denver. The new definition of sustainability is:

"We are committed to the principle of sustainability. We will strategically and competitively balance environmental resources, economic objectives and social systems as we operate our business and invest in new opportunities."

## Development Survey

Throughout the summer of 2004, the sustainability team also conducted an internal

sustainability survey of its development and construction teams in an effort to gauge the company's track record to date in this regard. Information was gathered on what sustainable techniques, if any, were incorporated into Forest City projects completed after December 31, 2001, and projects scheduled for completion by December 31, 2005.

Out of the 18 surveys completed, five buildings were offices, four were retail, seven were multi-family and two were mixed-use buildings. The team focused on development projects for the survey and will ultimately also survey properties in our operational portfolio. The purpose behind this piece of work is to get a better sense of where Forest City is at relative to sustainability practices so we can effectively plan for the future.

## Incentive Guidelines and Proposal Language

The team generated standard language for Forest City to use when responding to a request for query (RFQ) or request for proposal (RFP). This language was designed to be general enough to be applicable to most proposal types, while also providing a menu of more specialized information. The team also researched and developed lists of green building programs and incentive programs available to development teams. The intent of these documents is to inform our employees of existing programs which could be useful when implementing an integrated design approach.

## The New Sustainability ICC

The Sustainability ICC's immediate next steps will include creating a "tool box" which is meant to be a resource library for the entire company; creating Forest City office goals and measurement criteria; and expanding the development survey

from the eighteen buildings surveyed this past summer to all 64 buildings eligible for the survey. In the long-term, the new Sustainability ICC will take the lead in shaping Forest City's sustainability strategy. This is important as we continue to learn how Forest City can improve its sustainable practices thereby strengthening our core value and improving our competitive advantage.

## Sustainability Team Members

The sustainability team's executive sponsor is John Lehigh from Stapleton, and its chairman is Jim Chrisman, also from Stapleton. Team members consist of: David Bernstein (Boston), Kem Blue (Atlanta), Thad Bond (Hawaii), Scott Carlson (Los Angeles), John Cournoyer (New York), Tom Howes (Denver), Len Jaffe (Florida), Joan Glenn Katzakis (Cleveland), Melissa Knott (Denver), Kenneth Lee (Los Angeles), Brian Ratner (Cleveland), Jon Ratner (Denver), and Will Voegelé (Cleveland). Susan Smartt (San Francisco), Ron Kowalski (Cleveland), and Brian Levitt (Denver) will join the team as they begin the work of the Sustainability ICC.

Materials are available on the Sustainability Team Site on Forest City Central at <http://team-sites.fceinc.com/sustainability>.

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## Northfield Selected for LEED-CS Pilot Program

NorthField at Stapleton, currently under construction in Denver, Colo., has recently been selected by the United States Green Building Council (USGBC) for inclusion as a Leadership in Energy and Environmental Design (LEED) Core & Shell Pilot Project.

The LEED Core & Shell (C&S) Pilot Program differs from other LEED programs because it recognizes the division of responsibility between owner and tenant, and gives credit to owners who proactively infuse sustainable design and construction techniques into their development program, and into their tenants' development programs.

"We are very excited that NorthField has been chosen as a pilot project," said Brian Levitt, project developer, Forest City Commercial. "Our inclusion pays tribute to our continued belief in building sustain-

able communities and our commitment toward pursuing sustainable building technologies."

The USGBC will work with the NorthField Development Team over the next year to provide resources and collect

data for the purpose of modifying the current rating system, which is the standard for measuring "green" buildings, to address the development requirements of a regional retail center. The NorthField Team will be required to provide documentation upon completion of construction, and if the building satisfies the LEED C&S criteria, official certification of the building as a LEED-CS Rated building will be awarded by the USGBC.

If the team decides to pursue LEED certification, NorthField at Stapleton could ultimately become the first LEED-certified shopping mall. This means that NorthField at Stapleton would be given the



# FCE is Featured in National Press

Forest City has recently been featured in several top national magazines regarding its position as one of the best choices in the stock market. *U.S. News and World Report*, *Fortune* magazine and the *Dow Jones Newswires* featured Forest City in various publications in December 2004.

## Fortune Magazine

Forest City was featured in the December 27th, 2004 issue of *Fortune* magazine, in the Investor's Guide 2005, as one of "The 20 Best Bargains in the Market." The perspective of the article was that *Fortune* magazine used several "top-value managers" and "big-picture strategists" to recommend undervalued investments. According to the article, "We asked them for their single best pick, right now! We can't guarantee you'll sell high, but here are some ideas on how to buy low in 2005." ...

Marty Whitman of Third Avenue Value recommended Forest City as its investment of choice. Forest City



is listed among such Fortune 500 companies as Wyeth, Berkshire Hathaway, Chevron Texaco, Citigroup, Washington Mutual and Time Warner.

According to *Fortune*, "veteran value hound Marty Whitman is entranced by one stock that now fetches a restrained P/E of 12 times projected profits: Forest City Enterprises, a real estate holding company with about \$1 billion in sales. ... 'It's the biggest blue chip you've never heard of,' said Whitman, whose small-company stock fund has returned an impressive 15.3% annually over the past ten years. 'They've been superior to any other real estate firm in building value over the years.'"

## Dow Jones Newswires

Forest City was featured in an article that appeared on the *Dow Jones Newswires*, titled "Third Avenue Fund Likes Real Estate Operators." Again, Michael Winer, manager of the \$1.5 billion San Diego-based fund, Third Avenue Real Estate Value Fund, touted Forest City.

According to the article, "One example of a long-term holding is Forest City Enterprises Inc. (FCEA), which has been in Third Avenue's portfolio since the fund's inception in September 1998. Winer said because the company has been a long-term holding he has come to know the management well and understands that their goals are similar to investors' in the Third Avenue Value Fund.

"Winer also said that Forest City's management 'has a huge stake' in the business individually ... and this means the company performs well and continues to provide healthy earnings."



## U.S. News and World Report

Forest City also appeared in the December 6, 2004 issue of *U.S. News and World Report* in the article, "Playing the Property Market." In this article, Michael Winer, manager of the Third Avenue Real Estate Value Fund, called Forest City "one of the biggest blue-chip companies nobody has ever heard of."



According to the *U.S. News and World Report*, "Forest City's strength lies in its diversity."

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## Forest City Announces New Hires and Promotions

Forest City has recently announced new hires, transfers and promotions across the company, in Cleveland, Pittsburgh and Tucson.

In Cleveland, Debbie Cich was transferred from Commercial Development to the Forest City Finance Corporation, as a financial analyst, becoming full-time January 3, 2005. Debbie has worked with Forest City for over six years, primarily with Mark Smith and more recently



Debbie Cich

with Mike May, both in Commercial Development. She has a total of eleven years experience in the real estate indus-

try in the accounting and finance area. She is a CPA and holds an MBA from Cleveland State University. Congratulations Debbie!

The Forest City Commercial Group announced the addition of Shema Krinsky, director of Marketing for The Mall at Robinson, in Pittsburgh, Penn. Shema joined Forest City Commercial Properties, Inc. on November



Shema Krinsky

15th, 2004. She is responsible for developing, implementing and managing all marketing and promotional programs, including

event planning, advertising and merchant communications at The Mall at Robinson.

Shema has more than seven years experience as a marketing professional in the shopping center industry. Before joining Forest City, she served as marketing director for J.J. Gumberg Co. in Pittsburgh. Shema received a bachelor's degree in business administration/marketing management

from the University of Akron and is an

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## northfield cont.

distinction of being the first “green” shopping center in the United States – which would be incredibly significant, according to Brian.

A member of the LEED-CS Committee had this to say about NorthField at Stapleton’s participation in the pilot program: “The LEED-CS Committee would like to thank you for participating in the continuing development of the LEED system. Your input from the real-world application of the pilot version of LEED-CS will help make it a useful rating tool that

encourages the uptake of sustainable design and construction strategies into the speculative development market.”

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## new hires cont.

ICSC Certified Marketing Director. Welcome Shema!

The Commercial properties in Pittsburgh, Penn., are currently in transition, due to exciting changes happening in the region. In order to be fully prepared for these opportunities, the Commercial Group has realigned two key personnel – Rocco Miller and Beth Edwards – effective January 1, 2005.

Rocco Miller will now serve as vice president/general manager of Station Square. Rocco has been with Forest City Commercial Management for seventeen years as general manager of Boulevard Mall, Tucson Mall and overseeing Pittsburgh for the past four years. His expertise and experience are needed at Station Square to look at new opportunities for growth and change.

Beth Edwards is now the general manager for The Mall at Robinson. Beth has been with Forest City Commercial Management for the past six years starting as the administrative assistant at Courtland Shopping Center. She was

subsequently promoted to marketing director and now general manager. Beth opened The Mall at Robinson as assistant general manager and most recently served as the GM for Station Square. Beth’s excitement and energy will serve her well as she returns to Robinson as the GM.

Congratulations Rocco and Beth!

In the Land Group-Southwest Division, in Tucson, Ariz., Vera Massaro has joined the group as the director of Land Development for the 2,200-acre Sweetwater Ranch master-planned community just west of Austin, Texas, and will work

closely with Forest City’s local Austin partners to get this development underway in 2005.

Vera comes to Forest City from Centex Homes in Austin, Texas, where she has been their Land Development manager. She has been involved with development activities in the area since 1985. Welcome Vera!

In addition, Ben Duran has joined the Southwest Land Division effective December 13th, as Construction manager for the Tucson-area developments, currently consisting of the 714-acre Gladden Farms, the 634-acre Pacheco property expansion area for Gladden Farms, and the 300-acre Tangerine Crossing.

Ben has transferred to the Land Group from Forest City Commercial Construction, where he has worked for over five years. He has traveled a great deal for Forest City, spending a lot of time in Richmond, Va., during the development of the Short Pump Town Center; in Temecula, Calif., on the Mall at Temecula; and

most recently in Rancho Cucamonga, Calif., for Victoria Gardens. Ben has been living in Las Vegas, Nev., but now makes his home in Tucson, Ariz., where he grew up. Ben said he is excited to be joining the Land Group and to return to Tucson. Congratulations Ben!



Rocco Miller



Beth Edwards