

# **Forest City Enterprises, Inc.**

## **Supplemental Package**

**Years Ended January 31, 2007 and 2006**

**Forest City Enterprises, Inc. and Subsidiaries**  
**Years Ended January 31, 2007 and 2006**  
**Supplemental Package**

**NYSE: FCEA, FCEB**

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This Supplemental Package, together with other statements and information publicly disseminated by the Company, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements reflect management's current views with respect to financial results related to future events and are based on assumptions and expectations which may not be realized and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial or otherwise, may differ from the results discussed in the forward-looking statements. Risk factors discussed in Item 1A of the Company's Form 10-K for the year ended January 31, 2007 and other factors that might cause differences, some of which could be material, include, but are not limited to, real estate development and investment risks including lack of satisfactory financing, construction and lease-up delays and cost overruns, the effect of economic and market conditions on a nationwide basis as well as regionally in areas where the Company has a geographic concentration of properties, reliance on major tenants, the impact of terrorist acts, the Company's substantial leverage and the ability to obtain and service debt, guarantees under the Company's credit facility, the level and volatility of interest rates, continued availability of tax-exempt government financing, the sustainability of substantial operations at the subsidiary level, illiquidity of real estate investments, dependence on rental income from real property, conflicts of interest, financial stability of tenants within the retail industry which may be impacted by competition and consumer spending, 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, the rate revenue increases versus the rate of expense increases, as well as other risks listed from time to time in the Company's reports filed with the United States Securities and Exchange Commission. The Company has no obligation to revise or update any forward-looking statements, other than imposed by law, as a result of future events or new information. Readers are cautioned not to place undue reliance on such forward-looking statements.

## **Forest City Enterprises, Inc. and Subsidiaries**

### **Supplemental Operating Information**

#### **Corporate Overview**

We principally engage in the ownership, development, management and acquisition of commercial and residential real estate and land throughout the United States. We operate through three strategic business units. The Commercial Group, our largest business unit, owns, develops, acquires and operates regional malls, specialty/urban retail centers, office and life science buildings, hotels and mixed-use projects. The Residential Group owns, develops, acquires and operates residential rental property, including upscale and middle-market apartments, adaptive re-use developments and supported-living communities. Additionally, the Residential Group develops for-sale condominium projects and also owns, develops and manages military family housing. New York City operations are part of the Commercial Group or Residential Group depending on the nature of the operations. Real Estate Groups are the combined Commercial and Residential Groups. The Land Development Group acquires and sells both land and developed lots to residential, commercial and industrial customers. It also owns and develops land into master-planned communities and mixed-use projects. The Nets, a franchise of the National Basketball Association (“NBA”) in which we account for our investment on the equity method of accounting, is a reportable segment of the Company.

We have approximately \$9.0 billion of assets in 26 states and the District of Columbia at January 31, 2007. Our core markets include New York City/Philadelphia metropolitan area, Denver, Boston, Greater Washington D.C./Baltimore metropolitan area, Chicago and California. As a result of an ongoing effort to increase property concentration in the core markets, these markets now account for approximately 75 percent of the cost of our real estate portfolio at January 31, 2007. We have offices in Boston, Chicago, Denver, Los Angeles, New York City, San Francisco, Washington, D.C., and our corporate headquarters are in Cleveland, Ohio.

#### **SUPPLEMENTAL FINANCIAL AND OPERATING INFORMATION**

We recommend that this supplemental package be read in conjunction with the Company’s Form 10-K for the year ended January 31, 2007. This supplemental package contains certain measures prepared in accordance with the generally accepted accounting principles (“GAAP”) under the full consolidation accounting method, and certain measures prepared under the pro-rata consolidation method, a non-GAAP measure. Along with net earnings, we use an additional measure, Earnings before Depreciation, Amortization and Deferred Taxes (“EBDT”), to report operating results. EBDT is a non-GAAP measure and may not be directly comparable to similarly-titled measures reported by other companies. The non-GAAP financial measures presented under the pro-rata consolidation method, comparable net operating income (“NOI”) and EBDT, provide supplemental information about our operations. Although these measures are not presented in accordance with GAAP, we believe they are necessary to understand our business and operating results, along with net earnings and other GAAP measures. Our investors can use these non-GAAP measures as supplementary information to evaluate our business. Our non-GAAP measures are not intended to be performance measures that should be regarded as alternatives to or more meaningful than, our GAAP measures.

#### **Consolidation Methods**

We present certain financial amounts under the pro-rata consolidation method because we believe this information is useful to investors as this method reflects the manner in which we operate our business. In line with industry practice, we have made a large number of investments in which our economic ownership is less than 100% as a means of procuring opportunities and sharing risk. Under the pro-rata consolidation method, we generally present our investments proportionate to our economic share of ownership. Under GAAP, the full consolidation method is used to report partnership assets and liabilities consolidated at 100% if deemed to be under our control or if we are deemed to be the primary beneficiary of the variable interest entity (“VIE”), even if our ownership is not 100%. We provide reconciliations from the full consolidation method to the pro-rata consolidation method throughout our supplemental package. Please refer to our property listing for the detail of our consolidated and non-consolidated properties on pages 56-66.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**EBDT**

We believe that EBDT, along with net earnings, provides additional information about our core operations. While property dispositions, acquisitions or other factors can affect net earnings in the short-term, we believe EBDT presents a more consistent view of the overall financial performance of our business from period-to-period. EBDT is used by the chief operating decision maker and management to assess performance and resource allocations by strategic business unit and on a consolidated basis. EBDT is similar to Funds From Operations (“FFO”), a measure of performance used by publicly traded Real Estate Investment Trusts (“REIT”), but may not be directly comparable to similarly titled measures reported by other companies. (See pages 41-43 for additional discussion of EBDT as well as a reconciliation of EBDT to net earnings.)

**Supplemental Operating Information**

The operating information contained in this document includes: occupancy data, comparable NOI, reconciliation of NOI to net earnings, retail and office lease expirations, significant retail and office tenant listings, and our development pipeline. We believe this information will give interested parties a better understanding and more information about the operating performance of our Company. The term “comparable,” which is used throughout this document, is generally defined as including properties that were open and operated in both the fiscal years ended January 31, 2007 and 2006.

We believe occupancy rates, retail and office lease expirations, base rent, and significant retail and office tenant listings represent meaningful operating statistics about our Company. This information will give interested parties a better understanding and more information about the operating performance of our Company.

Comparable NOI is useful because it measures the performance of the same properties on a period-to-period basis and, along with EBDT (as discussed beginning on page 41), is used to assess operating performance and resource allocation of our strategic business units. While property dispositions, acquisitions or other factors can impact net earnings in the short term, we believe comparable NOI gives a more consistent view of our overall performance from quarter-to-quarter and year-to-year. A reconciliation of net earnings, the most comparable financial measure calculated in accordance with GAAP, to NOI and reconciliation from NOI to comparable NOI are provided on pages 7-10 of this document. A reconciliation of NOI to net earnings for each strategic business unit can be found on pages 44-55.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Corporate Headquarters**

Forest City Enterprises, Inc.  
Terminal Tower  
50 Public Square, Suite 1100  
Cleveland, Ohio 44113

**Annual Report on Form 10-K**

A copy of the Annual Report on Form 10-K for the fiscal year ended January 31, 2007 as filed with the Securities and Exchange Commission can be found on our website or may be obtained without charge upon written request to:

Thomas T. Kmiecik  
Assistant Treasurer  
tomkmiecik@forestcity.net

**Website**

[www.forestcity.net](http://www.forestcity.net)

The information contained on this website is not incorporated herein by reference and does not constitute a part of this supplemental package.

**Investor Relations**

Thomas G. Smith  
Executive Vice President,  
Chief Financial Officer and Secretary

**Transfer Agent and Registrar**

National City Bank  
Stock Transfer Department  
P.O. Box 92301  
Cleveland, OH 44193-0900  
(800) 622-6757  
[www.shareholder.inquiries@nationalcity.com](http://www.shareholder.inquiries@nationalcity.com)

**Stock Exchange Listing**

NYSE: FCEA and FCEB

**Dividend Reinvestment and Stock Purchase Plan**

The Company offers its stockholders the opportunity to purchase additional shares of common stock through the Forest City Enterprises, Inc. Dividend Reinvestment and Stock Purchase Plan (the "Plan") at 97% of current market value. A copy of the Plan prospectus and an enrollment card may be obtained by contacting National City Bank at (800) 622-6757.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Occupancy Data - January 31, 2007 and 2006**

We analyze our occupancy percentages by each of our major product lines as follows:

	Occupancy As of January 31, 2007	Average Occupancy Year-to-Date January 31, 2007	Occupancy As of January 31, 2006	Average Occupancy Year-to-Date January 31, 2006
<b>Retail</b>				
Comparable .....	94.6 %	94.6 %	94.7 %	93.5 %
Total .....	93.6 %	93.8 %	94.0 %	93.1 %
<b>Office</b>				
Comparable .....	93.4 %	93.0 %	92.5 %	92.8 %
Total .....	90.1 %	91.3 %	92.6 %	92.9 %
<b>Residential</b>				
Comparable .....	93.9 %	95.1 %	94.4 %	93.4 %
Total .....	91.4 %	91.4 %	91.6 %	89.2 %
<b>Hotels</b>				
Comparable and Total <sup>(1)</sup> .....		69.1 %		67.2 %
Comparable ADR and Total ADR <sup>(1)</sup> .....		\$ 143.47		\$ 133.87

Retail and office occupancy as of January 31, 2007 and 2006 is based on square feet leased at the end of the fiscal quarter. Average Occupancy Year-to-Date as of January 31, 2007 and 2006 for retail and office is calculated by dividing the sum of leased square feet at the beginning and end of the period by two. Residential occupancy as of January 31, 2007 and 2006 represents total units occupied divided by total units available. Average residential occupancy year-to-date for 2006 and 2005 is calculated by dividing gross potential rent less vacancy by gross potential rent. Average Daily Rate ("ADR") is calculated by dividing revenue by the number of rooms sold for the year ended January 31, 2007 and 2006.

<sup>(1)</sup> Total Hotel Average Occupancy Year-to-Date and Total ADR for January 31, 2006 have been restated to exclude the *Hilton Times Square* and *Embassy Suites Hotel* which were sold during the year ended January 31, 2007.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

We use NOI, along with EBDT as discussed on pages 2-3 to assess operating performance. Comparable NOI is defined as NOI from properties opened and operated in both the year ended January 31, 2007 and 2006. The following schedules on pages 7-8 present comparable NOI for each of our major product lines, as well as the strategic business unit under which these product lines operate. A reconciliation of NOI to the most comparable GAAP measure, net earnings, is presented on pages 9-10. A reconciliation of NOI to net earnings for each strategic business unit can be found on pages 44-55.

**Comparable Net Operating Income (NOI) (% change over same period, prior year)**

	<b>Three Months Ended January 31, 2007</b>		<b>Year Ended January 31, 2007</b>	
	<b>Full Consolidation</b>	<b>Pro-Rata Consolidation</b>	<b>Full Consolidation</b>	<b>Pro-Rata Consolidation</b>
<b>Retail</b> .....	8.5 %	4.0 %	6.6 %	4.9 %
<b>Office</b> .....	0.7 %	2.4 %	2.3 %	2.5 %
<b>Hotel</b> .....	62.4 %	52.0 %	22.0 %	19.3 %
<b>Residential</b> .....	8.4 %	4.7 %	8.4 %	6.5 %
<b>Total</b> .....	6.5 %	4.7 %	5.7 %	4.9 %

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Net Operating Income** (dollars in thousands)

	Three Months Ended January 31, 2007					Three Months Ended January 31, 2006					% Change	
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Pro-Rata Consolidation (Non-GAAP)
<b>Commercial Group</b>												
<b>Retail</b>												
Comparable.....	\$ 52,403	\$ 5,684	\$ 806	\$ -	\$ 47,525	\$ 48,307	\$ 5,556	\$ 2,943	\$ -	\$ 45,694	8.5 %	4.0 %
Total.....	63,517	2,933	4,273	186	65,043	52,036	5,730	3,007	925	50,238		
<b>Office Buildings</b>												
Comparable.....	43,612	4,868	1,334	-	40,078	43,319	5,366	1,201	-	39,154	0.7 %	2.4 %
Total.....	43,651	2,348	1,261	-	42,564	43,251	5,095	1,061	-	39,217		
<b>Hotels</b>												
Comparable.....	3,418	-	491	-	3,909	2,105	-	467	-	2,572	62.4 %	52.0 %
Total.....	3,418	-	491	(405)	3,504	2,105	-	467	5,286	7,858		
Earnings from Commercial Land Sales .....	18,989	1,556	395	-	17,828	30,241	16,285	-	-	13,956		
Development Fees .....	160	64	-	-	96	2,897	1,159	-	-	1,738		
Other.....	(9,584)	2,579	42	-	(12,121)	(5,559)	(459)	(321)	-	(5,421)		
<b>Total Commercial Group</b>												
Comparable.....	99,433	10,552	2,631	-	91,512	93,731	10,922	4,611	-	87,420	6.1 %	4.7 %
Total.....	120,151	9,480	6,462	(219)	116,914	124,971	27,810	4,214	6,211	107,586		
<b>Residential Group</b>												
<b>Apartments</b>												
Comparable.....	23,178	620	6,256	-	28,814	21,389	584	6,726	-	27,531	8.4 %	4.7 %
Total.....	43,241	1,215	8,373	1,816	52,215	18,454	1,440	8,454	2,712	28,180		
<b>Military Housing</b>												
Comparable.....	-	-	-	-	-	-	-	-	-	-		
Total.....	5,577	-	144	-	5,721	2,567	-	38	-	2,605		
<b>Total Real Estate Groups</b>												
Comparable.....	122,611	11,172	8,887	-	120,326	115,120	11,506	11,337	-	114,951	6.5 %	4.7 %
Total.....	168,969	10,695	14,979	1,597	174,850	145,992	29,250	12,706	8,923	138,371		
<b>Land Development Group</b> .....	46,777	2,269	130	-	44,638	32,184	2,128	162	-	30,218		
<b>The Nets</b> .....	(619)	-	1	-	(618)	(7,537)	-	1,000	-	(6,537)		
<b>Corporate Activities</b> .....	(10,436)	-	-	-	(10,436)	(10,469)	-	-	-	(10,469)		
<b>Grand Total</b> .....	\$ 204,691	\$ 12,964	\$ 15,110	\$ 1,597	\$ 208,434	\$ 160,170	\$ 31,378	\$ 13,868	\$ 8,923	\$ 151,583		



**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Net Operating Income (dollars in thousands)**

	Year Ended January 31, 2007					Year Ended January 31, 2006					% Change	
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Pro-Rata Consolidation (Non-GAAP)
<b>Commercial Group</b>												
<b>Retail</b>												
Comparable.....	\$ 189,225	\$ 20,745	\$ 8,452	\$ -	\$ 176,932	\$ 177,580	\$ 20,545	\$ 11,590	\$ -	\$ 168,625	6.6 %	4.9 %
Total.....	213,220	16,926	13,091	1,994	211,379	186,787	18,437	11,950	2,647	182,947		
<b>Office Buildings</b>												
Comparable.....	176,097	21,073	4,594	-	159,618	172,071	20,811	4,413	-	155,673	2.3 %	2.5 %
Total.....	174,880	18,764	4,365	-	160,481	173,319	21,694	4,025	-	155,650		
<b>Hotels</b>												
Comparable.....	14,421	-	1,947	-	16,368	11,819	-	1,899	-	13,718	22.0 %	19.3 %
Total.....	14,421	-	1,947	10,715	27,083	11,819	-	1,899	21,766	35,484		
Earnings from Commercial Land Sales .....	37,143	2,684	641	-	35,100	67,990	18,390	-	-	49,600		
Development Fees .....	879	352	-	-	527	10,614	4,247	-	-	6,367		
Other.....	(28,997)	6,768	145	-	(35,620)	(17,466)	3,011	(214)	-	(20,691)		
<b>Total Commercial Group</b>												
Comparable.....	379,743	41,818	14,993	-	352,918	361,470	41,356	17,902	-	338,016	5.1 %	4.4 %
Total.....	411,546	45,494	20,189	12,709	398,950	433,063	65,779	17,660	24,413	409,357		
<b>Residential Group</b>												
<b>Apartments</b>												
Comparable.....	91,990	2,501	25,411	-	114,900	84,837	2,286	25,335	-	107,886	8.4 %	6.5 %
Total.....	121,188	4,082	31,766	10,390	159,262	81,101	5,050	30,552	15,261	121,864		
<b>Military Housing</b>												
Comparable.....	-	-	-	-	-	-	-	-	-	-		
Total.....	12,052	-	305	-	12,357	4,763	-	1,032	-	5,795		
<b>Total Real Estate Groups</b>												
Comparable.....	471,733	44,319	40,404	-	467,818	446,307	43,642	43,237	-	445,902	5.7 %	4.9 %
Total.....	544,786	49,576	52,260	23,099	570,569	518,927	70,829	49,244	39,674	537,016		
<b>Land Development Group</b> .....	99,056	5,055	790	-	94,791	102,002	5,704	353	-	96,651		
<b>The Nets</b> .....	(14,703)	-	2,812	-	(11,891)	(24,534)	-	2,992	-	(21,542)		
<b>Corporate Activities</b> .....	(41,196)	-	-	-	(41,196)	(36,192)	-	-	-	(36,192)		
<b>Grand Total</b> .....	\$ 587,943	\$ 54,631	\$ 55,862	\$ 23,099	\$ 612,273	\$ 560,203	\$ 76,533	\$ 52,589	\$ 39,674	\$ 575,933		

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Reconciliation of Net Operating Income (non-GAAP) to Net Earnings (GAAP) (in thousands):**

	Three Months Ended January 31, 2007					Three Months Ended January 31, 2006				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 360,379	\$ 20,389	\$ 145,274	\$ 2,119	\$ 487,383	\$ 312,970	\$ 44,017	\$ 86,592	\$ 25,372	\$ 380,917
Exclude straight-line rent adjustment <sup>(1)</sup> .....	(6,995)	-	-	-	(6,995)	(6,334)	-	-	(69)	(6,403)
<b>Adjusted revenues</b> .....	<b>353,384</b>	<b>20,389</b>	<b>145,274</b>	<b>2,119</b>	<b>480,388</b>	<b>306,636</b>	<b>44,017</b>	<b>86,592</b>	<b>25,303</b>	<b>374,514</b>
Operating expenses .....	225,465	7,515	94,094	1,400	313,444	173,246	13,598	52,252	17,130	229,030
Add back depreciation and amortization for non-Real Estate Groups <sup>(b)</sup> .....	639	-	(99)	-	540	368	-	3,228	-	3,596
Add back amortization of mortgage procurement costs for non-Real Estate Groups <sup>(d)</sup> .....	97	-	228	-	325	83	-	1,582	-	1,665
Exclude straight-line rent adjustment <sup>(2)</sup> .....	(2,797)	-	-	-	(2,797)	(1,349)	-	-	(577)	(1,926)
Exclude preference payment .....	(898)	-	-	-	(898)	-	-	-	-	-
<b>Adjusted operating expenses</b> .....	<b>222,506</b>	<b>7,515</b>	<b>94,223</b>	<b>1,400</b>	<b>310,614</b>	<b>172,348</b>	<b>13,598</b>	<b>57,062</b>	<b>16,553</b>	<b>232,365</b>
Add interest and other income .....	31,763	90	2,501	878	35,052	9,292	959	713	173	9,219
Add equity in earnings of unconsolidated entities .....	32,731	-	(29,123)	-	3,608	9,172	-	(8,957)	-	215
Add back equity method depreciation and amortization expense (see below) .....	9,319	-	(9,319)	-	-	7,418	-	(7,418)	-	-
<b>Net operating income</b> .....	<b>204,691</b>	<b>12,964</b>	<b>15,110</b>	<b>1,597</b>	<b>208,434</b>	<b>160,170</b>	<b>31,378</b>	<b>13,868</b>	<b>8,923</b>	<b>151,583</b>
Interest expense, including early extinguishment of debt .....	(83,909)	(4,650)	(15,110)	(1,093)	(95,462)	(69,954)	(6,488)	(13,868)	(9,740)	(87,074)
Gain on disposition of rental properties and other investments .....	-	-	-	64,641	64,641	(100)	-	-	33,722	33,622
Provision for decline in real estate .....	-	-	-	-	-	(1,774)	(26)	-	-	(1,748)
Depreciation and amortization - Real Estate Groups <sup>(a)</sup> .....	(52,154)	(3,097)	(8,867)	(14)	(57,938)	(45,756)	(2,233)	(7,080)	(3,599)	(54,202)
Amortization of mortgage procurement costs - Real Estate Groups <sup>(c)</sup> .....	(2,598)	(161)	(452)	(11)	(2,900)	(2,451)	(84)	(338)	(214)	(2,919)
Straight-line rent adjustment <sup>(1) + (2)</sup> .....	4,198	-	-	-	4,198	4,985	-	-	(508)	4,477
Preference payment .....	(898)	-	-	-	(898)	-	-	-	-	-
Equity method depreciation and amortization expense (see above) .....	(9,319)	-	9,319	-	-	(7,418)	-	7,418	-	-
<b>Earnings before income taxes</b> .....	<b>60,011</b>	<b>5,056</b>	<b>-</b>	<b>65,120</b>	<b>120,075</b>	<b>37,702</b>	<b>22,547</b>	<b>-</b>	<b>28,584</b>	<b>43,739</b>
Income tax expense .....	(24,284)	-	-	(25,165)	(49,449)	(4,455)	-	-	(11,049)	(15,504)
<b>Earnings (loss) before minority interest and discontinued operations</b> .....	<b>35,727</b>	<b>5,056</b>	<b>-</b>	<b>39,955</b>	<b>70,626</b>	<b>33,247</b>	<b>22,547</b>	<b>-</b>	<b>17,535</b>	<b>28,235</b>
Minority Interest .....	(5,056)	(5,056)	-	-	-	(22,547)	(22,547)	-	-	-
<b>Earnings (loss) from continuing operations</b> .....	<b>30,671</b>	<b>-</b>	<b>-</b>	<b>39,955</b>	<b>70,626</b>	<b>10,700</b>	<b>-</b>	<b>-</b>	<b>17,535</b>	<b>28,235</b>
Discontinued operations, net of tax and minority interest:										
Operating earnings (loss) from rental properties .....	292	-	-	(292)	-	(3,156)	-	-	3,156	-
Gain on disposition of rental properties .....	39,663	-	-	(39,663)	-	20,691	-	-	(20,691)	-
	39,955	-	-	(39,955)	-	17,535	-	-	(17,535)	-
<b>Net earnings</b> .....	<b>\$ 70,626</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,626</b>	<b>\$ 28,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,235</b>
(a) Depreciation and amortization - Real Estate Groups .....	\$ 52,154	\$ 3,097	\$ 8,867	\$ 14	\$ 57,938	\$ 45,756	\$ 2,233	\$ 7,080	\$ 3,599	\$ 54,202
(b) Depreciation and amortization - Non-Real Estate Groups .....	639	-	(99)	-	540	368	-	3,228	-	3,596
Total depreciation and amortization .....	\$ 52,793	\$ 3,097	\$ 8,768	\$ 14	\$ 58,478	\$ 46,124	\$ 2,233	\$ 10,308	\$ 3,599	\$ 57,798
(c) Amortization of mortgage procurement costs - Real Estate Groups .....	\$ 2,598	\$ 161	\$ 452	\$ 11	\$ 2,900	\$ 2,451	\$ 84	\$ 338	\$ 214	\$ 2,919
(d) Amortization of mortgage procurement costs - Non-Real Estate Groups .....	97	-	228	-	325	83	-	1,582	-	1,665
Total amortization of mortgage procurement costs .....	\$ 2,695	\$ 161	\$ 680	\$ 11	\$ 3,225	\$ 2,534	\$ 84	\$ 1,920	\$ 214	\$ 4,584

(e) Properties accounted for on the equity method do not meet the definition of a component of an entity under SFAS No. 144 and therefore are reported in continuing operations when sold. For the three months ended January 31, 2007, and the three months ended January 31, 2006, no equity method properties were sold.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Reconciliation of Net Operating Income (non-GAAP) to Net Earnings (GAAP) (in thousands):**

	Year Ended January 31, 2007					Year Ended January 31, 2006				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 1,168,835	\$ 98,001	\$ 355,457	\$ 58,198	\$ 1,484,489	\$ 1,128,472	\$ 129,043	\$ 318,282	\$ 115,392	\$ 1,433,103
Exclude straight-line rent adjustment <sup>(1)</sup> .....	(15,950)	-	-	(44)	(15,994)	(18,229)	-	-	(163)	(18,392)
<b>Adjusted revenues</b> .....	<b>1,152,885</b>	<b>98,001</b>	<b>355,457</b>	<b>58,154</b>	<b>1,468,495</b>	<b>1,110,243</b>	<b>129,043</b>	<b>318,282</b>	<b>115,229</b>	<b>1,414,711</b>
Operating expenses .....	709,343	46,132	234,796	37,497	935,504	644,765	55,114	194,900	78,436	862,987
Add back depreciation and amortization for non-Real Estate Groups <sup>(b)</sup> .....	1,571	-	7,174	-	8,745	1,104	-	13,086	-	14,190
Add back amortization of mortgage procurement costs for non-Real Estate Groups <sup>(d)</sup> .....	333	1	819	-	1,151	369	-	2,035	-	2,404
Exclude straight-line rent adjustment <sup>(2)</sup> .....	(6,299)	-	-	(938)	(7,237)	(5,394)	-	-	(2,338)	(7,732)
Exclude preference payment .....	(898)	-	-	-	(898)	-	-	-	-	-
<b>Adjusted operating expenses</b> .....	<b>704,050</b>	<b>46,133</b>	<b>242,789</b>	<b>36,559</b>	<b>937,265</b>	<b>640,844</b>	<b>55,114</b>	<b>210,021</b>	<b>76,098</b>	<b>871,849</b>
Add interest and other income .....	61,737	2,763	3,301	1,504	63,779	27,773	2,604	1,218	543	26,930
Add equity in earnings of unconsolidated entities .....	48,542	-	(31,278)	-	17,264	55,201	-	(49,060)	-	6,141
Remove gain on disposition of equity method rental properties .....	(7,662)	-	7,662	-	-	(21,023)	-	21,023	-	-
Add back provision for decline recorded on equity method .....	400	-	(400)	-	-	704	-	(704)	-	-
Add back equity method depreciation and amortization expense (see below) .....	36,091	-	(36,091)	-	-	28,149	-	(28,149)	-	-
<b>Net operating income</b> .....	<b>587,943</b>	<b>54,631</b>	<b>55,862</b>	<b>23,099</b>	<b>612,273</b>	<b>560,203</b>	<b>76,533</b>	<b>52,589</b>	<b>39,674</b>	<b>575,933</b>
Interest expense, including early extinguishment of debt .....	(295,978)	(24,557)	(55,862)	(10,053)	(337,336)	(264,834)	(28,667)	(52,589)	(30,062)	(318,818)
Gain on disposition of equity method rental properties <sup>(e)</sup> .....	7,662	-	-	-	7,662	21,023	-	-	-	21,023
Gain on disposition of rental properties and other investments .....	-	-	-	233,852	233,852	506	-	-	43,198	43,704
Provision for decline in real estate .....	(1,923)	-	-	-	(1,923)	(7,874)	(1,432)	-	-	(6,442)
Provision for decline in real estate of equity method rental properties .....	(400)	-	-	-	(400)	(704)	-	-	-	(704)
Depreciation and amortization - Real Estate Groups <sup>(a)</sup> .....	(179,558)	(13,811)	(34,779)	(6,219)	(206,745)	(163,293)	(15,341)	(26,905)	(17,858)	(192,715)
Amortization of mortgage procurement costs - Real Estate Groups <sup>(c)</sup> .....	(10,570)	(1,076)	(1,312)	(192)	(10,998)	(9,610)	(1,066)	(1,244)	(1,790)	(11,578)
Straight-line rent adjustment <sup>(1) + (2)</sup> .....	9,651	-	-	(894)	8,757	12,835	-	-	(2,175)	10,660
Preference payment .....	(898)	-	-	-	(898)	-	-	-	-	-
Equity method depreciation and amortization expense (see above) .....	(36,091)	-	36,091	-	-	(28,149)	-	28,149	-	-
<b>Earnings before income taxes</b> .....	<b>79,838</b>	<b>15,187</b>	<b>-</b>	<b>239,593</b>	<b>304,244</b>	<b>120,103</b>	<b>30,027</b>	<b>-</b>	<b>30,987</b>	<b>121,063</b>
Income tax expense .....	(34,412)	-	-	(92,581)	(126,993)	(25,564)	-	-	(11,980)	(37,544)
<b>Earnings before minority interest and discontinued operations</b> .....	<b>45,426</b>	<b>15,187</b>	<b>-</b>	<b>147,012</b>	<b>177,251</b>	<b>94,539</b>	<b>30,027</b>	<b>-</b>	<b>19,007</b>	<b>83,519</b>
Minority Interest .....	(15,187)	(15,187)	-	-	-	(30,027)	(30,027)	-	-	-
<b>Earnings from continuing operations</b> .....	<b>30,239</b>	<b>-</b>	<b>-</b>	<b>147,012</b>	<b>177,251</b>	<b>64,512</b>	<b>-</b>	<b>-</b>	<b>19,007</b>	<b>83,519</b>
Discontinued operations, net of tax and minority interest:										
Operating earnings (loss) from rental properties .....	3,520	-	-	(3,520)	-	(7,498)	-	-	7,498	-
Gain on disposition of rental properties .....	143,492	-	-	(143,492)	-	26,505	-	-	(26,505)	-
	147,012	-	-	(147,012)	-	19,007	-	-	(19,007)	-
<b>Net earnings</b> .....	<b>\$ 177,251</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 177,251</b>	<b>\$ 83,519</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 83,519</b>
(a) Depreciation and amortization - Real Estate Groups .....	\$ 179,558	\$ 13,811	\$ 34,779	\$ 6,219	\$ 206,745	\$ 163,293	\$ 15,341	\$ 26,905	\$ 17,858	\$ 192,715
(b) Depreciation and amortization - Non-Real Estate Groups .....	1,571	-	7,174	-	8,745	1,104	-	13,086	-	14,190
Total depreciation and amortization .....	\$ 181,129	\$ 13,811	\$ 41,953	\$ 6,219	\$ 215,490	\$ 164,397	\$ 15,341	\$ 39,991	\$ 17,858	\$ 206,905
(c) Amortization of mortgage procurement costs - Real Estate Groups .....	\$ 10,570	\$ 1,076	\$ 1,312	\$ 192	\$ 10,998	\$ 9,610	\$ 1,066	\$ 1,244	\$ 1,790	\$ 11,578
(d) Amortization of mortgage procurement costs - Non-Real Estate Groups .....	333	1	819	-	1,151	369	-	2,035	-	2,404
Total amortization of mortgage procurement costs .....	\$ 10,903	\$ 1,077	\$ 2,131	\$ 192	\$ 12,149	\$ 9,979	\$ 1,066	\$ 3,279	\$ 1,790	\$ 13,982

(e) Properties accounted for on the equity method do not meet the definition of a component of an entity under SFAS No. 144 and therefore are reported in continuing operations when sold. For the year ended January 31, 2007, one equity method property was sold *Midtown Plaza*, resulting in a pre-tax gain on disposition of \$7,662. For the year ended January 31, 2006, three equity method investments were sold including *Flower Park Plaza*, *Showcase* and *Colony Place*, resulting in a pre-tax gain on disposition of \$21,023.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Retail Lease Expirations as of January 31, 2007**

EXPIRATION YEAR	NUMBER OF EXPIRING LEASES	SQUARE FEET OF EXPIRING LEASES <sup>(3)</sup>	PERCENTAGE OF TOTAL LEASED GLA <sup>(1)</sup>	NET BASE RENT EXPIRING <sup>(2)</sup>	PERCENTAGE OF TOTAL BASE RENT	AVERAGE BASE RENT PER SQUARE FEET EXPIRING <sup>(3)</sup>
2007	187	550,515	4.83 %	\$ 9,839,783	4.03 %	\$ 22.81
2008	183	642,023	5.63	13,490,698	5.54	27.28
2009	256	815,898	7.16	15,635,289	6.42	25.28
2010	225	614,631	5.39	14,626,649	6.00	29.83
2011	340	1,275,549	11.19	32,099,720	13.17	29.22
2012	136	700,286	6.14	15,704,759	6.44	27.42
2013	142	605,902	5.32	17,261,556	7.08	30.31
2014	164	664,014	5.83	12,980,802	5.33	27.77
2015	178	752,914	6.61	18,903,884	7.76	29.53
2016	251	1,251,435	10.98	33,915,256	13.92	38.49
Thereafter	110	3,524,421	30.92	59,258,125	24.31	19.17
<b>Total</b>	<b>2,172</b>	<b>11,397,588</b>	<b>100.00 %</b>	<b>\$ 243,716,521</b>	<b>100.00 %</b>	<b>\$ 26.35</b>

(1) GLA = Gross Leasable Area.

(2) Net base rent expiring is an operating statistic and is not comparable to rental revenue, a GAAP financial measure. The primary differences arise because net base rent is determined using the tenant's contractual rental agreements at the Company's ownership share of the base rental income from expiring leases as determined within the rent agreement and it does not include adjustments such as the impact of contingent rental payments, which are not reasonably estimatable, and straight-line rent.

(3) Square feet of expiring leases and average base rent per square feet are operating statistics that represent 100% of the square footage and base rental income per square foot from expiring leases.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Office Lease Expirations as of January 31, 2007**

EXPIRATION YEAR	NUMBER OF EXPIRING LEASES	SQUARE FEET OF EXPIRING LEASES <sup>(3)</sup>	PERCENTAGE OF TOTAL LEASED GLA <sup>(1)</sup>	NET BASE RENT EXPIRING <sup>(2)</sup>	PERCENTAGE OF TOTAL BASE RENT	AVERAGE BASE RENT PER SQUARE FEET EXPIRING <sup>(3)</sup>
2007	72	528,288	5.93 %	\$ 8,755,715	4.20 %	\$ 22.38
2008	72	530,451	5.95	9,567,521	4.58	21.80
2009	53	447,779	5.03	9,198,728	4.41	25.25
2010	45	986,907	11.08	18,635,667	8.92	24.74
2011	28	495,749	5.56	9,978,116	4.78	28.37
2012	20	832,718	9.34	24,372,858	11.67	29.95
2013	22	732,407	8.22	16,997,146	8.14	24.84
2014	9	535,175	6.01	11,816,486	5.66	28.36
2015	5	189,840	2.13	2,381,720	1.14	19.73
2016	11	471,699	5.29	9,571,272	4.58	23.33
Thereafter	35	3,159,976	35.46	87,541,806	41.92	30.31
<b>Total</b>	<b>372</b>	<b>8,910,989</b>	<b>100.00 %</b>	<b>\$ 208,817,035</b>	<b>100.00 %</b>	<b>\$ 27.16</b>

(1) GLA = Gross Leasable Area.

(2) Net base rent expiring is an operating statistic and is not comparable to rental revenue, a GAAP financial measure. The primary differences arise because net base rent is determined using the tenant's contractual rental agreements at the Company's ownership share of the base rental income from expiring leases as determined within the rent agreement and it does not include adjustments such as the impact of contingent rental payments, which are not reasonably estimatable, and straight-line rent.

(3) Square feet of expiring leases and average base rent per square feet are operating statistics that represent 100% of the square footage and base rental income per square foot from expiring leases.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Schedule of Significant Retail Tenants as of January 31, 2007**

(Based on net base rent 1% or greater of the Company's ownership share)

<b>TENANT</b>	<b>NUMBER OF LEASES</b>	<b>LEASED SQUARE FEET</b>	<b>PERCENTAGE OF TOTAL RETAIL SQUARE FEET</b>
AMC Entertainment, Inc.....	5	462,863	4.06 %
Regal Entertainment Group .....	5	379,072	3.33
The Gap .....	23	295,345	2.59
The Home Depot.....	2	282,000	2.47
TJX Companies .....	8	272,554	2.39
The Limited .....	41	265,927	2.33
Dick's Sporting Goods .....	3	226,408	1.99
Abercrombie & Fitch Stores, Inc. ....	27	203,427	1.78
Circuit City Stores, Inc. ....	6	199,107	1.75
Footlocker, Inc. ....	39	143,467	1.26
Pathmark Stores, Inc. ....	2	123,500	1.08
Ahold USA (Stop & Shop) .....	2	115,861	1.02
Subtotal.....	163	2,969,531	26.05
All Others .....	2,009	8,428,057	73.95
<b>Total</b> .....	<b>2,172</b>	<b>11,397,588</b>	<b>100.00 %</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Schedule of Significant Office Tenants as of January 31, 2007**

(Based on net base rent 2% or greater of the Company's ownership share)

<b>TENANT</b>	<b>LEASED SQUARE FEET</b>	<b>PERCENTAGE OF TOTAL OFFICE SQUARE FEET</b>
City of New York .....	890,185	9.99 %
Millennium Pharmaceuticals, Inc. ....	718,576	8.06
U.S. Government .....	591,374	6.64
Morgan Stanley & Co. ....	444,685	4.99
Securities Industry Automation Corp. ....	431,036	4.84
Wellchoice, Inc. ....	392,514	4.40
Keyspan Energy.....	335,318	3.76
Forest City Enterprises, Inc. <sup>(1)</sup> .....	328,021	3.68
Bank of New York.....	323,043	3.63
Bear Stearns.....	292,142	3.28
Alkermes, Inc. ....	210,248	2.36
Partners Health Care System, Inc. ....	136,150	1.53
University of Pennsylvania.....	121,630	1.36
<b>Subtotal</b> .....	<b>5,214,922</b>	<b>58.52</b>
<b>All Others</b> .....	<b>3,696,067</b>	<b>41.48</b>
<b>Total</b> .....	<b>8,910,989</b>	<b>100.00 %</b>

(1) All intercompany rental income is eliminated in consolidation.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Development Pipeline**  
**January 31, 2007**  
**2006 Openings and Acquisitions (14)**

Property	Location	Dev.(D) Acq.(A)	Date Opened/ Acquired	FCE Legal Ownership%(i) (1)	Pro-Rata FCE % (i) (2)	Cost at Full Consolidation (GAAP)(a)	Total Cost at 100% (3)	Cost at FCE Pro-Rata Share (Non-GAAP)(b) (2)X(3)	Sq. Ft./ No. of Units	Gross Leasable Area
<b>Retail Centers:</b>										
Northfield at Stapleton	Denver, CO	D	Q4-05/Q1-06/ Q3-06	95.0%	97.9%	\$ 182.5	\$ 182.5	\$ 178.5	1,170,000	560,000 (g)
Metreon (c)	San Francisco, CA	A/D	Q1-06	50.0%	50.0%	0.0	40.0	20.0	290,000	290,000
San Francisco Centre (c)	San Francisco, CA	A/D	Q3-06	50.0%	50.0%	0.0	598.0	299.0	1,462,000	812,000 (h)
						<u>\$ 182.5</u>	<u>\$ 820.5</u>	<u>\$ 497.5</u>	<u>2,922,000</u>	<u>1,662,000</u>
<b>Office:</b>										
Resurrection Health Care	Skokie, IL	A	Q1-06	100.0%	100.0%	\$ 5.1	\$ 5.1	\$ 5.1	40,000	
Advent Solar (c)	Albuquerque, NM	D	Q3-06	47.5%	47.5%	0.0	10.7	5.1	88,000	
Bulletin Building (c)	San Francisco, CA	A/D	Q3-06	50.0%	50.0%	0.0	28.0	14.0	87,000	
Stapleton Medical Office Building	Denver, CO	D	Q3-06	90.0%	90.0%	10.3	10.3	9.3	45,000	
Illinois Science and Technology Park – Building A	Skokie, IL	A/D	Q4-06	100.0%	100.0%	31.1	31.1	31.1	225,000	
Illinois Science and Technology Park – Building P	Skokie, IL	A/D	Q4-06	100.0%	100.0%	23.3	23.3	23.3	127,000	
Edgeworth Building	Richmond, VA	D	Q4-06	100.0%	100.0%	35.2	35.2	35.2	142,000	
						<u>\$ 105.0</u>	<u>\$ 143.7</u>	<u>\$ 123.1</u>	<u>754,000</u>	
<b>Residential:</b>										
Sky55	Chicago, IL	D	Q1-06	100.0%	100.0%	\$ 109.5	\$ 109.5	\$ 109.5	411	
1251 S. Michigan	Chicago, IL	D	Q1-06	100.0%	100.0%	16.0	16.0	16.0	91	
Cutters Ridge at Tobacco Row	Richmond, VA	D	Q4-06	100.0%	100.0%	4.8	4.8	4.8	12	
						<u>\$ 130.3</u>	<u>\$ 130.3</u>	<u>\$ 130.3</u>	<u>514</u>	
<b>Units Sold at 1/31/07</b>										
<b>Condominiums:</b>										
1100 Wilshire (c)	Los Angeles, CA	D	Q4-06	40.0%	40.0%	\$ 0.0	\$ 132.0	\$ 52.8	228	139
<b>Total openings (d)</b>						<u>\$ 417.8</u>	<u>\$ 1,226.5</u>	<u>\$ 803.7</u>		
LESS: Above properties to be sold as condominiums						<u>\$ 0.0</u>	<u>\$ 132.0</u>	<u>\$ 52.8</u>		
Total Openings less Condominiums						<u>\$ 417.8</u>	<u>\$ 1,094.5</u>	<u>\$ 750.9</u>		

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<b>Residential Phased-In Units (c)(e)</b>									<b>Opened in '06 / Total</b>	
Arbor Glenn	Twinsburg, OH	D	2004-07	50.0%	50.0%	\$ 0.0	\$ 18.4	\$ 9.2	48 / 288	
Woodgate/Evergreen Farms	Olmsted Township, OH	D	2004-06	33.0%	33.0%	0.0	22.0	7.3	144 / 348	
Pine Ridge Expansion	Willoughby Hills, OH	D	2005-07	50.0%	50.0%	0.0	16.4	8.2	53 / 162	
Cobblestone Court	Painesville, OH	D	2006-08	50.0%	50.0%	0.0	24.6	12.3	112 / 304	
<b>Total (f)</b>						<u>\$ 0.0</u>	<u>\$ 81.4</u>	<u>\$ 37.0</u>	<u>357 / 1,102</u>	

See attached footnotes.



**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Development Pipeline**

**January 31, 2007**

**Under Construction or to be Acquired (18)**

Property	Location	Dev.(D) Acq.(A)	Anticipated Opening	FCE Legal Ownership%(i) (1)	Pro-Rata FCE % (i) (2)	Cost at Full Consolidation (GAAP)(a)	Total Cost at 100% (3)	Cost at FCE Pro-Rata Share (Non-GAAP)(b) (2)X(3)	Total Sq. Ft./ No. of Units	Gross Leasable Area	Pre- Leased %
<b>Retail Centers:</b>											
Promenade Bolingbrook	Bolingbrook, IL	D	Q1-07	100.0%	100.0%	\$ 135.0	\$ 135.0	\$ 135.0	736,000	409,000 (l)	72%
Rancho Cucamonga Leggio	Rancho Cucamonga, CA	D	Q2-07	80.0%	80.0%	41.2	41.2	33.0	180,000	180,000	100%
Orchard Town Center	Westminster, CO	D	2008	100.0%	100.0%	143.0	143.0	143.0	971,000	557,000 (m)	28%
Shops at Wiregrass (c)	Tampa, FL	D	Q3-08	50.0%	66.7%	0.0	123.7	82.5	530,000	380,000	50%
East River Plaza (c)	Manhattan, NY	D	Q3-08	35.0%	50.0%	0.0	347.0	173.5	514,000	514,000	64%
						<b>\$ 319.2</b>	<b>\$ 789.9</b>	<b>\$ 567.0</b>	<b>2,931,000</b>	<b>2,040,000</b>	
<b>Office:</b>											
New York Times	Manhattan, NY	D	Q3-07	70.0%	79.5%	\$ 517.5	\$ 517.5	\$ 411.4	736,000 (n)		80%
Illinois Science and Technology Park– Building Q	Skokie, IL	A/D	Q3-07	100.0%	100.0%	46.4	46.4	46.4	160,000		16%
Johns Hopkins – 855 North Wolfe Street	East Baltimore, MD	D	Q1-08	76.6%	76.6%	102.2	102.2	78.3	278,000		36%
						<b>\$ 666.1</b>	<b>\$ 666.1</b>	<b>\$ 536.1</b>	<b>1,174,000</b>		
<b>Residential:</b>											
Sterling Glen of Roslyn (o)	Roslyn, NY	D	Q2-07	40.0%	100.0%	\$ 79.7	\$ 79.7	\$ 79.7	158		
Stapleton Town Center – Botanica Phase II	Denver, CO	D	Q3-07	90.0%	90.0%	26.3	26.3	23.7	154		
Uptown Apartments (c)	Oakland, CA	D	Q2-08	50.0%	50.0%	0.0	200.3	100.2	665		
Ohana Military Communities, Hawaii Increment I (c) (e)	Honolulu, HI	D	2005-2008	10.0%	10.0%	0.0	316.5	31.7	1,952		
Dallas Mercantile	Dallas, TX	D	Q1-08/Q3-08	100.0%	100.0%	132.6	132.6	132.6	366 (p)		
Lucky Strike	Richmond, VA	D	Q1-08	100.0%	100.0%	37.8	37.8	37.8	131		
Military Housing – Navy Midwest (c)	Chicago, IL	D	Q1-09	25.0%	25.0%	0.0	264.9	66.2	1,658		
Military Housing – Marines, Hawaii Increment II (c)	Honolulu, HI	D	2007-2010	10.0%	10.0%	0.0	294.7	29.5	1,175		
Military Housing – Navy, Hawaii Increment III (c)	Honolulu, HI	D	2007-2010	10.0%	10.0%	0.0	547.8	54.8	2,519		
						<b>\$ 276.4</b>	<b>\$ 1,900.6</b>	<b>\$ 556.2</b>	<b>8,778</b>		
										<b>Units Sold at</b>	
										<b>1/31/07</b>	
<b>Condominiums:</b>											
Mercury (c)	Los Angeles, CA	D	Q3-07	50.0%	50.0%	\$ 0.0	\$ 150.6	\$ 75.3	238	62	
<b>Total Under Construction (j)</b>						<b>\$ 1,261.7</b>	<b>\$ 3,507.2</b>	<b>\$ 1,734.6</b>			
<b>LESS: Above properties to be sold as condominiums</b>						<b>0.0</b>	<b>150.6</b>	<b>75.3</b>			
<b>Under Construction less Condominiums</b>						<b>\$ 1,261.7</b>	<b>\$ 3,356.6</b>	<b>\$ 1,659.3</b>			
<b>Residential Phased-In Units Under Construction:(c) (e)</b>											
Arbor Glen	Twinsburg, OH	D	2004-07	50.0%	50.0%	\$ 0.0	\$ 18.4	\$ 9.2	<u>Under Const./Total</u>		
Pine Ridge Expansion	Willoughby Hills, OH	D	2005-07	50.0%	50.0%	0.0	16.4	8.2	48 / 288		
Cobblestone Court	Painesville, OH	D	2006-08	50.0%	50.0%	0.0	24.6	12.3	40 / 162		
Sutton Landing	Brimfield, OH	D	2007-08	50.0%	50.0%	0.0	15.9	8.0	192 / 304		
Stratford Crossing	Wadsworth, OH	D	2007-09	50.0%	50.0%	0.0	24.1	12.1	132 / 216		
									108 / 348		
<b>Total (k)</b>						<b>\$ 0.0</b>	<b>\$ 99.4</b>	<b>\$ 49.8</b>	<b>520 / 1,318</b>		

See attached footnotes.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Operating Information**

**Development Pipeline**

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**January 31, 2007 Footnotes**

- (a) Amounts are presented on the full consolidation method of accounting, a GAAP measure. Under full consolidation, costs are reported as consolidated at 100 percent if we are deemed to have control or to be the primary beneficiary of our investments in the variable interest entity (“VIE”).
- (b) Cost at pro-rata share represents Forest City's share of cost, based on the Company's pro-rata ownership of each property (a non-GAAP measure). Under the pro-rata consolidation method of accounting the Company determines its pro-rata share by multiplying its pro-rata ownership by the total cost of the applicable property.
- (c) Reported under the equity method of accounting. This method represents a GAAP measure for investments in which the Company is not deemed to have control or to be the primary beneficiary of our investments in a VIE.
- (d) The difference between the full consolidation amount (GAAP) of \$417.8 million of cost to the Company's pro-rata share (a non-GAAP measure) of \$803.7 million of cost consists of a reduction to full consolidation for minority interest of \$5.0 million of cost and the addition of its share of cost for unconsolidated investments of \$390.9 million.
- (e) Phased-in openings. Costs are representative of the total project.
- (f) The difference between the full consolidation cost amount (GAAP) of \$-0- million to the Company's pro-rata share (a non-GAAP measure) of \$37.0 million of cost consists of the Company's share of cost for unconsolidated investments of \$37.0 million.
- (g) Includes all phases of Northfield at Stapleton including Phase I which opened in Q4-05. Also, includes 34,000 square feet of office space.
- (h) Includes San Francisco Centre and Emporium which were previously reported separately. Includes 235,000 square feet of office space.
- (i) As is customary within the real estate industry, the Company invests in certain real estate projects through joint ventures. For some of these projects, the Company provides funding at percentages that differ from the Company's legal ownership. The Company consolidates its investments in these projects in accordance with FIN No. 46 (R) at a consolidation percentage that is reflected in the Pro-Rata FCE % column.
- (j) The difference between the full consolidation cost amount (GAAP) of \$1,261.7 million to the Company's pro-rata share (a non-GAAP measure) of \$1,734.6 million of cost consists of a reduction to full consolidation for minority interest of \$140.8 million of cost and the addition of its share of cost for unconsolidated investments of \$613.7 million.
- (k) The difference between the full consolidation cost amount (GAAP) of \$-0- million to the Company's pro-rata share (a non-GAAP measure) of \$49.8 million of cost consists of Forest City's share of cost for unconsolidated investments of \$49.8 million.
- (l) Includes 39,000 square feet of office space.
- (m) Includes 177,000 square feet for Target and 97,000 square feet for JC Penney that opened in Q3-06 as well as 16,000 square feet of office.
- (n) Includes 23,000 square feet of retail space.
- (o) Supported-living property.
- (p) Project includes 18,000 square feet of retail space.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Mortgage Financings**

Our primary capital strategy seeks to isolate the financial risk at the property level to maximize returns and reduce risk on and of our equity capital. Our mortgage debt is nonrecourse, including our construction loans. We operate as a C-corporation and retain substantially all of our internally generated cash flows. We recycle this cash flow, together with refinancing and property sale proceeds to fund new development and acquisitions that drive favorable returns for our shareholders. This strategy provides us with the necessary liquidity to take advantage of investment opportunities.

We use taxable and tax-exempt nonrecourse debt for our real estate projects. For those operating projects financed with taxable debt, we generally seek long-term, fixed-rate financing for those real estate project loans which mature within the next 12 months, as well as those real estate projects which are projected to open and achieve stabilized operations during that same time frame. For real estate projects financed with tax-exempt debt, we generally utilize variable-rate debt. For construction loans, we generally pursue variable-rate financings with maturities ranging from two to five years.

We are actively working to extend the maturities and/or refinance the nonrecourse debt that is coming due in 2007 and 2008. During the year ended January 31, 2007, we completed the following financings:

<b>Purpose of Financing</b>	<b>Full Consolidation</b>	<b>Less Minority Interest</b>	<b>Plus Unconsolidated Investments at Pro-Rata</b>	<b>Pro-Rata Consolidation</b>
	<i>(in thousands)</i>			
Refinancings .....	\$ 658,033	\$ 14,000	\$ 288,916	\$ 932,949
Development projects - commitment.....	319,290	46,739	233,325	505,876
Loan extensions/additional fundings .....	318,616	5,564	93,210	406,262
	<u>\$ 1,295,939</u>	<u>\$ 66,303</u>	<u>\$ 615,451</u>	<u>\$ 1,845,087</u>

**Scheduled Maturities Table: Nonrecourse Mortgage Debt** (dollars in thousands)  
**As of January 31, 2007**

	Fiscal Year Ending January 31, 2008				Fiscal Year Ending January 31, 2009			
	Full Consolidation	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation	Full Consolidation	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation
<b>Fixed:</b>								
Fixed-rate debt .....	\$ 161,725	\$ 18,775	\$ 63,237	\$ 206,187	\$ 104,983	\$ 5,039	\$ 86,564	\$ 186,508
Weighted average rate.....	6.78 %	6.78 %	7.53 %	7.01 %	6.65 %	6.81 %	6.77 %	6.70 %
<b>Variable:</b>								
Variable-rate debt.....	448,545	55,033	105,713	499,225	302,878	676	27,459	329,661
Weighted average rate.....	7.39 %	8.68 %	7.79 %	7.33 %	6.68 %	7.17 %	6.98 %	6.70 %
Tax-Exempt.....	191,609	2,900	33,599	222,308	61,565	-	103	61,668
Weighted average rate.....	4.70 %	4.38 %	5.03 %	4.75 %	4.50 %	-	4.14 %	4.50 %
Total variable-rate debt.....	640,154	57,933	139,312	721,533	364,443	676	27,562	391,329
<b>Total Nonrecourse Mortgage Debt.....</b>	<b>\$ 801,879</b>	<b>\$ 76,708</b>	<b>\$ 202,549</b>	<b>\$ 927,720</b>	<b>\$ 469,426</b>	<b>\$ 5,715</b>	<b>\$ 114,126</b>	<b>\$ 577,837</b>
<b>Weighted Average Rate.....</b>	<b>6.62 %</b>	<b>8.06 %</b>	<b>7.25 %</b>	<b>6.64 %</b>	<b>6.39 %</b>	<b>6.85 %</b>	<b>6.82 %</b>	<b>6.47 %</b>

	Fiscal Year Ending January 31, 2010				Fiscal Year Ending January 31, 2011			
	Full Consolidation	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation	Full Consolidation	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation
<b>Fixed:</b>								
Fixed-rate debt .....	\$ 371,240	\$ 29,568	\$ 43,112	\$ 384,784	\$ 207,294	\$ 16,464	\$ 19,932	\$ 210,762
Weighted average rate.....	7.09 %	7.38 %	6.67 %	7.02 %	7.03 %	2.62 %	7.27 %	7.39 %
<b>Variable:</b>								
Variable-rate debt.....	8,184	-	19,510	27,694	48,258	-	11,121	59,379
Weighted average rate.....	6.01 %	-	7.47 %	7.03 %	5.26 %	-	8.62 %	5.89 %
Tax-Exempt.....	206,335	6,000	120,113	320,448	31,530	-	6,118	37,648
Weighted average rate.....	4.23 %	4.18 %	4.11 %	4.19 %	4.47 %	-	4.16 %	4.42 %
Total variable-rate debt.....	214,519	6,000	139,623	348,142	79,788	-	17,239	97,027
<b>Total Nonrecourse Mortgage Debt.....</b>	<b>\$ 585,759</b>	<b>\$ 35,568</b>	<b>\$ 182,735</b>	<b>\$ 732,926</b>	<b>\$ 287,082</b>	<b>\$ 16,464</b>	<b>\$ 37,171</b>	<b>\$ 307,789</b>
<b>Weighted Average Rate.....</b>	<b>6.07 %</b>	<b>6.84 %</b>	<b>5.07 %</b>	<b>5.78 %</b>	<b>6.45 %</b>	<b>2.62 %</b>	<b>7.16 %</b>	<b>6.74 %</b>

**Scheduled Maturities Table: Nonrecourse Mortgage Debt** (dollars in thousands) (continued)  
**As of January 31, 2007**

	Fiscal Year Ending January 31, 2012				Thereafter			
	Full Consolidation	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation	Full Consolidation	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation
<b>Fixed:</b>								
Fixed-rate debt .....	\$ 360,269	\$ 19,539	\$ 33,816	\$ 374,546	\$ 2,524,856	\$ 156,395	\$ 603,328	\$ 2,971,789
Weighted average rate.....	7.12 %	7.22 %	6.97 %	7.10 %	5.77 %	5.91 %	5.66 %	5.74 %
<b>Variable:</b>								
Variable-rate debt.....	3,123	-	3,795	6,918	59,143	-	86,691	145,834
Weighted average rate.....	5.29 %	-	7.14 %	6.31 %	5.01 %	-	6.48 %	5.89 %
Tax-Exempt.....	14,810	-	-	14,810	232,025	9,881	43,998	266,142
Weighted average rate.....	4.16 %	-	-	4.16 %	4.66 %	4.37 %	5.13 %	4.75 %
Total variable-rate debt.....	17,933	-	3,795	21,728	291,168	9,881	130,689	411,976
<b>Total Nonrecourse Mortgage Debt .....</b>	<b>\$ 378,202</b>	<b>\$ 19,539</b>	<b>\$ 37,611</b>	<b>\$ 396,274</b>	<b>\$ 2,816,024</b>	<b>\$ 166,276</b>	<b>\$ 734,017</b>	<b>\$ 3,383,765</b>
<b>Weighted Average Rate .....</b>	<b>6.99 %</b>	<b>7.22 %</b>	<b>6.98 %</b>	<b>6.98 %</b>	<b>5.67 %</b>	<b>5.82 %</b>	<b>5.72 %</b>	<b>5.67 %</b>

	Total			
	Full Consolidation	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation
<b>Fixed:</b>				
Fixed-rate debt .....	\$ 3,730,367	\$ 245,780	\$ 849,989	\$ 4,334,576
Weighted average rate.....	6.17 %	6.06 %	6.05 %	6.16 %
<b>Variable:</b>				
Variable-rate debt.....	870,131	55,709	254,289	1,068,711
Weighted average rate.....	6.84 %	8.67 %	7.26 %	6.85 %
Tax-Exempt.....	737,874	18,781	203,931	923,024
Weighted average rate.....	4.52 %	4.31 %	4.36 %	4.49 %
Total variable-rate debt.....	1,608,005	74,490	458,220	1,991,735
<b>Total Nonrecourse Mortgage Debt .....</b>	<b>\$ 5,338,372</b>	<b>\$ 320,270</b>	<b>\$ 1,308,209</b>	<b>\$ 6,326,311</b>
<b>Weighted Average Rate .....</b>	<b>6.05 %</b>	<b>6.41 %</b>	<b>6.02 %</b>	<b>6.03 %</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

As discussed on page 2, we present certain financial amounts under the pro-rata consolidation method (a non-GAAP measure). This information is useful to our investors because we believe that it more accurately reflects the manner in which we operate our business. This is because, in line with industry practice, we have a large number of investments in which our economic ownership is less than 100% as a means of procuring opportunities and sharing risk. The tables below present amounts for both full consolidation, a GAAP measure, and pro-rata consolidation, providing a reconciliation of the difference between the two methods. Under the pro-rata consolidation method, we present our partnership investments proportionate to our share of ownership for each line item of our consolidated financial statements. Under full consolidation, partnership assets and liabilities are reported as consolidated at 100% if deemed to be under our control or if we are deemed to be the primary beneficiary for our investments in a VIE. Partnership assets and liabilities are reported on the equity or cost method of accounting if we do not have control, or, in the case of investments in VIEs, the Company is not deemed the primary beneficiary.

**Consolidated Balance Sheet Information – January 31, 2007 (unaudited)**

	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation (Non-GAAP)
<i>(in thousands)</i>				
<b>Assets</b>				
<b>Real Estate</b>				
Completed rental properties.....	\$ 6,659,054	\$ 346,323	\$ 1,207,591	\$ 7,520,322
Projects under development.....	1,396,083	126,660	298,665	1,568,088
Land held for development or sale .....	174,136	6,032	78,578	246,682
Total Real Estate .....	8,229,273	479,015	1,584,834	9,335,092
Less accumulated depreciation .....	(1,085,978)	(70,863)	(286,054)	(1,301,169)
Real Estate, net .....	7,143,295	408,152	1,298,780	8,033,923
Cash and equivalents .....	254,213	24,545	32,997	262,665
Restricted cash .....	292,461	25,028	168,062	435,495
Notes and accounts receivable, net.....	287,615	26,619	9,458	270,454
Investments in and advances to affiliates .....	333,782	-	(95,710)	238,072
Other assets .....	670,238	29,260	95,834	736,812
<b>Total Assets .....</b>	<b>\$ 8,981,604</b>	<b>\$ 513,604</b>	<b>\$ 1,509,421</b>	<b>\$ 9,977,421</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Liabilities</b>				
Mortgage debt, nonrecourse .....	\$ 5,338,372	\$ 320,270	\$ 1,308,209	\$ 6,326,311
Notes payable .....	96,127	1,167	88,244	183,204
Bank revolving credit facility .....	-	-	-	-
Senior and subordinated debt .....	886,900	-	-	886,900
Accounts payable and accrued expenses .....	772,964	15,711	112,968	870,221
Deferred income taxes.....	486,329	-	-	486,329
<b>Total Liabilities .....</b>	<b>7,580,692</b>	<b>337,148</b>	<b>1,509,421</b>	<b>8,752,965</b>
Minority Interest.....	375,101	176,456	-	198,645
<b>Total Shareholders' Equity .....</b>	<b>1,025,811</b>	<b>-</b>	<b>-</b>	<b>1,025,811</b>
<b>Total Liabilities and Shareholders' Equity .....</b>	<b>\$ 8,981,604</b>	<b>\$ 513,604</b>	<b>\$ 1,509,421</b>	<b>\$ 9,977,421</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Consolidated Balance Sheet Information – January 31, 2006 (unaudited)**

	<b>Full Consolidation (GAAP)</b>	<b>Less Minority Interest</b>	<b>Plus Unconsolidated Investments at Pro-Rata</b>	<b>Pro-Rata Consolidation (Non-GAAP)</b>
<i>(in thousands)</i>				
<b>Assets</b>				
<b>Real Estate</b>				
Completed rental properties.....	\$ 6,162,995	\$ 765,827	\$ 931,183	\$ 6,328,351
Projects under development.....	886,256	84,241	394,648	1,196,663
Land held for development or sale .....	105,875	3,420	97,566	200,021
<b>Total Real Estate .....</b>	<b>7,155,126</b>	<b>853,488</b>	<b>1,423,397</b>	<b>7,725,035</b>
Less accumulated depreciation .....	(986,594)	(147,375)	(269,412)	(1,108,631)
<b>Real Estate, net .....</b>	<b>6,168,532</b>	<b>706,113</b>	<b>1,153,985</b>	<b>6,616,404</b>
Cash and equivalents .....	254,734	33,026	13,522	235,230
Restricted cash .....	430,264	31,942	51,241	449,563
Notes and accounts receivable, net.....	265,264	30,562	(2,045)	232,657
Investments in and advances to affiliates .....	361,942	-	(155,245)	206,697
Other assets .....	509,605	37,042	93,873	566,436
<b>Total Assets .....</b>	<b>\$ 7,990,341</b>	<b>\$ 838,685</b>	<b>\$ 1,155,331</b>	<b>\$ 8,306,987</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Liabilities</b>				
Mortgage debt, nonrecourse .....	\$ 5,159,432	\$ 625,600	\$ 966,107	\$ 5,499,939
Notes payable .....	73,823	19,214	91,710	146,319
Bank revolving credit facility .....	82,500	-	-	82,500
Senior and subordinated debt .....	599,400	-	-	599,400
Accounts payable and accrued expenses .....	690,300	91,155	97,514	696,659
Deferred income taxes .....	387,788	-	-	387,788
<b>Total Liabilities .....</b>	<b>6,993,243</b>	<b>735,969</b>	<b>1,155,331</b>	<b>7,412,605</b>
Minority Interest.....	102,716	102,716	-	-
<b>Total Shareholders' Equity .....</b>	<b>894,382</b>	<b>-</b>	<b>-</b>	<b>894,382</b>
<b>Total Liabilities and Shareholders' Equity .....</b>	<b>\$ 7,990,341</b>	<b>\$ 838,685</b>	<b>\$ 1,155,331</b>	<b>\$ 8,306,987</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Consolidated Earnings Information – Three Months Ended January 31, 2007 (unaudited)**

	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
	<i>(in thousands)</i>				
<b>Revenues from real estate operations</b> .....	\$ 360,379	\$ 20,389	\$ 145,274	\$ 2,119	\$ 487,383
<b>Expenses</b>					
Operating expenses .....	225,465	7,515	94,094	1,400	313,444
Depreciation and amortization .....	52,793	3,097	8,768	14	58,478
Provision for decline in real estate .....	-	-	-	-	-
	<u>278,258</u>	<u>10,612</u>	<u>102,862</u>	<u>1,414</u>	<u>371,922</u>
Interest expense, including early extinguishment of debt .....	(83,909)	(4,650)	(15,110)	(1,093)	(95,462)
Amortization of mortgage procurement costs .....	(2,695)	(161)	(680)	(11)	(3,225)
Interest and other income .....	31,763	90	2,501	878	35,052
Equity in earnings of unconsolidated entities .....	32,731	-	(29,123)	-	3,608
Gain on disposition of rental properties and Lumber Group .....	-	-	-	64,641	64,641
<b>Earnings before income taxes</b> .....	<u>60,011</u>	<u>5,056</u>	<u>-</u>	<u>65,120</u>	<u>120,075</u>
<b>Income tax expense (benefit)</b>					
Current .....	1,119	-	-	(3,320)	(2,201)
Deferred .....	23,165	-	-	28,485	51,650
	<u>24,284</u>	<u>-</u>	<u>-</u>	<u>25,165</u>	<u>49,449</u>
Earnings before minority interest and discontinued operations .....	35,727	5,056	-	39,955	70,626
Minority interest .....	(5,056)	(5,056)	-	-	-
<b>Earnings from continuing operations</b> .....	<u>30,671</u>	<u>-</u>	<u>-</u>	<u>39,955</u>	<u>70,626</u>
Discontinued operations, net of tax and minority interest:					
Operating earnings from rental properties .....	292	-	-	(292)	-
Gain on disposition of rental properties .....	39,197	-	-	(39,197)	-
Gain on disposition of Lumber Group .....	466	-	-	(466)	-
	<u>39,955</u>	<u>-</u>	<u>-</u>	<u>(39,955)</u>	<u>-</u>
<b>Net earnings</b> .....	<u>\$ 70,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,626</u>



**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Consolidated Earnings Information – Year Ended January 31, 2007 (unaudited)**

	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
	<i>(in thousands)</i>				
<b>Revenues from real estate operations</b> .....	<b>\$ 1,168,835</b>	<b>\$ 98,001</b>	<b>\$ 355,457</b>	<b>\$ 58,198</b>	<b>\$ 1,484,489</b>
<b>Expenses</b>					
Operating expenses .....	709,343	46,132	234,796	37,497	935,504
Depreciation and amortization .....	181,129	13,811	41,953	6,219	215,490
Provision for decline in real estate .....	1,923	-	400	-	2,323
	<b>892,395</b>	<b>59,943</b>	<b>277,149</b>	<b>43,716</b>	<b>1,153,317</b>
Interest expense, including early extinguishment of debt .....	(295,978)	(24,557)	(55,862)	(10,053)	(337,336)
Amortization of mortgage procurement costs .....	(10,903)	(1,077)	(2,131)	(192)	(12,149)
Interest and other income .....	61,737	2,763	3,301	1,504	63,779
Equity in earnings of unconsolidated entities (Note 1) .....	48,542	-	(31,278)	-	17,264
Gain on disposition of rental properties and Lumber Group .....	-	-	7,662	233,852	241,514
<b>Earnings before income taxes</b> .....	<b>79,838</b>	<b>15,187</b>	<b>-</b>	<b>239,593</b>	<b>304,244</b>
<b>Income tax expense (benefit)</b>					
Current .....	(13,428)	-	-	15,371	1,943
Deferred .....	47,840	-	-	77,210	125,050
	<b>34,412</b>	<b>-</b>	<b>-</b>	<b>92,581</b>	<b>126,993</b>
Earnings before minority interest and discontinued operations .....	45,426	15,187	-	147,012	177,251
Minority interest .....	(15,187)	(15,187)	-	-	-
<b>Earnings from continuing operations</b> (Note 1) .....	<b>30,239</b>	<b>-</b>	<b>-</b>	<b>147,012</b>	<b>177,251</b>
Discontinued operations, net of tax and minority interest:					
Operating earnings from rental properties .....	3,520	-	-	(3,520)	-
Gain on disposition of rental properties .....	143,026	-	-	(143,026)	-
Gain on disposition of Lumber Group .....	466	-	-	(466)	-
	<b>147,012</b>	<b>-</b>	<b>-</b>	<b>(147,012)</b>	<b>-</b>
<b>Net earnings</b> .....	<b>\$ 177,251</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 177,251</b>

Note 1) Properties accounted for on the equity method do not meet the definition of a component of an entity under SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," and therefore are reported in continuing operations when sold. For the year ended January 31, 2007, one equity method investment was sold, *Midtown Plaza*. A pre-tax gain of \$7,662 (\$4,700 net of tax) has been reported in equity in earnings of unconsolidated entities in the Consolidated Statements of Earnings, and therefore is included in earnings from continuing operations.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Consolidated Earnings Information – Three Months Ended January 31, 2006 (unaudited)**

	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
	<i>(in thousands)</i>				
<b>Revenues from real estate operations</b> .....	\$ 312,970	\$ 44,017	\$ 86,592	\$ 25,372	\$ 380,917
<b>Expenses</b>					
Operating expenses .....	173,246	13,598	52,252	17,130	229,030
Depreciation and amortization .....	46,124	2,233	10,308	3,599	57,798
Provision for decline in real estate .....	1,774	26	-	-	1,748
	<u>221,144</u>	<u>15,857</u>	<u>62,560</u>	<u>20,729</u>	<u>288,576</u>
Interest expense, including early extinguishment of debt .....	(69,954)	(6,488)	(13,868)	(9,740)	(87,074)
Amortization of mortgage procurement costs .....	(2,534)	(84)	(1,920)	(214)	(4,584)
Interest and other income .....	9,292	959	713	173	9,219
Equity in earnings of unconsolidated entities .....	9,172	-	(8,957)	-	215
Gain (loss) on disposition of rental properties and other investments .....	(100)	-	-	33,722	33,622
	<u>37,702</u>	<u>22,547</u>	<u>-</u>	<u>28,584</u>	<u>43,739</u>
<b>Earnings before income taxes</b> .....					
<b>Income tax expense (benefit)</b>					
Current .....	(3,057)	-	-	(2,474)	(5,531)
Deferred .....	7,512	-	-	13,523	21,035
	<u>4,455</u>	<u>-</u>	<u>-</u>	<u>11,049</u>	<u>15,504</u>
Earnings before minority interest and discontinued operations .....	33,247	22,547	-	17,535	28,235
Minority interest .....	(22,547)	(22,547)	-	-	-
<b>Earnings from continuing operations</b> .....	10,700	-	-	17,535	28,235
Discontinued operations, net of tax and minority interest:					
Operating (loss) from rental properties .....	(3,156)	-	-	3,156	-
Gain on disposition of rental properties .....	20,691	-	-	(20,691)	-
	<u>17,535</u>	<u>-</u>	<u>-</u>	<u>(17,535)</u>	<u>-</u>
<b>Net earnings</b> .....	\$ 28,235	\$ -	\$ -	\$ -	\$ 28,235

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Consolidated Earnings Information – Year Ended January 31, 2006 (unaudited)**

	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
	<i>(in thousands)</i>				
<b>Revenues from real estate operations</b> .....	\$ 1,128,472	\$ 129,043	\$ 318,282	\$ 115,392	\$ 1,433,103
<b>Expenses</b>					
Operating expenses .....	644,765	55,114	194,900	78,436	862,987
Depreciation and amortization .....	164,397	15,341	39,991	17,858	206,905
Provision for decline in real estate .....	7,874	1,432	704	-	7,146
	817,036	71,887	235,595	96,294	1,077,038
Interest expense, including early extinguishment of debt .....	(264,834)	(28,667)	(52,589)	(30,062)	(318,818)
Amortization of mortgage procurement costs .....	(9,979)	(1,066)	(3,279)	(1,790)	(13,982)
Interest and other income .....	27,773	2,604	1,218	543	26,930
Equity in earnings of unconsolidated entities (Note 1) .....	55,201	-	(49,060)	-	6,141
Gain on disposition of rental properties and other investments .....	506	-	21,023	43,198	64,727
<b>Earnings before income taxes</b> .....	120,103	30,027	-	30,987	121,063
<b>Income tax expense (benefit)</b>					
Current .....	4,000	-	-	(6,960)	(2,960)
Deferred .....	21,564	-	-	18,940	40,504
	25,564	-	-	11,980	37,544
Earnings before minority interest and discontinued operations .....	94,539	30,027	-	19,007	83,519
Minority interest .....	(30,027)	(30,027)	-	-	-
<b>Earnings from continuing operations</b> (Note 1) .....	64,512	-	-	19,007	83,519
Discontinued operations, net of tax and minority interest:					
Operating (loss) from rental properties .....	(7,498)	-	-	7,498	-
Gain on disposition of rental properties .....	26,505	-	-	(26,505)	-
	19,007	-	-	(19,007)	-
<b>Net earnings</b> .....	\$ 83,519	\$ -	\$ -	\$ -	\$ 83,519

Note 1) Properties accounted for on the equity method do not meet the definition of a component of an entity under SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," and therefore are reported in continuing operations when sold. For the year ended January 31, 2006, three equity method investments were sold, *Showcase*, *Colony Place* and *Flower Park Plaza*. A pre-tax gain of \$21,023 (\$12,900 net of tax) has been reported in equity in earnings of unconsolidated entities in the Consolidated Statements of Earnings, and therefore is included in earnings from continuing operations.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

The following schedules present information on investments in and advances to affiliates.

**Investments in and Advances to Affiliates**

Included in Investments in and Advances to Affiliates in the Consolidated Balance Sheet Information tables are unconsolidated investments in entities which we do not control and/or are not the primary beneficiary, and which are accounted for under the equity method of accounting, as well as advances to partners and other affiliates.

Following is a reconciliation of members' and partners' equity to our carrying value in the accompanying Consolidated Balance Sheet Information:

	<b>January 31,</b>	
	<b>2007</b>	<b>2006</b>
	<i>(in thousands)</i>	
Members' and partners' equity as below .....	\$ <b>592,681</b>	\$ 564,280
Equity of other members and partners .....	<b>496,971</b>	409,035
Company's investment in partnerships .....	<b>95,710</b>	155,245
Advances to and on behalf of other affiliates <sup>(1)</sup> .....	<b>238,072</b>	206,697
<b>Total investments in and advances to affiliates .....</b>	<b>\$ 333,782</b>	\$ 361,942

- (1) As is customary within the real estate industry, the Company invests in certain projects through joint ventures. The Company provides funding for certain of its partners' equity contributions. Historically, the most significant partnership for which the Company provides funding relates to Forest City Ratner Companies ("FCRC"), representing the Commercial Group's New York City operations and one unconsolidated project reported in the Residential Group. The Company consolidates the majority of its investments in these Commercial Group projects. The Company's partner, Bruce C. Ratner, is the President and Chief Executive Officer of FCRC and is the cousin to five executive officers of the Company. The FCRC portfolio became a wholly-owned subsidiary of the Company upon the issuance of the Class A Common Units in exchange for Bruce C. Ratner's minority interests. At January 31, 2007 and 2006, amounts advanced for projects on behalf of this partner were \$0 and \$38,817, respectively, of the \$238,072 and \$206,697 presented above for "Advances to and on behalf of other affiliates." These advances entitled the Company to a preferred return on and of the outstanding balances, which are payable solely from cash flows of each respective property, as well as a deficit restoration obligation provided by the partner. These advances were repaid upon the issuance of the Class A Common Units on November 8, 2006.

Summarized financial information for the equity method investments is as follows:

<b>Year Ended January 31,</b>	<b>Combined (100%) (GAAP)</b>		<b>Pro-Rata Share (Non-GAAP)</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<i>(in thousands)</i>		<i>(in thousands)</i>	
<b>Balance sheet:</b>				
Completed rental properties .....	\$ <b>2,697,454</b>	\$ 1,946,922	\$ <b>1,207,591</b>	\$ 931,183
Projects under development .....	<b>777,419</b>	854,316	<b>298,665</b>	394,648
Land held for development or sale .....	<b>160,296</b>	181,315	<b>78,578</b>	97,566
Accumulated depreciation .....	<b>(554,910)</b>	(529,501)	<b>(286,054)</b>	(269,412)
Restricted cash <sup>(2)</sup> .....	<b>1,432,636</b>	317,850	<b>168,062</b>	51,241
Other assets .....	<b>526,142</b>	469,676	<b>138,289</b>	105,350
Total assets .....	<b>\$ 5,039,037</b>	\$ 3,240,578	<b>\$ 1,605,131</b>	\$ 1,310,576
Mortgage debt, nonrecourse <sup>(2)</sup> .....	<b>\$ 3,834,085</b>	\$ 2,145,146	<b>\$ 1,308,209</b>	\$ 966,107
Other liabilities .....	<b>612,271</b>	531,152	<b>201,212</b>	189,224
Members' and partners' equity .....	<b>592,681</b>	564,280	<b>95,710</b>	155,245
Total liabilities and members'/partners' equity .....	<b>\$ 5,039,037</b>	\$ 3,240,578	<b>\$ 1,605,131</b>	\$ 1,310,576

- (2) The increase in restricted cash and nonrecourse debt is primarily related to bond proceeds held in escrow related to Phase 2 and Phase 3 of development at Ohana Military Communities.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Investments in and Advances to Affiliates (continued)**

<b>Year Ended January 31,</b>	<b>Combined (100%) (GAAP)</b>		<b>Pro-Rata Share (Non-GAAP)</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<i>(in thousands)</i>			
<b>Operations:</b>				
Revenues.....	\$ 797,745	\$ 686,455	\$ 354,935	\$ 314,702
Equity in earnings of unconsolidated entities on a pro-rata basis .....	-	-	17,264	6,141
Operating expenses .....	(547,825)	(425,308)	(234,685)	(193,376)
Interest expense including early extinguishment of debt .....	(145,755)	(119,470)	(55,566)	(51,002)
Provision for decline in real estate .....	(900)	-	(300)	-
Depreciation and amortization .....	(110,587)	(112,312)	(43,996)	(42,813)
Interest income.....	23,879	9,472	3,277	1,064
Earnings from continuing operations .....	<b>16,557</b>	<b>38,837</b>	<b>40,929</b>	<b>34,716</b>
<b>Discontinued operations:</b>				
Gain on disposition of rental properties <sup>(3)</sup> .....	15,325	85,802	7,662	21,023
Operating earnings (loss) from rental properties.....	4	(206)	(49)	(538)
	<b>15,329</b>	<b>85,596</b>	<b>7,613</b>	<b>20,485</b>
Net Earnings (pre-tax).....	<b>\$ 31,886</b>	<b>\$ 124,433</b>	<b>\$ 48,542</b>	<b>\$ 55,201</b>

(3) The following table shows the detail of gain on disposition of rental properties that were held by equity method investments:

	<b>Combined (100%) (GAAP)</b>		<b>Pro-Rata Share (Non-GAAP)</b>	
	<b>Year Ended January 31,</b>			
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<i>(in thousands)</i>			
Midtown Plaza (Specialty Retail Center)..... (Parma, Ohio)	\$ 15,325	\$ -	\$ 7,662	\$ -
Showcase (Specialty Retail Center)..... (Las Vegas, Nevada)	-	71,005	-	13,145
Colony Place (Apartments)..... (Fort Myers, Florida)	-	10,703	-	5,352
Flower Park Plaza (Apartments)..... (Santa Ana, California)	-	4,094	-	2,526
Total.....	<b>\$ 15,325</b>	<b>\$ 85,802</b>	<b>\$ 7,662</b>	<b>\$ 21,023</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Real Estate and Related Nonrecourse Mortgage Debt**

**January 31, 2007**

	Total Cost	Less Accumulated Depreciation	Net Cost	Nonrecourse Mortgage Debt
<i>(in thousands)</i>				
<b>Full Consolidation:</b>				
<b>Completed rental properties</b>				
Residential.....	\$ 1,608,777	\$ 207,792	\$ 1,400,985	\$ 1,109,476
Commercial				
Retail centers .....	2,596,216	333,875	2,262,341	2,094,902
Office and other buildings .....	2,444,476	538,765	1,905,711	1,548,345
Corporate and other equipment .....	9,585	5,546	4,039	-
	<u>6,659,054</u>	<u>1,085,978</u>	<u>5,573,076</u>	<u>4,752,723</u>
<b>Projects under development</b>				
Residential				
Under construction.....	109,118	-	109,118	70,927
In development .....	221,107	-	221,107	63,000
Commercial				
Retail centers				
Under construction.....	159,065	-	159,065	71,633
In development .....	133,610	-	133,610	-
Office and other buildings				
Under construction.....	446,167	-	446,167	215,687
In development .....	327,016	-	327,016	114,407
	<u>1,396,083</u>	<u>-</u>	<u>1,396,083</u>	<u>535,654</u>
Land held for development or sale.....	174,136	-	174,136	49,995
<b>Total real estate and mortgage debt .....</b>	<b>\$ 8,229,273</b>	<b>\$ 1,085,978</b>	<b>\$ 7,143,295</b>	<b>\$ 5,338,372</b>
<b>Less Minority Interest:</b>				
<b>Completed rental properties</b>				
Residential.....	\$ 57,671	\$ 6,971	\$ 50,700	\$ 48,550
Commercial				
Retail centers .....	96,237	9,273	86,964	94,052
Office and other buildings .....	192,415	54,619	137,796	121,607
Corporate and other equipment .....	-	-	-	-
	<u>346,323</u>	<u>70,863</u>	<u>275,460</u>	<u>264,209</u>
<b>Projects under development</b>				
Residential				
Under construction.....	-	-	-	-
In development .....	-	-	-	-
Commercial				
Retail centers				
Under construction.....	5,450	-	5,450	6,400
In development .....	-	-	-	-
Office and other buildings				
Under construction.....	7,554	-	7,554	427
In development .....	113,656	-	113,656	46,983
	<u>126,660</u>	<u>-</u>	<u>126,660</u>	<u>53,810</u>
Land held for development or sale.....	6,032	-	6,032	2,251
<b>Total real estate and mortgage debt .....</b>	<b>\$ 479,015</b>	<b>\$ 70,863</b>	<b>\$ 408,152</b>	<b>\$ 320,270</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Real Estate and Related Nonrecourse Mortgage Debt (continued)**

	<b>January 31, 2007</b>			
	Total Cost	Less Accumulated Depreciation	Net Cost	Nonrecourse Mortgage Debt
<i>(in thousands)</i>				
<b>Plus Unconsolidated Investments at Pro-Rata:</b>				
<b>Completed rental properties</b>				
Residential.....	\$ 634,745	\$ 182,008	\$ 452,737	\$ 543,823
Commercial				
Retail centers .....	389,786	41,157	348,629	387,053
Office and other buildings .....	183,059	62,889	120,170	102,693
Corporate and other equipment .....	1	-	1	-
	<u>1,207,591</u>	<u>286,054</u>	<u>921,537</u>	<u>1,033,569</u>
<b>Projects under development</b>				
Residential				
Under construction.....	132,243	-	132,243	153,085
In development .....	6,728	-	6,728	-
Commercial				
Retail centers				
Under construction.....	77,452	-	77,452	65,000
In development .....	51,922	-	51,922	7,522
Office and other buildings				
Under construction.....	83	-	83	-
In development .....	30,237	-	30,237	8,554
	<u>298,665</u>	<u>-</u>	<u>298,665</u>	<u>234,161</u>
<b>Land held for development or sale.....</b>	<u>78,578</u>	<u>-</u>	<u>78,578</u>	<u>40,479</u>
<b>Total real estate and mortgage debt .....</b>	<u>\$ 1,584,834</u>	<u>\$ 286,054</u>	<u>\$ 1,298,780</u>	<u>\$ 1,308,209</u>
<b>Pro-Rata Consolidation (Non-GAAP):</b>				
<b>Completed rental properties</b>				
Residential.....	\$ 2,185,851	\$ 382,829	\$ 1,803,022	\$ 1,604,749
Commercial				
Retail centers .....	2,889,765	365,759	2,524,006	2,387,903
Office and other buildings .....	2,435,120	547,035	1,888,085	1,529,431
Corporate and other equipment .....	9,586	5,546	4,040	-
	<u>7,520,322</u>	<u>1,301,169</u>	<u>6,219,153</u>	<u>5,522,083</u>
<b>Projects under development</b>				
Residential				
Under construction.....	241,361	-	241,361	224,012
In development .....	227,835	-	227,835	63,000
Commercial				
Retail centers				
Under construction.....	231,067	-	231,067	130,233
In development .....	185,532	-	185,532	7,522
Office and other buildings				
Under construction.....	438,696	-	438,696	215,260
In development .....	243,597	-	243,597	75,978
	<u>1,568,088</u>	<u>-</u>	<u>1,568,088</u>	<u>716,005</u>
<b>Land held for development or sale.....</b>	<u>246,682</u>	<u>-</u>	<u>246,682</u>	<u>88,223</u>
<b>Total real estate and mortgage debt .....</b>	<u>\$ 9,335,092</u>	<u>\$ 1,301,169</u>	<u>\$ 8,033,923</u>	<u>\$ 6,326,311</u>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

Forest City Rental Properties Corporation (“Rental Properties”) is a wholly-owned subsidiary of Forest City Enterprises, Inc. engaged in the ownership, development, acquisition and management of real estate projects, including apartment complexes, regional malls and retail centers, hotels, office buildings and mixed-use facilities, as well as large land development projects. Consolidated Balance Sheet information and Consolidated Earnings information for Rental Properties and its subsidiaries follow.

**Forest City Rental Properties Corporation and Subsidiaries**  
**Consolidated Balance Sheet Information – January 31, 2007 (unaudited)**

	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation (Non-GAAP)
<i>(in thousands)</i>				
<b>Assets</b>				
Real Estate				
Completed rental properties .....	\$ 6,649,471	\$ 346,323	\$ 1,207,589	\$ 7,510,737
Projects under development .....	1,396,083	126,660	298,665	1,568,088
Land for development or sale .....	58,408	5,517	27,018	79,909
Total Real Estate .....	8,103,962	478,500	1,533,272	9,158,734
Less accumulated depreciation.....	(1,080,432)	(70,863)	(286,054)	(1,295,623)
Real Estate, net .....	7,023,530	407,637	1,247,218	7,863,111
Cash and equivalents.....	159,635	24,532	25,986	161,089
Restricted cash .....	289,081	25,028	167,610	431,663
Notes and accounts receivable, net .....	261,796	25,477	4,494	240,813
Investments in and advances to affiliates.....	279,489	-	(69,604)	209,885
Other assets .....	580,911	29,260	95,462	647,113
<b>Total Assets .....</b>	<b>\$ 8,594,442</b>	<b>\$ 511,934</b>	<b>\$ 1,471,166</b>	<b>\$ 9,553,674</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Liabilities</b>				
Mortgage debt, nonrecourse.....	\$ 5,310,876	\$ 320,270	\$ 1,279,543	\$ 6,270,149
Notes payable.....	82,188	1,167	86,251	167,272
Bank revolving credit facility .....	-	-	-	-
Senior and subordinated debt.....	20,400	-	-	20,400
Accounts payable and accrued expenses <sup>(1)</sup> .....	1,254,846	14,714	105,372	1,345,504
Deferred income taxes .....	547,516	-	-	547,516
<b>Total Liabilities.....</b>	<b>7,215,826</b>	<b>336,151</b>	<b>1,471,166</b>	<b>8,350,841</b>
Minority Interest .....	374,428	175,783	-	198,645
<b>Total Shareholders' Equity .....</b>	<b>1,004,188</b>	<b>-</b>	<b>-</b>	<b>1,004,188</b>
<b>Total Liabilities and Shareholders' Equity .....</b>	<b>\$ 8,594,442</b>	<b>\$ 511,934</b>	<b>\$ 1,471,166</b>	<b>\$ 9,553,674</b>

(1) Included in the Full Consolidation balance is \$635,013 of liabilities payable to Forest City Enterprises, Inc.



**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Rental Properties Corporation and Subsidiaries**  
**Consolidated Balance Sheet Information – January 31, 2006 (unaudited)**

	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation (Non-GAAP)
<i>(in thousands)</i>				
<b>Assets</b>				
<b>Real Estate</b>				
Completed rental properties .....	\$ 6,153,835	\$ 765,827	\$ 931,181	\$ 6,319,189
Projects under development .....	886,256	84,241	394,648	1,196,663
Land held for development or sale .....	38,091	3,420	15,604	50,275
<b>Total Real Estate</b> .....	<b>7,078,182</b>	<b>853,488</b>	<b>1,341,433</b>	<b>7,566,127</b>
Less accumulated depreciation .....	(982,249)	(147,375)	(269,412)	(1,104,286)
<b>Real Estate, net</b> .....	<b>6,095,933</b>	<b>706,113</b>	<b>1,072,021</b>	<b>6,461,841</b>
Cash and equivalents .....	141,471	33,026	9,675	118,120
Restricted cash .....	429,176	31,942	50,516	447,750
Notes and accounts receivable, net .....	242,952	30,562	(3,885)	208,505
Investments in and advances to affiliates .....	298,596	-	(111,992)	186,604
Other assets .....	429,496	37,042	93,415	485,869
<b>Total Assets</b> .....	<b>\$ 7,637,624</b>	<b>\$ 838,685</b>	<b>\$ 1,109,750</b>	<b>\$ 7,908,689</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Liabilities</b>				
Mortgage debt, nonrecourse .....	\$ 5,130,324	\$ 625,600	\$ 928,502	\$ 5,433,226
Notes payable .....	61,879	19,214	88,822	131,487
Bank revolving credit facility .....	82,500	-	-	82,500
Senior and subordinated debt .....	20,400	-	-	20,400
Accounts payable and accrued expenses <sup>(1)</sup> .....	985,788	91,155	92,426	987,059
Deferred income taxes .....	428,453	-	-	428,453
<b>Total Liabilities</b> .....	<b>6,709,344</b>	<b>735,969</b>	<b>1,109,750</b>	<b>7,083,125</b>
Minority Interest .....	102,716	102,716	-	-
<b>Total Shareholders' Equity</b> .....	<b>825,564</b>	<b>-</b>	<b>-</b>	<b>825,564</b>
<b>Total Liabilities and Shareholders' Equity</b> .....	<b>\$ 7,637,624</b>	<b>\$ 838,685</b>	<b>\$ 1,109,750</b>	<b>\$ 7,908,689</b>

(1) Included in the Full Consolidation balance is \$398,895 of liabilities payable to Forest City Enterprises, Inc.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Rental Properties Corporation and Subsidiaries**  
**Consolidated Earnings Information – Year Ended January 31, 2007 (unaudited)**

	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
	<i>(in thousands)</i>				
<b>Revenues from real estate operations</b> .....	\$ 1,118,688	\$ 96,481	\$ 293,731	\$ 58,198	\$ 1,374,136
<b>Expenses</b>					
Operating expenses .....	631,914	45,038	183,702	37,497	808,075
Depreciation and amortization.....	179,558	13,811	41,942	6,219	213,908
Provision for decline in real estate.....	1,923	-	400	-	2,323
	813,395	58,849	226,044	43,716	1,024,306
Interest expense, including early extinguishment of debt.....	(292,273)	(24,557)	(55,071)	(10,053)	(332,840)
Amortization of mortgage procurement costs.....	(10,570)	(1,076)	(1,831)	(192)	(11,517)
Interest and other income .....	59,528	2,754	3,116	1,504	61,394
Equity in earnings of unconsolidated entities (Note 1).....	28,896	-	(21,563)	-	7,333
Gain on disposition of rental properties .....	-	-	7,662	233,092	240,754
<b>Earnings before income taxes</b> .....	90,874	14,753	-	238,833	314,954
<b>Income tax expense (benefit)</b>					
Current.....	(6,505)	-	-	15,371	8,866
Deferred.....	45,889	-	-	76,916	122,805
	39,384	-	-	92,287	131,671
Earnings before minority interest and discontinued operations.....	51,490	14,753	-	146,546	183,283
Minority interest .....	(14,753)	(14,753)	-	-	-
<b>Earnings from continuing operations</b> (Note 1).....	36,737	-	-	146,546	183,283
Discontinued operations, net of tax and minority interest					
Operating earnings from rental properties .....	3,520	-	-	(3,520)	-
Gain on disposition of rental properties .....	143,026	-	-	(143,026)	-
	146,546	-	-	(146,546)	-
<b>Net earnings</b> .....	\$ 183,283	\$ -	\$ -	\$ -	\$ 183,283

Note 1) Properties accounted for on the equity method do not meet the definition of a component of an entity under SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," and therefore are reported in continuing operations when sold. For the year ended January 31, 2007, one equity method investment was sold, *Midtown Plaza*. A pre-tax gain of \$7,662 (\$4,700 net of tax) has been reported in equity in earnings of unconsolidated entities in the Consolidated Statements of Earnings, and therefore is included in earnings from continuing operations.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Rental Properties Corporation and Subsidiaries**  
**Consolidated Earnings Information – Year Ended January 31, 2006 (unaudited)**

	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
	<i>(in thousands)</i>				
<b>Revenues from real estate operations</b> .....	\$ 1,099,473	\$ 129,043	\$ 273,959	\$ 115,392	\$ 1,359,781
<b>Expenses</b>					
Operating expenses .....	585,022	55,114	168,761	78,436	777,105
Depreciation and amortization .....	163,293	15,341	39,783	17,858	205,593
Provision for decline in real estate.....	6,356	1,432	704	-	5,628
	<u>754,671</u>	<u>71,887</u>	<u>209,248</u>	<u>96,294</u>	<u>988,326</u>
Interest expense, including early extinguishment of debt.....	(261,013)	(28,667)	(52,269)	(30,062)	(314,677)
Amortization of mortgage procurement costs.....	(9,610)	(1,066)	(2,963)	(1,790)	(13,297)
Interest and other income .....	26,031	2,604	1,078	543	25,048
Equity in earnings of unconsolidated entities (Note 1).....	34,588	-	(31,580)	-	3,008
Gain on disposition of rental properties .....	-	-	21,023	43,198	64,221
	<u>134,798</u>	<u>30,027</u>	<u>-</u>	<u>30,987</u>	<u>135,758</u>
<b>Earnings before income taxes</b> .....					
<b>Income tax expense (benefit)</b>					
Current.....	2,968	-	-	(6,960)	(3,992)
Deferred.....	25,963	-	-	18,940	44,903
	<u>28,931</u>	<u>-</u>	<u>-</u>	<u>11,980</u>	<u>40,911</u>
Earnings before minority interest and discontinued operations.....	105,867	30,027	-	19,007	94,847
Minority interest .....	(30,027)	(30,027)	-	-	-
	<u>75,840</u>	<u>-</u>	<u>-</u>	<u>19,007</u>	<u>94,847</u>
<b>Earnings from continuing operations</b> (Note 1) .....					
Discontinued operations, net of tax and minority interest					
Operating loss from rental properties .....	(7,498)	-	-	7,498	-
Gain on disposition of rental properties .....	26,505	-	-	(26,505)	-
	<u>19,007</u>	<u>-</u>	<u>-</u>	<u>(19,007)</u>	<u>-</u>
<b>Net earnings</b> .....	\$ 94,847	\$ -	\$ -	\$ -	\$ 94,847

Note 1) Properties accounted for on the equity method do not meet the definition of a component of an entity under SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," and therefore are reported in continuing operations when sold. For the year ended January 31, 2006, three equity method investments were sold, *Showcase*, *Colony Place*, and *Flower Park Plaza*. A pre-tax gain of \$21,023 (\$12,900 net of tax) has been reported in equity in earnings of unconsolidated entities in the Consolidated Statements of Earnings, and therefore is included in earnings from continuing operations.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

The following is a summary of the real estate activity of the Company's Real Estate Groups as presented on pro-rata consolidation including a reconciliation from full consolidation to pro-rata consolidation.

**Forest City Rental Properties Corporation – Real Estate Activity** <sup>(1)</sup>

	Pro-Rata Consolidation (Non-GAAP)				
	January 31,				
	2007	2006	2005	2004	2003
	<i>(in thousands)</i>				
<b>Forest City Rental Properties Corporation – Real Estate Activity</b> <sup>(1)</sup>					
<b>Real estate – end of year</b>					
Completed rental properties .....	\$ 7,510,737	\$ 6,319,189	\$ 5,776,806	\$ 4,786,035	\$ 4,082,080
Projects under development .....	1,568,088	1,196,663	869,265	541,476	575,558
Land held for development or sale .....	79,909	50,275	53,007	53,089	51,751
Real estate, at cost .....	9,158,734	7,566,127	6,699,078	5,380,600	4,709,389
Less accumulated depreciation .....	(1,295,623)	(1,104,286)	(975,063)	(816,395)	(697,055)
Total real estate .....	<b>\$ 7,863,111</b>	<b>\$ 6,461,841</b>	<b>\$ 5,724,015</b>	<b>\$ 4,564,205</b>	<b>\$ 4,012,334</b>
<b>Real estate activity during the year</b>					
Completed rental properties					
Capital expenditures .....	\$ 87,237	\$ 66,239	\$ 127,486	\$ 38,890	\$ 43,266
Transferred from projects under development .....	547,667	534,820	612,111	377,578	305,982
Acquisitions .....	314,779	58,667	115,185	374,305	172,860
Exchange of cash and Class A Common Units for partner's interest .....	228,958	-	-	-	-
Other <sup>(7)</sup> .....	310,275	81,396	337,293	-	-
Total additions .....	1,488,916	741,122	1,192,075	790,773	522,108
Dispositions .....	(297,368) <sup>(2)</sup>	(198,739) <sup>(3)</sup>	(201,304) <sup>(4)</sup>	(86,818) <sup>(5)</sup>	(54,448) <sup>(6)</sup>
Completed rental properties, net additions .....	<b>1,191,548</b>	<b>542,383</b>	<b>990,771</b>	<b>703,955</b>	<b>467,660</b>
Projects under development					
New development .....	957,227	926,217	885,320	343,496	397,810
Transferred to completed rental properties .....	(547,667)	(534,820)	(612,111)	(377,578)	(305,982)
Cost of Land Sales .....	(38,135)	(63,999)	-	-	-
Other .....	-	-	54,580	-	-
Projects under development, net additions .....	<b>371,425</b>	<b>327,398</b>	<b>327,789</b>	<b>(34,082)</b>	<b>91,828</b>
Land held for development or sale, net change .....	29,634	(2,732)	(82)	1,338	(7,624)
Increase in real estate, at cost .....	<b>\$ 1,592,607</b>	<b>\$ 867,049</b>	<b>\$ 1,318,478</b>	<b>\$ 671,211</b>	<b>\$ 551,864</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Rental Properties Corporation – Real Estate Activity <sup>(1)</sup> - (Continued)**

Years Ended January 31,	Full Consolidation	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation (Non-GAAP)
	<i>(in thousands)</i>			
<b>2007</b>				
Real estate – end of year				
Completed rental properties.....	\$ 6,649,471	\$ 346,323	\$ 1,207,589	\$ 7,510,737
Projects under development.....	1,396,083	126,660	298,665	1,568,088
Land held for development or sale .....	58,408	5,517	27,018	79,909
Real estate, at cost .....	8,103,962	478,500	1,533,272	9,158,734
Less accumulated depreciation .....	(1,080,432)	(70,863)	(286,054)	(1,295,623)
Total real estate .....	<u>\$ 7,023,530</u>	<u>\$ 407,637</u>	<u>\$ 1,247,218</u>	<u>\$ 7,863,111</u>
Real estate activity during the year				
Completed rental properties				
Capital expenditures .....	\$ 78,663	\$ 17,488	\$ 26,062	\$ 87,237
Transferred from projects under development.....	359,649	6,835	194,853	547,667
Acquisitions.....	218,763	17,785	113,801	314,779
Exchange of cash and Class A Common Units for partner's interest.....	228,958	-	-	228,958
Other <sup>(7)</sup> .....	32,884	(330,388)	(52,997)	310,275
Total additions .....	918,917	(288,280)	281,719	1,488,916
Dispositions.....	(423,281)	(131,224)	(5,311)	(297,368) <sup>(2)</sup>
Completed rental properties, net additions .....	<u>495,636</u>	<u>(419,504)</u>	<u>276,408</u>	<u>1,191,548</u>
Projects under development				
New development.....	898,561	49,927	108,593	957,227
Transferred to completed rental properties.....	(359,649)	(6,835)	(194,853)	(547,667)
Cost of Land Sales.....	(29,085)	(673)	(9,723)	(38,135)
Projects under development, net additions .....	509,827	42,419	(95,983)	371,425
Land held for development or sale, net change ....	20,317	2,097	11,414	29,634
Increase (decrease) in real estate, at cost .....	<u>\$ 1,025,780</u>	<u>\$ (374,988)</u>	<u>\$ 191,839</u>	<u>\$ 1,592,607</u>
<b>2006</b>				
Real estate – end of year				
Completed rental properties.....	\$ 6,153,835	\$ 765,827	\$ 931,181	\$ 6,319,189
Projects under development.....	886,256	84,241	394,648	1,196,663
Land held for development or sale .....	38,091	3,420	15,604	50,275
Real estate, at cost .....	7,078,182	853,488	1,341,433	7,566,127
Less accumulated depreciation .....	(982,249)	(147,375)	(269,412)	(1,104,286)
Total real estate .....	<u>\$ 6,095,933</u>	<u>\$ 706,113</u>	<u>\$ 1,072,021</u>	<u>\$ 6,461,841</u>
Real estate activity during the year				
Completed rental properties				
Capital expenditures .....	\$ 78,132	\$ 1,855	\$ (10,038)	\$ 66,239
Transferred from projects under development.....	490,278	11,968	56,510	534,820
Acquisitions.....	58,667	-	-	58,667
Other <sup>(7)</sup> .....	-	(86,432)	(5,036)	81,396
Total additions .....	627,077	(72,609)	41,436	741,122
Dispositions.....	(164,403)	(5,195)	(39,531)	(198,739) <sup>(3)</sup>
Completed rental properties, net additions .....	<u>462,674</u>	<u>(77,804)</u>	<u>1,905</u>	<u>542,383</u>
Projects under development				
New development.....	807,768	78,696	197,145	926,217
Transferred to completed rental properties.....	(490,278)	(11,968)	(56,510)	(534,820)
Cost of Commercial Group Land Sales.....	(65,675)	(2,787)	(1,111)	(63,999)
Projects under development, net additions .....	251,815	63,941	139,524	327,398
Land held for development or sale, net change ....	(2,455)	(157)	(434)	(2,732)
Increase in real estate, at cost .....	<u>\$ 712,034</u>	<u>\$ (14,020)</u>	<u>\$ 140,995</u>	<u>\$ 867,049</u>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Rental Properties Corporation – Real Estate Activity <sup>(1)</sup> - (Continued)**

<b>Years Ended January 31,</b>	<b>Full Consolidation</b>	<b>Less Minority Interest</b>	<b>Plus Unconsolidated Investments at Pro-Rata</b>	<b>Pro-Rata Consolidation (Non-GAAP)</b>
	<i>(in thousands)</i>			
<b>2005</b>				
Real estate – end of year				
Completed rental properties.....	\$ 5,691,161	\$ 843,631	\$ 929,276	\$ 5,776,806
Projects under development.....	634,441	20,300	255,124	869,265
Land held for development or sale .....	40,546	3,577	16,038	53,007
Real estate, at cost .....	6,366,148	867,508	1,200,438	6,699,078
Less accumulated depreciation .....	(861,516)	(141,674)	(255,221)	(975,063)
Total real estate .....	<u>\$ 5,504,632</u>	<u>\$ 725,834</u>	<u>\$ 945,217</u>	<u>\$ 5,724,015</u>
Real estate activity during the year				
Completed rental properties				
Capital expenditures .....	\$ 93,664	\$ 11,524	\$ 45,346	\$ 127,486
Transferred from projects under development.....	643,324	39,168	7,955	612,111
Acquisitions.....	108,076	(6,201)	908	115,185
Other <sup>(7)</sup> .....	538,173	111,815	(89,065)	337,293
Total additions .....	1,383,237	156,306	(34,856)	1,192,075
Dispositions.....	(187,651)	(18,721)	(32,374)	(201,304) <sup>(4)</sup>
Completed rental properties, net additions .....	<u>1,195,586</u>	<u>137,585</u>	<u>(67,230)</u>	<u>990,771</u>
Projects under development				
New development.....	771,183	44,142	158,279	885,320
Transferred to completed rental properties.....	(643,324)	(39,168)	(7,955)	(612,111)
Other.....	-	(54,580)	-	54,580
Projects under development, net transfers .....	127,859	(49,606)	150,324	327,789
Land held for development or sale, net change ....	3,142	484	(2,740)	(82)
Increase in real estate, at cost .....	<u>\$ 1,326,587</u>	<u>\$ 88,463</u>	<u>\$ 80,354</u>	<u>\$ 1,318,478</u>
<b>2004</b>				
Real estate – end of year				
Completed rental properties.....	\$ 4,495,575	\$ 706,046	\$ 996,506	\$ 4,786,035
Projects under development.....	506,582	69,906	104,800	541,476
Land held for development or sale .....	37,404	3,093	18,778	53,089
Real estate, at cost .....	5,039,561	779,045	1,120,084	5,380,600
Less accumulated depreciation .....	(710,986)	(109,941)	(215,350)	(816,395)
Total real estate .....	<u>\$ 4,328,575</u>	<u>\$ 669,104</u>	<u>\$ 904,734</u>	<u>\$ 4,564,205</u>
Real estate activity during the year				
Completed rental properties				
Capital expenditures .....	\$ 36,159	\$ 4,806	\$ 7,537	\$ 38,890
Transferred from projects under development.....	304,321	53,599	126,856	377,578
Acquisitions.....	382,472	24,021	15,854	374,305
Total additions .....	722,952	82,426	150,247	790,773
Dispositions.....	(68,179)	(10,384)	(29,023)	(86,818) <sup>(5)</sup>
Completed rental properties, net additions .....	<u>654,773</u>	<u>72,042</u>	<u>121,224</u>	<u>703,955</u>
Projects under development				
New development.....	274,469	48,953	117,980	343,496
Transferred to completed rental properties.....	(304,321)	(53,599)	(126,856)	(377,578)
Projects under development, net additions .....	(29,852)	(4,646)	(8,876)	(34,082)
Land held for development or sale, net change ....	1,362	213	189	1,338
Increase in real estate, at cost .....	<u>\$ 626,283</u>	<u>\$ 67,609</u>	<u>\$ 112,537</u>	<u>\$ 671,211</u>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Rental Properties Corporation – Real Estate Activity <sup>(1)</sup> - (Continued)**

Years Ended January 31,	Full Consolidation	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Pro-Rata Consolidation (Non-GAAP)
<i>(in thousands)</i>				
<b>2003</b>				
Real estate – end of year				
Completed rental properties.....	\$ 3,840,802	\$ 634,004	\$ 875,282	\$ 4,082,080
Projects under development.....	536,434	74,552	113,676	575,558
Land held for development or sale .....	36,042	2,880	18,589	51,751
Real estate, at cost .....	4,413,278	711,436	1,007,547	4,709,389
Less accumulated depreciation .....	(597,787)	(96,033)	(195,301)	(697,055)
Total real estate .....	<u>\$ 3,815,491</u>	<u>\$ 615,403</u>	<u>\$ 812,246</u>	<u>\$ 4,012,334</u>
Real estate activity during the year				
Completed rental properties				
Capital expenditures .....	\$ 37,909	\$ 14,539	\$ 19,896	\$ 43,266
Transferred from projects under development.....	265,720	26,514	66,776	305,982
Acquisitions.....	158,872	24	14,012	172,860
Total additions .....	462,501	41,077	100,684	522,108
Dispositions .....	(53,268)	(61)	(1,241)	(54,448) <sup>(6)</sup>
Completed rental properties, net additions .....	<u>409,233</u>	<u>41,016</u>	<u>99,443</u>	<u>467,660</u>
Projects under development				
New development.....	383,459	61,947	76,298	397,810
Transferred to completed rental properties.....	(265,720)	(26,514)	(66,776)	(305,982)
Projects under development, net transfers .....	117,739	35,433	9,522	91,828
Land held for development or sale, net additions .....	(6,467)	(495)	(1,652)	(7,624)
Increase in real estate, at cost .....	<u>\$ 520,505</u>	<u>\$ 75,954</u>	<u>\$ 107,313</u>	<u>\$ 551,864</u>

- (1) The table includes only the real estate activity for the Company's Real Estate Groups owned by Forest City Rental Properties Corporation, a wholly-owned subsidiary engaged in the ownership, development, acquisition and management of real estate projects, including apartment complexes, regional malls and retail centers, hotels, office buildings and mixed-use facilities, as well as large land development projects.
- (2) Primarily reflects the dispositions of *Providence at Palm Harbor*, *Mount Vernon Square*, *Midtown Plaza*, *G Street*, *Battery Park City*, *Embassy Suites Hotel*, and *Hilton Times Square*. *Providence at Palm Harbor* is a 236-units apartment community in Tampa, Florida. *Mount Vernon Square* is a 1,387-units apartment community in Alexandria, Virginia. *Midtown Plaza* has 240,000 square feet in Parma, Ohio. *G Street* has 13,000 square feet in Philadelphia, Pennsylvania. *Battery Park City* has 166,000 square feet in Manhattan, New York. *Embassy Suites Hotel* and *Hilton Times Square* have 463 and 444 rooms respectively in Manhattan, New York.
- (3) Primarily reflects the dispositions of *Cherrywood Village*, *Ranchstone*, *Colony Place*, *Enclave*, *Flower Park*, and *Showcase*. *Cherrywood Village* and *Ranchstone* are apartment communities in Denver, Colorado with 360 and 368 units, respectively. *Colony Place* is a 300-unit apartment community in Fort Myers, Florida. *Enclave* is a 637-unit apartment community in San Jose, California. *Flower Park* is a 199-unit apartment community in Santa Ana, California. *Showcase* has 186,000 square feet in Las Vegas, Nevada.
- (4) Primarily reflects the dispositions of *Woodlake*, *Regency Towers*, *Bridgewater*, *Arboretum Place*, *Trellis at Lee's Mill*, *Silver Hill*, *Colony Woods*, *Manhattan Town Center*, *Chapel Hill Mall*, *Chapel Hill Suburban*, *Pavilion*, *Flatbush Avenue*, and *Hunting Park*. *Woodlake* is a 534-unit apartment community in Silver Spring, Maryland. *Regency Towers* is a 372-unit apartment community in Jackson, New Jersey. *Arboretum Place*, *Silver Hill*, and *Trellis at Lee's Mill* are apartment communities in Newport News, Virginia with 184, 153 and 176 units, respectively. *Bridgewater* is a 216-unit apartment community in Hampton, Virginia. *Colony Woods* is a 396-unit apartment community in Bellevue, Washington. *Chapel Hill Mall* and *Chapel Hill Suburban* have 860,000 and 117,000 square feet, respectively in Akron, Ohio. *Pavilion* has 250,000 square feet in San Jose, California. *Flatbush Avenue* has 142,000 square feet in Brooklyn, New York. *Hunting Park* has 125,000 square feet in Philadelphia, Pennsylvania. *Manhattan Town Center* has 392,000 square feet in Manhattan, Kansas.
- (5) Primarily reflects the dispositions of *Waterford Village*, *Laurels* and *Vineyards*. *Waterford Village* is a 576-unit apartment community in Indianapolis, Indiana. *Laurels* is a 520-unit apartment community in Justice, Illinois and *Vineyards* is a 386-unit apartment community in Broadview Heights, Ohio.
- (6) Primarily reflects the dispositions of *Courtland Center* and *Bay Street*. *Courtland Center* has 458,000 square feet in Flint, Michigan. *Bay Street* has 16,000 square feet in Staten Island, New York.
- (7) Primarily relates to changes in ownership percentage and non cash items.

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Results of Operations**

**Net Earnings** – Net earnings for the year ended January 31, 2007 were \$177,251,000 versus \$83,519,000 for the year ended January 31, 2006. Although we have substantial recurring revenue sources from our properties, we also enter into significant one-time transactions which could create substantial variances in net earnings between periods. This variance to the prior year is primarily attributable to the following increases, which are net of tax and minority interest:

- \$143,026,000 (\$233,092,000, pre-tax) related to the 2006 gains on disposition of six consolidated properties, *Mount Vernon Square*, an apartment community located in Alexandria, Virginia, *Providence at Palm Harbor*, an apartment community located in Tampa, Florida, *Hilton Times Square*, a 444-room hotel located in Manhattan, New York, *G Street*, a specialty retail center located in Philadelphia, Pennsylvania, *Embassy Suites Hotel* a 463-room hotel located in Manhattan, New York, and *Battery Park City*, a retail center located in Manhattan, New York;
- \$15,781,000 (\$25,719,000, pre-tax) related to income recognition on the sale of state and federal Historical Preservation Tax Credits;
- \$5,765,000 (\$9,831,000, pre-tax) related to the decreased losses from our equity investment in the New Jersey Nets basketball team; and
- \$4,700,000 (\$7,662,000, pre-tax) related to the 2006 gain on disposition of one equity method Commercial property, *Midtown Plaza*, a specialty retail center located in Parma, Ohio.

These increases were partially offset by the following decreases, net of tax and minority interest:

- \$26,505,000 (\$43,198,000, pre-tax) related to the 2005 gains on disposition of three consolidated properties, *Enclave*, an apartment community located in San Jose, California, and *Cherrywood Village* and *Ranchstone*, apartment communities located in Denver, Colorado;
- \$9,913,000 (\$16,155,000, pre-tax) related to decreases in Commercial Group sales of land, outlots, and development projects. These decreases are made up of \$7,008,000, pre-tax, related to a 2005 land sale at *Twelve MetroTech Center*, \$7,174,000, pre-tax, in outlot land sales for our consolidated properties primarily at *Victoria Gardens*, *Simi Valley* and *Wadsworth*, and \$4,528,000, pre-tax, related to the sale of a development project in Las Vegas, Nevada. These decreases were partially offset by increased land sales of \$2,555,000, pre-tax, for our unconsolidated properties at *Victor Village* and *Charleston Mall*;
- \$12,900,000 (\$21,023,000, pre-tax) related to the 2005 gains on disposition of three equity method properties, *Showcase*, a specialty retail center located in Las Vegas, Nevada, *Colony Place*, an apartment community located in Fort Myers, Florida and *Flower Park Plaza*, an apartment community located in Santa Ana, California;
- \$10,000,000 related to the one-time reduction of deferred income taxes which resulted from a favorable change in our effective tax rate due to a change in the rate in the State of Ohio during 2005;
- \$5,759,000 (\$9,386,000, pre-tax) related to the fair market value adjustments of certain of our 10-year forward swaps which were marked to market as additional interest expense as a result of the derivatives not qualifying for hedge accounting;
- \$3,583,000 (\$5,840,000, pre-tax) related to our development fee revenue at *Twelve MetroTech Center* that did not recur; and
- \$3,469,000 (\$4,738,000, pre-tax) related to the expensing of stock options upon our adoption of SFAS No. 123 (Revised), “Share-Based Payment” (“SFAS No. 123(R)”), on February 1, 2006.

Net earnings for the year ended January 31, 2006 were \$83,519,000 versus \$85,206,000 for the year ended January 31, 2005. This variance to the prior year is primarily attributable to the following decreases, which are net of tax and minority interest:

- \$40,893,000 (\$67,645,000, pre-tax) related to the 2004 gains on disposition of ten consolidated properties, *Regency Towers*, *Woodlake*, *Bridgewater*, *Pavilion*, *Trellis at Lee’s Mill*, *Hunting Park*, *Arboretum*, *Flatbush Avenue*, *Colony Woods* and *Silver Hill*;
- \$19,341,000 (\$31,996,000, pre-tax) due to the gains on disposition of three equity method properties in 2004, *Manhattan Town Center Mall*, a regional mall located in Manhattan, Kansas, *Chapel Hill Suburban*, a specialty retail center located in Akron, Ohio and *Chapel Hill Mall*, a regional mall located in Akron, Ohio;



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- \$13,745,000 (\$22,737,000, pre-tax) related to Stapleton Land, LLC's retained interest in a trust. Of this amount, \$12,445,000 was earned in 2004 but attributable to other comprehensive income ("OCI") in previous fiscal years and deferred until 2004 under the cost recovery method. The remaining amount of \$1,300,000 was earned and recognized during the year ended January 31, 2005;
- \$11,501,000 (\$20,920,000, pre-tax) related to the 2004 gain on disposition of Lumber Group and a decrease of \$4,545,000 (\$9,390,000 pre-tax) related to Lumber Group's 2004 earnings with no corresponding amount in 2005;
- \$9,999,000 (\$13,645,000, pre-tax) related to our increased loss from our equity investment in the New Jersey Nets basketball team, which we did not own during the first half of 2004;
- \$8,134,000 (\$13,552,000, pre-tax) related to our development fee revenue at *Twelve MetroTech Center* that did not recur at the same level in 2005; and
- \$5,981,000 in interest expense as a result of the issuance of \$150,000,000 senior notes in January 2005.

These decreases were partially offset by the following increases in earnings, net of tax and minority interest:

- \$26,830,000 (\$48,001,000 pre-tax) related to increases in Commercial Group sales of land, outlots, and development projects. These increases are made up of \$7,008,000, pre-tax, related to the 2005 land sale at *Twelve MetroTech Center*, \$34,195,000, pre-tax, in outlot land sales for our consolidated properties primarily at *Victoria Gardens* and *Simi Valley*, \$4,528,000, pre-tax, related to the sale of a development project in Las Vegas, Nevada, and \$2,270,000, pre-tax, related to land sales for our unconsolidated properties;
- \$26,505,000 (\$43,198,000, pre-tax) related to the 2005 gains on disposition of three consolidated residential properties, *Enclave*, *Cherrywood Village* and *Ranchstone*;
- \$23,706,000 (\$37,892,000, pre-tax) related to land sales reported in the Land Development Group primarily at *Grass Farms* in Manatee County, Florida, *Central Station* in Chicago, Illinois and *Stapleton* in Denver, Colorado;
- \$12,900,000 (\$21,023,000, pre-tax) related to the 2005 gains on disposition of three equity method properties, *Showcase*, *Colony Place* and *Flower Park Plaza*;
- \$11,261,000 related to the prior year charge for cumulative effect of change in accounting principle as a result of our implementation of FIN No. 46 (R), which did not recur; and
- \$10,000,000 related to the one-time reduction of deferred income taxes which resulted from a favorable change in our effective tax rate due to a change in the rate in the State of Ohio during 2005.

**Net Operating Income (NOI) from Real Estate Groups** - NOI, a non-GAAP measure, is defined as revenues (excluding straight-line rent adjustments) less operating expenses (including depreciation and amortization for non-real estate groups) plus interest income plus equity in earnings of unconsolidated entities (excluding gain on disposition of equity method operating properties) plus equity method depreciation and amortization. We believe NOI provides us, as well as our investors, additional information about our core business operations and, along with earnings, is necessary to understand our business and operating results. Under the full consolidation method (GAAP), NOI from the combination of the Commercial Group and the Residential Group ("Real Estate Groups") for the three months ended January 31, 2007 was \$168,969,000 compared to \$145,992,000 for the three months ended January 31, 2006, a 15.7% increase. NOI for the year ended January 31, 2007 was \$544,786,000 compared to \$518,927,000 for the year ended January 31, 2006, a 5.0% increase. A reconciliation of NOI to the most comparable GAAP measure, net earnings, is presented on pages 8-9. A reconciliation of NOI to net earnings for each strategic business unit can be found on pages 44-55.

Management also analyzes property NOI using the pro-rata consolidation method because it provides operating data at our ownership share, and we publicly disclose and discuss our performance using this method of consolidation to complement our GAAP disclosures. Under the pro-rata consolidation method, NOI from the combination of the Commercial Group and the Residential Group for the three months ended January 31, 2007 was \$174,850,000 compared to \$138,371,000 for the three months ended January 31, 2006, a 26.4% increase. NOI for the year ended January 31, 2007 was \$570,569,000 compared to \$537,016,000 for the year ended January 31, 2006, a 6.2% increase. Comparable NOI increased 4.9% for the year ended January 31, 2007 compared to the prior year. Comparable NOI for our retail portfolio is up 4.9% from the prior year and our residential portfolio has generated an increase of 6.5%. Including the expected NOI for the twelve months following stabilization for the properties that were opened, expanded or acquired through

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January 31, 2007, less the actual annual NOI of property disposals through January 31, 2007, NOI for Real Estate Groups would be approximately \$620,000,000 for the year ended January 31, 2007. This amount includes Commercial Group land sales of \$35,100,000 and income recognition on the sale of state and federal Historical Preservation Tax Credits of \$25,719,000.

**EBDT** - We use an additional measure, along with net earnings, to report our operating results. This non-GAAP measure, referred to as Earnings Before Depreciation, Amortization and Deferred Taxes ("EBDT"), is not a measure of operating results or cash flows from operations as defined by GAAP and may not be directly comparable to similarly-titled measures reported by other companies. We believe that EBDT provides additional information about our core operations and, along with net earnings, is necessary to understand our operating results. EBDT is used by the chief operating decision maker and management in assessing operating performance and to consider capital requirements and allocation of resources by segment and on a consolidated basis. We believe EBDT is important to investors because it provides another method for the investor to measure our long-term operating performance as net earnings can vary from year to year due to property dispositions, acquisitions and other factors that have a short-term impact.

EBDT is defined as net earnings excluding the following items: i) gain (loss) on disposition of rental properties, divisions and other investments (net of tax); ii) the adjustment to recognize rental revenues and rental expense using the straight-line method; iii) non-cash charges from real estate operations of Forest City Rental Properties Corporation, a wholly-owned subsidiary of Forest City Enterprises, Inc., for depreciation, amortization, amortization of mortgage procurement costs and deferred income taxes; iv) provision for decline in real estate (net of tax); v) extraordinary items (net of tax); and vi) cumulative effect of change in accounting principle (net of tax). Unlike the real estate segments, EBDT for the Nets segment equals net earnings.

EBDT is reconciled to net earnings, the most comparable financial measure calculated in accordance with GAAP, below. The adjustment to recognize rental revenues and rental expenses on the straight-line method is excluded because it is management's opinion that rental revenues and expenses should be recognized when due from the tenants or due to the landlord. We exclude depreciation and amortization expense related to real estate operations from EBDT because we believe the values of our properties, in general, have appreciated over time in excess of their original cost. Deferred taxes from real estate operations, which are the result of timing differences of certain net expense items deducted in a future year for federal income tax purposes, are excluded until the year in which they are reflected in our current tax provision. The provision for decline in real estate is excluded from EBDT because it varies from year to year based on factors unrelated to our overall financial performance and is related to the ultimate gain on dispositions of operating properties. Our EBDT may not be directly comparable to similarly-titled measures reported by other companies.

Our EBDT for the year ended January 31, 2007 increased by 5.3% to \$284,954,000 from \$270,496,000 for the year ended January 31, 2006. This variance to the prior year is primarily attributable to the strong performance of our Commercial and Residential operating portfolios, as evidenced by comparable NOI growth, improved occupancies, and NOI generated from new property openings. EBDT in our comparable portfolio increased \$8,592,000. In addition, EBDT was impacted by increases in our Military Housing business of \$6,143,000, Historic Preservation Tax Credit income of \$25,719,000 and decreased losses from the Nets of \$5,765,000. These increases were partially offset by the consequences of our rate hedging transactions of \$9,386,000, decreases in Commercial land sales and development fees \$19,104,000 and the expensing of stock options \$3,800,000 upon our adoption of SFAS No. 123 (Revised), "Share-Based Payment."

**Stock-Based Compensation** - We adopted SFAS No. 123 (Revised), "Share-Based Payment" ("SFAS No. 123(R)") on February 1, 2006 which required the recognition of additional compensation costs related to the estimated fair value of our employee stock options. Previously, we did not expense stock options. We have and will continue to expense restricted stock consistent with prior quarters because the accounting treatment remains substantially the same under SFAS No. 123(R). The adoption of this standard lowered net earnings and EBDT by \$3,469,000 and \$3,807,000, respectively, for the year ended January 31, 2007. Diluted net earnings per share and EBDT per share were lower by \$0.03 for the year ended January 31, 2007 due to SFAS No. 123(R).

**Summary of EBDT** - The information in the tables on pages 42-53 present amounts for both full consolidation and pro-rata consolidation, providing a reconciliation of the difference between the two methods, as well as reconciliation from NOI to EBDT to net earnings. Under the pro-rata consolidation method, we present our partnership investments proportionate to our pro-rata share for each line item of our consolidated financial statements. Under full consolidation, partnership assets and liabilities are reported as consolidated at 100% if deemed under our control or if we are deemed to be the primary beneficiary for investments in the VIEs, or on the equity method of accounting if we do not have control or are not the primary beneficiary for investments in VIEs.

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**Reconciliation of Net Earnings to Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) <sup>(2)</sup>**

	Three Months Ended January 31,		Years Ended January 31,	
	2007	2006	2007	2006
	<i>(in thousands)</i>		<i>(in thousands)</i>	
<b>Net earnings</b> .....	<b>\$ 70,626</b>	\$ 28,235	<b>\$ 177,251</b>	\$ 83,519
Depreciation and amortization – Real Estate Groups <sup>(4)</sup> .....	<b>57,938</b>	54,202	<b>206,745</b>	192,715
Amortization of mortgage procurement costs – Real Estate Groups <sup>(4)</sup> .....	<b>2,900</b>	2,919	<b>10,998</b>	11,578
Deferred income tax expense – Real Estate Groups <sup>(5)</sup> .....	<b>47,102</b>	26,089	<b>120,230</b>	43,981
Deferred income tax expense – Non Real-Estate Groups: <sup>(5)</sup>				
Gain on disposition of other investments .....	<b>294</b>	(39)	<b>294</b>	135
Provision for decline in real estate recorded on equity method .....	-	-	-	-
Provision for decline in real estate .....	-	(587)	-	(587)
Current income tax expense on non-operating earnings: <sup>(5)</sup>				
Gain on disposition of other investments .....	-	-	-	60
Gain on disposition included in discontinued operations .....	<b>(3,369)</b>	(811)	<b>13,829</b>	(811)
Gain on disposition of equity method rental properties .....	-	-	<b>2,657</b>	8,147
Straight-line rent adjustment <sup>(3)</sup> .....	<b>(4,198)</b>	(4,477)	<b>(8,757)</b>	(10,660)
Preference payment .....	<b>898</b>	-	<b>898</b>	-
Provision for decline in real estate, net of minority interest .....	-	1,748	<b>1,923</b>	6,442
Provision for decline in real estate of equity method rental properties .....	-	-	<b>400</b>	704
Gain on disposition of equity method rental properties .....	-	-	<b>(7,662)</b>	(21,023)
Loss (gain) on disposition of other investments .....	-	100	-	(506)
Discontinued operations: <sup>(1)</sup>				
Gain on disposition of rental properties .....	<b>(64,641)</b>	(33,722)	<b>(351,861)</b>	(43,198)
Minority interest – Gain on disposition .....	-	-	<b>118,009</b>	-
<b>Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) <sup>(2)</sup> .....</b>	<b>\$ 107,550</b>	\$ 73,657	<b>\$ 284,954</b>	\$ 270,496

- (1) Pursuant to the definition of a component of an entity of SFAS No. 144, assuming no significant continuing involvement, all earnings of properties and a division which have been sold or held for sale are reported as discontinued operations.
- (2) The Company uses an additional measure, along with net earnings, to report its operating results. This measure, referred to as Earnings Before Depreciation, Amortization and Deferred Taxes (“EBDT”), is not a measure of operating results as defined by generally accepted accounting principles and may not be directly comparable to similarly-titled measures reported by other companies. The Company believes that EBDT provides additional information about its operations, and along with net earnings, is necessary to understand its operating results. EBDT is defined as net earnings excluding the following items: i) gain (loss) on disposition of operating properties, divisions and other investments (net of tax); ii) the adjustment to recognize rental revenues and rental expense using the straight-line method; iii) noncash charges from Forest City Rental Properties Corporation, a wholly-owned subsidiary of Forest City Enterprises, Inc., for depreciation, amortization (including amortization of mortgage procurement costs) and deferred income taxes; iv) provision for decline in real estate (net of tax); v) extraordinary items (net of tax); and vi) cumulative effect of change in accounting principle (net of tax).
- (3) The Company recognizes minimum rents on a straight-line basis over the term of the related lease pursuant to the provision of SFAS No. 13, “Accounting for Leases.” The straight-line rent adjustment is recorded as an increase or decrease to revenue from Forest City Rental Properties Corporation, a wholly-owned subsidiary of Forest City Enterprises, Inc., with the applicable offset to either accounts receivable or accounts payable, as appropriate.
- (4) The following table provides detail of depreciation and amortization and amortization of mortgage procurement costs. The Company’s Real Estate Groups are owned by Forest City Rental Properties Corporation, a wholly-owned subsidiary engaged in the ownership, development, acquisition and management of real estate projects, including apartment complexes, regional malls and retail centers, hotels, office buildings and mixed-use facilities, as well as large land development projects.

	Depreciation and Amortization				Amortization of Mortgage Procurement Costs			
	Three Months Ended		Years Ended		Three Months Ended		Years Ended	
	January 31,	2006	January 31,	2006	January 31,	2006	January 31,	2006
	2007	2006	2007	2006	2007	2006	2007	2006
Full Consolidation .....	<b>\$ 52,793</b>	\$ 46,124	<b>\$ 181,129</b>	\$ 164,397	<b>\$ 2,695</b>	\$ 2,534	<b>\$ 10,903</b>	\$ 9,979
Non-Real Estate Groups .....	<b>(639)</b>	(368)	<b>(1,571)</b>	(1,104)	<b>(97)</b>	(83)	<b>(333)</b>	(369)
Real Estate Groups Full Consolidation .....	<b>52,154</b>	45,756	<b>179,558</b>	163,293	<b>2,598</b>	2,451	<b>10,570</b>	9,610
Real Estate Groups related to minority interest .....	<b>(3,097)</b>	(2,233)	<b>(13,811)</b>	(15,341)	<b>(161)</b>	(84)	<b>(1,076)</b>	(1,066)
Real Estate Groups Equity Method .....	<b>8,867</b>	7,080	<b>34,779</b>	26,905	<b>452</b>	338	<b>1,312</b>	1,244
Real Estate Groups Discontinued Operations .....	<b>14</b>	3,599	<b>6,219</b>	17,858	<b>11</b>	214	<b>192</b>	1,790
Real Estate Groups Pro-Rata Consolidation .....	<b>\$ 57,938</b>	\$ 54,202	<b>\$ 206,745</b>	\$ 192,715	<b>\$ 2,900</b>	\$ 2,919	<b>\$ 10,998</b>	\$ 11,578

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**Reconciliation of Net Earnings to Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) <sup>(2)</sup> (continued)**

(5) The following table provides detail of Income Tax Expense (Benefit):

	Three Months Ended January 31,		Years Ended January 31,	
	2007	2006	2007	2006
	<i>(in thousands)</i>		<i>(in thousands)</i>	
(A) Operating earnings				
Current .....	\$ 1,119	\$ (3,057)	\$ (16,085)	\$ (4,207)
Deferred .....	23,165	8,227	48,433	24,215
	<u>24,284</u>	<u>5,170</u>	<u>32,348</u>	<u>20,008</u>
(B) Provision for decline in real estate				
Deferred .....	-	(676)	(743)	(2,490)
Deferred-Equity method investment .....	-	-	(155)	(272)
	<u>-</u>	<u>(676)</u>	<u>(898)</u>	<u>(2,762)</u>
(C) Gain on disposition of other investments				
Current – Non-Real Estate Groups .....	-	-	-	60
Deferred – Non-Real Estate Groups .....	-	(39)	-	135
	<u>-</u>	<u>(39)</u>	<u>-</u>	<u>195</u>
(D) Gain on disposition of equity method rental properties				
Current .....	-	-	2,657	8,147
Deferred .....	-	-	305	(24)
	<u>-</u>	<u>-</u>	<u>2,962</u>	<u>8,123</u>
Subtotal (A) (B) (C) (D)				
Current .....	1,119	(3,057)	(13,428)	4,000
Deferred .....	23,165	7,512	47,840	21,564
Income tax expense .....	<u>24,284</u>	<u>4,455</u>	<u>34,412</u>	<u>25,564</u>
(E) Discontinued operations – Rental Properties				
Operating earnings				
Current .....	49	(1,663)	1,542	(6,149)
Deferred .....	138	(319)	679	1,436
	<u>187</u>	<u>(1,982)</u>	<u>2,221</u>	<u>(4,713)</u>
Gain on disposition of rental properties				
Current .....	(3,369)	(811)	13,829	(811)
Deferred .....	28,053	13,842	76,237	17,504
	<u>24,684</u>	<u>13,031</u>	<u>90,066</u>	<u>16,693</u>
	<u>24,871</u>	<u>11,049</u>	<u>92,287</u>	<u>11,980</u>
Deferred gain on disposition of Lumber Group				
Current .....	-	-	-	-
Deferred .....	294	-	294	-
	<u>294</u>	<u>-</u>	<u>294</u>	<u>-</u>
Subtotal	<u>25,165</u>	<u>11,049</u>	<u>92,581</u>	<u>11,980</u>
Grand Total (A) (B) (C) (D) (E)				
Current .....	(2,201)	(5,531)	1,943	(2,960)
Deferred .....	51,650	21,035	125,050	40,504
	<u>\$ 49,449</u>	<u>\$ 15,504</u>	<u>\$ 126,993</u>	<u>\$ 37,544</u>
Recap of Grand Total:				
Real Estate Groups				
Current .....	98	(8,215)	15,802	5,356
Deferred .....	47,102	26,089	120,230	43,981
	<u>47,200</u>	<u>17,874</u>	<u>136,032</u>	<u>49,337</u>
Non-Real Estate Groups				
Current .....	(2,299)	2,684	(13,859)	(8,316)
Deferred .....	4,548	(5,054)	4,820	(3,477)
	<u>2,249</u>	<u>(2,370)</u>	<u>(9,039)</u>	<u>(11,793)</u>
<b>Grand Total</b> .....	<u>\$ 49,449</u>	<u>\$ 15,504</u>	<u>\$ 126,993</u>	<u>\$ 37,544</u>

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**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Three Months Ended January 31, 2007** *(in thousands)*

	Commercial Group 2006					Residential Group 2006				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 242,641	\$ 13,874	\$ 36,189	\$ (318)	\$ 264,638	\$ 66,352	\$ 2,435	\$ 48,782	\$ 2,437	\$ 115,136
Exclude straight-line rent adjustment .....	(7,020)	-	-	-	(7,020)	24	-	-	-	24
Adjusted revenues .....	235,621	13,874	36,189	(318)	257,618	66,376	2,435	48,782	2,437	115,160
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	135,906	3,815	21,446	173	153,710	45,822	1,230	32,498	1,227	78,317
Exclude straight-line rent adjustment .....	(2,797)	-	-	-	(2,797)	-	-	-	-	-
Exclude preference payment .....	(898)	-	-	-	(898)	-	-	-	-	-
Adjusted operating expenses .....	132,211	3,815	21,446	173	150,015	45,822	1,230	32,498	1,227	78,317
Add interest and other income .....	3,582	(579)	1,813	272	6,246	20,465	10	575	606	21,636
Add equity in earnings of unconsolidated entities .....	9,189	-	(6,124)	-	3,065	2,450	-	(2,993)	-	(543)
Add back equity method depreciation and amortization expense .....	3,970	-	(3,970)	-	-	5,349	-	(5,349)	-	-
<b>Net operating income</b> .....	<b>120,151</b>	<b>9,480</b>	<b>6,462</b>	<b>(219)</b>	<b>116,914</b>	<b>48,818</b>	<b>1,215</b>	<b>8,517</b>	<b>1,816</b>	<b>57,936</b>
Interest expense, including early extinguishment of debt .....	47,745	3,655	6,462	(44)	50,508	20,665	825	8,517	1,137	29,494
Income tax expense (benefit) .....	(3,414)	-	-	(70)	(3,484)	9,683	-	-	119	9,802
Minority interest in earnings before depreciation and amortization .....	5,825	5,825	-	-	-	390	390	-	-	-
Add: EBDT from discontinued operations .....	(105)	-	-	105	-	560	-	-	(560)	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ 69,890</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 69,890</b>	<b>\$ 18,640</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,640</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ 69,890	\$ -	\$ -	\$ -	\$ 69,890	\$ 18,640	\$ -	\$ -	\$ -	\$ 18,640
Depreciation and amortization – Real Estate Groups .....	(39,024)	-	-	-	(39,024)	(18,855)	-	-	(14)	(18,869)
Amortization of mortgage procurement costs – Real Estate Groups .....	(2,129)	-	-	-	(2,129)	(760)	-	-	(11)	(771)
Deferred taxes – Real Estate Groups .....	(14,321)	-	-	(4)	(14,325)	6,555	-	-	(134)	6,421
Straight-line rent adjustment .....	4,223	-	-	-	4,223	(24)	-	-	-	(24)
Preference payment .....	(898)	-	-	-	(898)	-	-	-	-	-
Gain on disposition of rental properties, net of tax .....	-	-	-	-	-	-	-	-	39,197	39,197
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	(14)	-	-	14	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	(11)	-	-	11	-
Deferred taxes – Real Estate Groups .....	(4)	-	-	4	-	(134)	-	-	134	-
Straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Gain on disposition of rental properties .....	-	-	-	-	-	39,197	-	-	(39,197)	-
Deferred gain on disposition of Lumber Group .....	-	-	-	-	-	-	-	-	-	-
<b>Net earnings</b> .....	<b>\$ 17,737</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,737</b>	<b>\$ 44,594</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,594</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
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**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Three Months Ended January 31, 2007** *(in thousands)* (continued)

	Land Development Group 2006					The Nets 2006				
	Full Consolidation (GAAP)	Less Minority Interest	Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 51,386	\$ 4,080	\$ 60,303	\$ -	\$ 107,609	\$ -	\$ -	\$ -	\$ -	\$ -
Exclude straight-line rent adjustment .....	1	-	-	-	1	-	-	-	-	-
Adjusted revenues.....	51,387	4,080	60,303	-	107,610	-	-	-	-	-
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	33,138	2,470	39,648	-	70,316	-	-	631	-	631
Exclude straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Exclude preference payment.....	-	-	-	-	-	-	-	-	-	-
Adjusted operating expenses .....	33,138	2,470	39,648	-	70,316	-	-	631	-	631
Add interest and other income.....	6,818	659	112	-	6,271	-	-	1	-	1
Add equity in earnings of unconsolidated entities.....	21,710	-	(20,637)	-	1,073	(619)	-	631	-	12
Add back equity method depreciation and amortization expense .....	-	-	-	-	-	-	-	-	-	-
<b>Net operating income</b> .....	<b>46,777</b>	<b>2,269</b>	<b>130</b>	<b>-</b>	<b>44,638</b>	<b>(619)</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(618)</b>
Interest expense, including early extinguishment of debt .....	2,368	170	130	-	2,328	-	-	1	-	1
Income tax expense (benefit).....	5,473	-	-	-	5,473	1,417	-	-	-	1,417
Minority interest in earnings before depreciation and amortization .....	2,099	2,099	-	-	-	-	-	-	-	-
Add: EBDT from discontinued operations .....	-	-	-	-	-	-	-	-	-	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ 36,837</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,837</b>	<b>\$ (2,036)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,036)</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ 36,837	\$ -	\$ -	\$ -	\$ 36,837	\$ (2,036)	\$ -	\$ -	\$ -	\$ (2,036)
Depreciation and amortization – Real Estate Groups.....	(45)	-	-	-	(45)	-	-	-	-	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Deferred taxes – Real Estate Groups .....	(11,725)	-	-	-	(11,725)	-	-	-	-	-
Straight-line rent adjustment .....	(1)	-	-	-	(1)	-	-	-	-	-
Preference payment .....	-	-	-	-	-	-	-	-	-	-
Gain on disposition of rental properties, net of tax .....	-	-	-	-	-	-	-	-	-	-
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups.....	-	-	-	-	-	-	-	-	-	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Deferred taxes – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Gain on disposition of rental properties .....	-	-	-	-	-	-	-	-	-	-
Deferred gain on disposition of Lumber Group .....	-	-	-	-	-	-	-	-	-	-
<b>Net earnings</b> .....	<b>\$ 25,066</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,066</b>	<b>\$ (2,036)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,036)</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
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**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Three Months Ended January 31, 2007** *(in thousands)* (continued)

	Corporate Activities 2006					Total 2006				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,379	\$ 20,389	\$ 145,274	\$ 2,119	\$ 487,383
Exclude straight-line rent adjustment .....	-	-	-	-	-	(6,995)	-	-	-	(6,995)
Adjusted revenues .....	-	-	-	-	-	353,384	20,389	145,274	2,119	480,388
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	11,335	-	-	-	11,335	226,201	7,515	94,223	1,400	314,309
Exclude straight-line rent adjustment .....	-	-	-	-	-	(2,797)	-	-	-	(2,797)
Exclude preference payment .....	-	-	-	-	-	(898)	-	-	-	(898)
Adjusted operating expenses .....	11,335	-	-	-	11,335	222,506	7,515	94,223	1,400	310,614
Add interest and other income .....	898	-	-	-	898	31,763	90	2,501	878	35,052
Add equity in earnings of unconsolidated entities .....	1	-	-	-	1	32,731	-	(29,123)	-	3,608
Add back equity method depreciation and amortization expense .....	-	-	-	-	-	9,319	-	(9,319)	-	-
<b>Net operating income</b> .....	<b>(10,436)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,436)</b>	<b>204,691</b>	<b>12,964</b>	<b>15,110</b>	<b>1,597</b>	<b>208,434</b>
Interest expense, including early extinguishment of debt .....	13,131	-	-	-	13,131	83,909	4,650	15,110	1,093	95,462
Income tax expense (benefit) .....	(7,786)	-	-	-	(7,786)	5,373	-	-	49	5,422
Minority interest in earnings before depreciation and amortization .....	-	-	-	-	-	8,314	8,314	-	-	-
Add: EBDT from discontinued operations .....	-	-	-	-	-	455	-	-	(455)	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ (15,781)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (15,781)</b>	<b>\$ 107,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 107,550</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ (15,781)	\$ -	\$ -	\$ -	\$ (15,781)	\$ 107,550	\$ -	\$ -	\$ -	\$ 107,550
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	(57,924)	-	-	(14)	(57,938)
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	(2,889)	-	-	(11)	(2,900)
Deferred taxes – Real Estate Groups .....	580	-	-	-	580	(18,911)	-	-	(138)	(19,049)
Straight-line rent adjustment .....	-	-	-	-	-	4,198	-	-	-	4,198
Preference payment .....	-	-	-	-	-	(898)	-	-	-	(898)
Gain on disposition of rental properties, net of tax .....	-	-	-	466	466	-	-	-	39,663	39,663
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	(14)	-	-	14	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	(11)	-	-	11	-
Deferred taxes – Real Estate Groups .....	-	-	-	-	-	(138)	-	-	138	-
Straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Gain on disposition of rental properties .....	-	-	-	-	-	39,197	-	-	(39,197)	-
Deferred gain on disposition of Lumber Group .....	466	-	-	(466)	-	466	-	-	(466)	-
<b>Net earnings</b> .....	<b>\$ (14,735)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (14,735)</b>	<b>\$ 70,626</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,626</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
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**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Year Ended January 31, 2007 (in thousands)**

	Commercial Group 2006					Residential Group 2006				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 811,315	\$ 80,330	\$ 110,529	\$ 41,880	\$ 883,394	\$ 240,290	\$ 9,482	\$ 143,042	\$ 16,318	\$ 390,168
Exclude straight-line rent adjustment .....	(15,965)	-	-	(44)	(16,009)	12	-	-	-	12
Adjusted revenues .....	795,350	80,330	110,529	41,836	867,385	240,302	9,482	143,042	16,318	390,180
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	428,132	35,829	64,952	30,943	488,198	164,496	5,434	86,731	6,554	252,347
Exclude straight-line rent adjustment .....	(6,299)	-	-	(938)	(7,237)	-	-	-	-	-
Exclude preference payment .....	(898)	-	-	-	(898)	-	-	-	-	-
Adjusted operating expenses .....	420,935	35,829	64,952	30,005	480,063	164,496	5,434	86,731	6,554	252,347
Add interest and other income .....	8,019	993	1,825	878	9,729	33,663	34	1,249	626	35,504
Add equity in earnings of unconsolidated entities .....	23,936	-	(22,037)	-	1,899	118	-	(1,836)	-	(1,718)
Remove gain on disposition of equity method rental properties .....	(7,662)	-	7,662	-	-	-	-	-	-	-
Add back provision for decline in real estate of equity method rental properties .....	400	-	(400)	-	-	-	-	-	-	-
Add back equity method depreciation and amortization expense .....	12,438	-	(12,438)	-	-	23,653	-	(23,653)	-	-
<b>Net operating income</b> .....	<b>411,546</b>	<b>45,494</b>	<b>20,189</b>	<b>12,709</b>	<b>398,950</b>	<b>133,240</b>	<b>4,082</b>	<b>32,071</b>	<b>10,390</b>	<b>171,619</b>
Interest expense, including early extinguishment of debt .....	179,164	20,795	20,189	5,296	183,854	59,853	3,111	32,071	4,757	93,570
Income tax expense (benefit) .....	2,708	-	-	152	2,860	1,274	-	-	1,390	2,664
Minority interest in earnings before depreciation and amortization .....	24,699	24,699	-	-	-	971	971	-	-	-
Add: EBDT from discontinued operations .....	7,261	-	-	(7,261)	-	4,243	-	-	(4,243)	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ 212,236</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 212,236</b>	<b>\$ 75,385</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,385</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ 212,236	\$ -	\$ -	\$ -	\$ 212,236	\$ 75,385	\$ -	\$ -	\$ -	\$ 75,385
Depreciation and amortization – Real Estate Groups .....	(131,182)	-	-	(3,497)	(134,679)	(69,184)	-	-	(2,722)	(71,906)
Amortization of mortgage procurement costs – Real Estate Groups .....	(7,904)	-	-	(125)	(8,029)	(2,902)	-	-	(67)	(2,969)
Deferred taxes – Real Estate Groups .....	(31,796)	-	-	(970)	(32,766)	997	-	-	291	1,288
Straight-line rent adjustment .....	9,666	-	-	(894)	8,772	(12)	-	-	-	(12)
Preference payment .....	(898)	-	-	-	(898)	-	-	-	-	-
Gain on disposition of rental properties and other investments, net of tax .....	-	-	4,700	99,323	104,023	-	-	-	43,703	43,703
Provision for decline in real estate, net of tax and minority interest .....	(1,180)	-	(245)	-	(1,425)	-	-	-	-	-
Gain on disposition of equity method rental properties, net of tax .....	4,700	-	(4,700)	-	-	-	-	-	-	-
Provision for decline in real estate of equity method rental properties, net of tax .....	(245)	-	245	-	-	-	-	-	-	-
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	(3,497)	-	-	3,497	-	(2,722)	-	-	2,722	-
Amortization of mortgage procurement costs – Real Estate Groups .....	(125)	-	-	125	-	(67)	-	-	67	-
Deferred taxes – Real Estate Groups .....	(970)	-	-	970	-	291	-	-	(291)	-
Straight-line rent adjustment .....	(894)	-	-	894	-	-	-	-	-	-
Gain on disposition of rental properties .....	99,323	-	-	(99,323)	-	43,703	-	-	(43,703)	-
Deferred gain on disposition of Lumber Group .....	-	-	-	-	-	-	-	-	-	-
<b>Net earnings</b> .....	<b>\$ 147,234</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 147,234</b>	<b>\$ 45,489</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,489</b>



**Forest City Enterprises, Inc. and Subsidiaries**  
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**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Year Ended January 31, 2007** (in thousands) (continued)

	Land Development Group 2006					The Nets 2006				
	Full Consolidation (GAAP)	Less Minority Interest	Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 117,230	\$ 8,189	\$ 82,750	\$ -	\$ 191,791	\$ -	\$ -	\$ 19,136	\$ -	\$ 19,136
Exclude straight-line rent adjustment .....	3	-	-	-	3	-	-	-	-	-
Adjusted revenues .....	117,233	8,189	82,750	-	191,794	-	-	19,136	-	19,136
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	75,546	4,870	60,147	-	130,823	-	-	30,959	-	30,959
Exclude straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Exclude preference payment .....	-	-	-	-	-	-	-	-	-	-
Adjusted operating expenses .....	75,546	4,870	60,147	-	130,823	-	-	30,959	-	30,959
Add interest and other income .....	18,179	1,736	246	-	16,689	-	-	(19)	-	(19)
Add equity in earnings of unconsolidated entities .....	39,190	-	(22,059)	-	17,131	(14,703)	-	14,654	-	(49)
Remove gain on disposition of equity method rental properties .....	-	-	-	-	-	-	-	-	-	-
Add back provision for decline in real estate of equity method rental properties .....	-	-	-	-	-	-	-	-	-	-
Add back equity method depreciation and amortization expense .....	-	-	-	-	-	-	-	-	-	-
<b>Net operating income</b> .....	<b>99,056</b>	<b>5,055</b>	<b>790</b>	<b>-</b>	<b>94,791</b>	<b>(14,703)</b>	<b>-</b>	<b>2,812</b>	<b>-</b>	<b>(11,891)</b>
Interest expense, including early extinguishment of debt .....	8,875	651	790	-	9,014	-	-	2,812	-	2,812
Income tax expense (benefit) .....	23,632	-	-	-	23,632	(4,361)	-	-	-	(4,361)
Minority interest in earnings before depreciation and amortization .....	4,404	4,404	-	-	-	-	-	-	-	-
Add: EBDT from discontinued operations .....	-	-	-	-	-	-	-	-	-	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ 62,145</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,145</b>	<b>\$ (10,342)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,342)</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ 62,145	\$ -	\$ -	\$ -	\$ 62,145	\$ (10,342)	\$ -	\$ -	\$ -	\$ (10,342)
Depreciation and amortization – Real Estate Groups .....	(160)	-	-	-	(160)	-	-	-	-	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Deferred taxes – Real Estate Groups .....	(10,448)	-	-	-	(10,448)	-	-	-	-	-
Straight-line rent adjustment .....	(3)	-	-	-	(3)	-	-	-	-	-
Preference payment .....	-	-	-	-	-	-	-	-	-	-
Gain on disposition of rental properties and other investments, net of tax .....	-	-	-	-	-	-	-	-	-	-
Provision for decline in real estate, net of tax and minority interest .....	-	-	-	-	-	-	-	-	-	-
Gain on disposition of equity method rental properties, net of tax .....	-	-	-	-	-	-	-	-	-	-
Provision for decline in real estate of equity method rental properties, net of tax .....	-	-	-	-	-	-	-	-	-	-
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Deferred taxes – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Gain on disposition of rental properties .....	-	-	-	-	-	-	-	-	-	-
Deferred gain on disposition of Lumber Group .....	-	-	-	-	-	-	-	-	-	-
<b>Net earnings</b> .....	<b>\$ 51,534</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,534</b>	<b>\$ (10,342)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,342)</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Year Ended January 31, 2007** (in thousands) (continued)

	Corporate Activities 2006					Total 2006				
	Full Consolidation (GAAP)	Less Minority Interest	Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,168,835	\$ 98,001	\$ 355,457	\$ 58,198	\$ 1,484,489
Exclude straight-line rent adjustment .....	-	-	-	-	-	(15,950)	-	-	(44)	(15,994)
Adjusted revenues .....	-	-	-	-	-	1,152,885	98,001	355,457	58,154	1,468,495
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	43,073	-	-	-	43,073	711,247	46,133	242,789	37,497	945,400
Exclude straight-line rent adjustment .....	-	-	-	-	-	(6,299)	-	-	(938)	(7,237)
Exclude preference payment .....	-	-	-	-	-	(898)	-	-	-	(898)
Adjusted operating expenses .....	43,073	-	-	-	43,073	704,050	46,133	242,789	36,559	937,265
Add interest and other income .....	1,876	-	-	-	1,876	61,737	2,763	3,301	1,504	63,779
Add equity in earnings of unconsolidated entities .....	1	-	-	-	1	48,542	-	(31,278)	-	17,264
Remove gain on disposition of equity method rental properties .....	-	-	-	-	-	(7,662)	-	7,662	-	-
Add back provision for decline in real estate of equity method rental properties .....	-	-	-	-	-	400	-	(400)	-	-
Add back equity method depreciation and amortization expense .....	-	-	-	-	-	36,091	-	(36,091)	-	-
<b>Net operating income</b> .....	(41,196)	-	-	-	(41,196)	587,943	54,631	55,862	23,099	612,273
Interest expense, including early extinguishment of debt .....	48,086	-	-	-	48,086	295,978	24,557	55,862	10,053	337,336
Income tax expense (benefit) .....	(34,812)	-	-	-	(34,812)	(11,559)	-	-	1,542	(10,017)
Minority interest in earnings before depreciation and amortization .....	-	-	-	-	-	30,074	30,074	-	-	-
Add: EBDT from discontinued operations .....	-	-	-	-	-	11,504	-	-	(11,504)	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	\$ (54,470)	\$ -	\$ -	\$ -	\$ (54,470)	\$ 284,954	\$ -	\$ -	\$ -	\$ 284,954
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ (54,470)	\$ -	\$ -	\$ -	\$ (54,470)	\$ 284,954	\$ -	\$ -	\$ -	\$ 284,954
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	(200,526)	-	-	(6,219)	(206,745)
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	(10,806)	-	-	(192)	(10,998)
Deferred taxes – Real Estate Groups .....	(2,660)	-	-	-	(2,660)	(43,907)	-	-	(679)	(44,586)
Straight-line rent adjustment .....	-	-	-	-	-	9,651	-	-	(894)	8,757
Preference payment .....	-	-	-	-	-	(898)	-	-	-	(898)
Gain on disposition of rental properties and other investments, net of tax .....	-	-	-	466	466	-	-	4,700	143,492	148,192
Provision for decline in real estate, net of tax and minority interest .....	-	-	-	-	-	(1,180)	-	(245)	-	(1,425)
Gain on disposition of equity method rental properties, net of tax .....	-	-	-	-	-	4,700	-	(4,700)	-	-
Provision for decline in real estate of equity method rental properties, net of tax .....	-	-	-	-	-	(245)	-	245	-	-
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	(6,219)	-	-	6,219	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	(192)	-	-	192	-
Deferred taxes – Real Estate Groups .....	-	-	-	-	-	(679)	-	-	679	-
Straight-line rent adjustment .....	-	-	-	-	-	(894)	-	-	894	-
Gain on disposition of rental properties .....	-	-	-	-	-	143,026	-	-	(143,026)	-
Deferred gain on disposition of Lumber Group .....	466	-	-	(466)	-	466	-	-	(466)	-
<b>Net earnings</b> .....	\$ (56,664)	\$ -	\$ -	\$ -	\$ (56,664)	\$ 177,251	\$ -	\$ -	\$ -	\$ 177,251

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Three Months Ended January 31, 2006** *(in thousands)*

	Commercial Group 2005					Residential Group 2005				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 229,045	\$ 37,388	\$ 23,457	\$ 19,454	\$ 234,568	\$ 53,297	\$ 3,819	\$ 29,837	\$ 5,918	\$ 85,233
Exclude straight-line rent adjustment .....	(6,308)	-	-	(69)	(6,377)	(11)	-	-	-	(11)
Adjusted revenues .....	222,737	37,388	23,457	19,385	228,191	53,286	3,819	29,837	5,918	85,222
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	105,462	9,857	13,947	13,815	123,367	38,851	2,406	16,733	3,315	56,493
Exclude straight-line rent adjustment .....	(1,349)	-	-	(577)	(1,926)	-	-	-	-	-
Adjusted operating expenses .....	104,113	9,857	13,947	13,238	121,441	38,851	2,406	16,733	3,315	56,493
Add interest and other income .....	1,302	279	(153)	64	934	1,399	27	719	109	2,200
Add equity in earnings of unconsolidated entities .....	2,300	-	(2,398)	-	(98)	514	-	(658)	-	(144)
Add back equity method depreciation and amortization expense .....	2,745	-	(2,745)	-	-	4,673	-	(4,673)	-	-
<b>Net operating income</b> .....	<b>124,971</b>	<b>27,810</b>	<b>4,214</b>	<b>6,211</b>	<b>107,586</b>	<b>21,021</b>	<b>1,440</b>	<b>8,492</b>	<b>2,712</b>	<b>30,785</b>
Interest expense, including early extinguishment of debt .....	44,689	5,416	4,214	7,089	50,576	10,449	941	8,492	2,651	20,651
Income tax expense (benefit) .....	(11,692)	-	-	(935)	(12,627)	1,639	-	-	(728)	911
Minority interest in earnings before depreciation and amortization .....	22,394	22,394	-	-	-	499	499	-	-	-
Add: EBDT from discontinued operations .....	57	-	-	(57)	-	789	-	-	(789)	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ 69,637</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 69,637</b>	<b>\$ 9,223</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,223</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ 69,637	\$ -	\$ -	\$ -	\$ 69,637	\$ 9,223	\$ -	\$ -	\$ -	\$ 9,223
Depreciation and amortization – Real Estate Groups .....	(31,001)	-	-	(1,971)	(32,972)	(19,558)	-	-	(1,628)	(21,186)
Amortization of mortgage procurement costs – Real Estate Groups .....	(2,169)	-	-	(185)	(2,354)	(536)	-	-	(29)	(565)
Deferred taxes – Real Estate Groups .....	(22,685)	-	-	430	(22,255)	8,380	-	-	(111)	8,269
Straight-line rent adjustment .....	4,959	-	-	(508)	4,451	11	-	-	-	11
Gain on disposition of rental properties, net of tax .....	-	-	-	-	-	-	-	-	20,691	20,691
Provision of decline in real estate, net of tax and minority interest .....	-	-	-	-	-	-	-	-	-	-
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	(1,971)	-	-	1,971	-	(1,628)	-	-	1,628	-
Amortization of mortgage procurement costs – Real Estate Groups .....	(185)	-	-	185	-	(29)	-	-	29	-
Deferred taxes – Real Estate Groups .....	430	-	-	(430)	-	(111)	-	-	111	-
Straight-line rent adjustment .....	(508)	-	-	508	-	-	-	-	-	-
Gain on disposition of rental properties .....	-	-	-	-	-	20,691	-	-	(20,691)	-
<b>Net earnings</b> .....	<b>\$ 16,507</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,507</b>	<b>\$ 16,443</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,443</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
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**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Three Months Ended January 31, 2006** *(in thousands)* (continued)

	Land Development Group 2005					The Nets 2005				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 30,628	\$ 2,810	\$ 25,767	\$ -	\$ 53,585	\$ -	\$ -	\$ 7,531	\$ -	\$ 7,531
Exclude straight-line rent adjustment .....	(15)	-	-	-	(15)	-	-	-	-	-
Adjusted revenues .....	30,613	2,810	25,767	-	53,570	-	-	7,531	-	7,531
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	18,559	1,335	12,246	-	29,470	-	-	14,136	-	14,136
Exclude straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Adjusted operating expenses .....	18,559	1,335	12,246	-	29,470	-	-	14,136	-	14,136
Add interest and other income .....	6,214	653	26	-	5,587	-	-	121	-	121
Add equity in earnings of unconsolidated entities .....	13,916	-	(13,385)	-	531	(7,537)	-	7,484	-	(53)
Add back equity method depreciation and amortization expense .....	-	-	-	-	-	-	-	-	-	-
<b>Net operating income</b> .....	<b>32,184</b>	<b>2,128</b>	<b>162</b>	<b>-</b>	<b>30,218</b>	<b>(7,537)</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>(6,537)</b>
Interest expense, including early extinguishment of debt .....	1,979	131	162	-	2,010	-	-	1,000	-	1,000
Income tax expense (benefit) .....	8,050	-	-	-	8,050	(1,858)	-	-	-	(1,858)
Minority interest in earnings before depreciation and amortization .....	1,997	1,997	-	-	-	-	-	-	-	-
Add: EBDT from discontinued operations .....	-	-	-	-	-	-	-	-	-	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ 20,158</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,158</b>	<b>\$ (5,679)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,679)</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ 20,158	\$ -	\$ -	\$ -	\$ 20,158	\$ (5,679)	\$ -	\$ -	\$ -	\$ (5,679)
Depreciation and amortization – Real Estate Groups .....	(44)	-	-	-	(44)	-	-	-	-	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Deferred taxes – Real Estate Groups .....	(4,371)	-	-	-	(4,371)	-	-	-	-	-
Straight-line rent adjustment .....	15	-	-	-	15	-	-	-	-	-
Gain on disposition of rental properties, net of tax .....	-	-	-	-	-	-	-	-	-	-
Provision of decline in real estate, net of tax and minority interest .....	(1,072)	-	-	-	(1,072)	-	-	-	-	-
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Deferred taxes – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Gain on disposition of rental properties .....	-	-	-	-	-	-	-	-	-	-
<b>Net earnings</b> .....	<b>\$ 14,686</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,686</b>	<b>\$ (5,679)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,679)</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Three Months Ended January 31, 2006** *(in thousands)* (continued)

	Corporate Activities 2005					Total 2005				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,970	\$ 44,017	\$ 86,592	\$ 25,372	\$ 380,917
Exclude straight-line rent adjustment .....	-	-	-	-	-	(6,334)	-	-	(69)	(6,403)
Adjusted revenues .....	-	-	-	-	-	306,636	44,017	86,592	25,303	374,514
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	10,825	-	-	-	10,825	173,697	13,598	57,062	17,130	234,291
Exclude straight-line rent adjustment .....	-	-	-	-	-	(1,349)	-	-	(577)	(1,926)
Adjusted operating expenses .....	10,825	-	-	-	10,825	172,348	13,598	57,062	16,553	232,365
Add interest and other income .....	377	-	-	-	377	9,292	959	713	173	9,219
Add equity in earnings of unconsolidated entities .....	(21)	-	-	-	(21)	9,172	-	(8,957)	-	215
Add back equity method depreciation and amortization expense .....	-	-	-	-	-	7,418	-	(7,418)	-	-
<b>Net operating income</b> .....	<b>(10,469)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,469)</b>	<b>160,170</b>	<b>31,378</b>	<b>13,868</b>	<b>8,923</b>	<b>151,583</b>
Interest expense, including early extinguishment of debt .....	12,837	-	-	-	12,837	69,954	6,488	13,868	9,740	87,074
Income tax expense (benefit) .....	(3,624)	-	-	-	(3,624)	(7,485)	-	-	(1,663)	(9,148)
Minority interest in earnings before depreciation and amortization .....	-	-	-	-	-	24,890	24,890	-	-	-
Add: EBDT from discontinued operations .....	-	-	-	-	-	846	-	-	(846)	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ (19,682)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,682)</b>	<b>\$ 73,657</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,657</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ (19,682)	\$ -	\$ -	\$ -	\$ (19,682)	\$ 73,657	\$ -	\$ -	\$ -	\$ 73,657
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	(50,603)	-	-	(3,599)	(54,202)
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	(2,705)	-	-	(214)	(2,919)
Deferred taxes – Real Estate Groups .....	6,021	-	-	-	6,021	(12,655)	-	-	319	(12,336)
Straight-line rent adjustment .....	-	-	-	-	-	4,985	-	-	(508)	4,477
Gain on disposition of rental properties, net of tax .....	(61)	-	-	-	(61)	(61)	-	-	20,691	20,630
Provision of decline in real estate, net of tax and minority interest .....	-	-	-	-	-	(1,072)	-	-	-	(1,072)
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	(3,599)	-	-	3,599	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	(214)	-	-	214	-
Deferred taxes – Real Estate Groups .....	-	-	-	-	-	319	-	-	(319)	-
Straight-line rent adjustment .....	-	-	-	-	-	(508)	-	-	508	-
Gain on disposition of rental properties .....	-	-	-	-	-	20,691	-	-	(20,691)	-
<b>Net earnings</b> .....	<b>\$ (13,722)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (13,722)</b>	<b>\$ 28,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,235</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Year Ended January 31, 2006** *(in thousands)*

	Commercial Group 2005					Residential Group 2005				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 824,337	\$ 106,236	\$ 96,766	\$ 86,121	\$ 900,988	\$ 196,266	\$ 14,944	\$ 121,084	\$ 29,271	\$ 331,677
Exclude straight-line rent adjustment .....	(18,174)	-	-	(163)	(18,337)	(40)	-	-	-	(40)
Adjusted revenues .....	806,163	106,236	96,766	85,958	882,651	196,226	14,944	121,084	29,271	331,637
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	406,316	41,258	54,970	64,095	484,123	137,079	9,934	67,861	14,341	209,347
Exclude straight-line rent adjustment .....	(5,394)	-	-	(2,338)	(7,732)	-	-	-	-	-
Adjusted operating expenses .....	400,922	41,258	54,970	61,757	476,391	137,079	9,934	67,861	14,341	209,347
Add interest and other income .....	4,415	801	(863)	212	2,963	3,842	40	1,656	331	5,789
Add equity in earnings of unconsolidated entities .....	24,637	-	(24,503)	-	134	13,815	-	(14,235)	-	(420)
Remove gain on disposition of equity method rental properties .....	(13,145)	-	13,145	-	-	(7,878)	-	7,878	-	-
Add back provision for decline in real estate of equity method rental properties .....	704	-	(704)	-	-	-	-	-	-	-
Add back equity method depreciation and amortization expense .....	11,211	-	(11,211)	-	-	16,938	-	(16,938)	-	-
<b>Net operating income</b> .....	<b>433,063</b>	<b>65,779</b>	<b>17,660</b>	<b>24,413</b>	<b>409,357</b>	<b>85,864</b>	<b>5,050</b>	<b>31,584</b>	<b>15,261</b>	<b>127,659</b>
Interest expense, including early extinguishment of debt .....	170,722	23,362	17,660	18,009	183,029	41,503	4,871	31,584	12,053	80,269
Income tax expense (benefit) .....	641	-	-	(4,185)	(3,544)	(4,050)	-	-	(1,964)	(6,014)
Minority interest in earnings before depreciation and amortization .....	42,417	42,417	-	-	-	179	179	-	-	-
Add: EBDT from discontinued operations .....	10,589	-	-	(10,589)	-	5,172	-	-	(5,172)	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ 229,872</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 229,872</b>	<b>\$ 53,404</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,404</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ 229,872	\$ -	\$ -	\$ -	\$ 229,872	\$ 53,404	\$ -	\$ -	\$ -	\$ 53,404
Depreciation and amortization – Real Estate Groups .....	(119,633)	-	-	(10,723)	(130,356)	(55,034)	-	-	(7,135)	(62,169)
Amortization of mortgage procurement costs – Real Estate Groups .....	(7,440)	-	-	(1,609)	(9,049)	(2,348)	-	-	(181)	(2,529)
Deferred taxes – Real Estate Groups .....	(33,019)	-	-	(1,059)	(34,078)	7,825	-	-	(377)	7,448
Straight-line rent adjustment .....	12,780	-	-	(2,175)	10,605	40	-	-	-	40
Gain on disposition of rental properties and other investments, net of tax .....	-	-	8,064	-	8,064	-	-	4,836	26,505	31,341
Provision for decline in real estate, net of tax and minority interest .....	(920)	-	(432)	-	(1,352)	(1,960)	-	-	-	(1,960)
Gain on disposition of equity method rental properties, net of tax .....	8,064	-	(8,064)	-	-	4,836	-	(4,836)	-	-
Provision for decline in real estate of equity method rental properties, net of tax .....	(432)	-	432	-	-	-	-	-	-	-
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	(10,723)	-	-	10,723	-	(7,135)	-	-	7,135	-
Amortization of mortgage procurement costs – Real Estate Groups .....	(1,609)	-	-	1,609	-	(181)	-	-	181	-
Deferred taxes – Real Estate Groups .....	(1,059)	-	-	1,059	-	(377)	-	-	377	-
Straight-line rent adjustment .....	(2,175)	-	-	2,175	-	-	-	-	-	-
Gain on disposition of rental properties .....	-	-	-	-	-	26,505	-	-	(26,505)	-
<b>Net earnings</b> .....	<b>\$ 73,706</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,706</b>	<b>\$ 25,575</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,575</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Year Ended January 31, 2006** *(in thousands)* (continued)

	Land Development Group 2005					The Nets 2005				
	Full Consolidation (GAAP)	Less Minority Interest	Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ 107,869	\$ 7,863	\$ 73,102	\$ -	\$ 173,108	\$ -	\$ -	\$ 27,330	\$ -	\$ 27,330
Exclude straight-line rent adjustment .....	(15)	-	-	-	(15)	-	-	-	-	-
Adjusted revenues .....	107,854	7,863	73,102	-	173,093	-	-	27,330	-	27,330
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	64,872	3,922	38,112	-	99,062	-	-	49,078	-	49,078
Exclude straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Adjusted operating expenses .....	64,872	3,922	38,112	-	99,062	-	-	49,078	-	49,078
Add interest and other income .....	17,716	1,763	137	-	16,090	-	-	288	-	288
Add equity in earnings of unconsolidated entities .....	41,304	-	(34,774)	-	6,530	(24,534)	-	24,452	-	(82)
Remove gain on disposition of equity method rental properties .....	-	-	-	-	-	-	-	-	-	-
Add back provision for decline in real estate of equity method rental properties .....	-	-	-	-	-	-	-	-	-	-
Add back equity method depreciation and amortization expense .....	-	-	-	-	-	-	-	-	-	-
<b>Net operating income</b> .....	<b>102,002</b>	<b>5,704</b>	<b>353</b>	<b>-</b>	<b>96,651</b>	<b>(24,534)</b>	<b>-</b>	<b>2,992</b>	<b>-</b>	<b>(21,542)</b>
Interest expense, including early extinguishment of debt .....	7,606	434	353	-	7,525	-	-	2,992	-	2,992
Income tax expense (benefit) .....	29,789	-	-	-	29,789	(8,427)	-	-	-	(8,427)
Minority interest in earnings before depreciation and amortization .....	5,270	5,270	-	-	-	-	-	-	-	-
Add: EBDT from discontinued operations .....	-	-	-	-	-	-	-	-	-	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ 59,337</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,337</b>	<b>\$ (16,107)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,107)</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ 59,337	\$ -	\$ -	\$ -	\$ 59,337	\$ (16,107)	\$ -	\$ -	\$ -	\$ (16,107)
Depreciation and amortization – Real Estate Groups .....	(190)	-	-	-	(190)	-	-	-	-	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Deferred taxes – Real Estate Groups .....	(6,004)	-	-	-	(6,004)	-	-	-	-	-
Straight-line rent adjustment .....	15	-	-	-	15	-	-	-	-	-
Gain on disposition of rental properties and other investments, net of tax .....	-	-	-	-	-	-	-	-	-	-
Provision for decline in real estate, net of tax and minority interest .....	(1,072)	-	-	-	(1,072)	-	-	-	-	-
Gain on disposition of equity method rental properties, net of tax .....	-	-	-	-	-	-	-	-	-	-
Provision for decline in real estate of equity method rental properties, net of tax .....	-	-	-	-	-	-	-	-	-	-
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Deferred taxes – Real Estate Groups .....	-	-	-	-	-	-	-	-	-	-
Straight-line rent adjustment .....	-	-	-	-	-	-	-	-	-	-
Gain on disposition of rental properties .....	-	-	-	-	-	-	-	-	-	-
<b>Net earnings</b> .....	<b>\$ 52,086</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,086</b>	<b>\$ (16,107)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,107)</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Summary of Earnings Before Depreciation, Amortization and Deferred Taxes (EBDT) — Year Ended January 31, 2006** *(in thousands)* (continued)

	Corporate Activities 2005					Total 2005				
	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)	Full Consolidation (GAAP)	Less Minority Interest	Plus Unconsolidated Investments at Pro-Rata	Plus Discontinued Operations	Pro-Rata Consolidation (Non-GAAP)
Revenues from real estate operations .....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,128,472	\$ 129,043	\$ 318,282	\$ 115,392	\$ 1,433,103
Exclude straight-line rent adjustment .....	-	-	-	-	-	(18,229)	-	-	(163)	(18,392)
Adjusted revenues .....	-	-	-	-	-	1,110,243	129,043	318,282	115,229	1,414,711
Operating expenses, including depreciation and amortization, and amortization of mortgage procurement costs for non-Real Estate Groups .....	37,971	-	-	-	37,971	646,238	55,114	210,021	78,436	879,581
Exclude straight-line rent adjustment .....	-	-	-	-	-	(5,394)	-	-	(2,338)	(7,732)
Adjusted operating expenses .....	37,971	-	-	-	37,971	640,844	55,114	210,021	76,098	871,849
Add interest and other income .....	1,800	-	-	-	1,800	27,773	2,604	1,218	543	26,930
Add equity in earnings of unconsolidated entities .....	(21)	-	-	-	(21)	55,201	-	(49,060)	-	6,141
Remove gain on disposition of equity method rental properties .....	-	-	-	-	-	(21,023)	-	21,023	-	-
Add back provision for decline in real estate of equity method rental properties .....	-	-	-	-	-	704	-	(704)	-	-
Add back equity method depreciation and amortization expense .....	-	-	-	-	-	28,149	-	(28,149)	-	-
<b>Net operating income</b> .....	<b>(36,192)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,192)</b>	<b>560,203</b>	<b>76,533</b>	<b>52,589</b>	<b>39,674</b>	<b>575,933</b>
Interest expense, including early extinguishment of debt .....	45,003	-	-	-	45,003	264,834	28,667	52,589	30,062	318,818
Income tax expense (benefit) .....	(25,185)	-	-	-	(25,185)	(7,232)	-	-	(6,149)	(13,381)
Minority interest in earnings before depreciation and amortization .....	-	-	-	-	-	47,866	47,866	-	-	-
Add: EBDT from discontinued operations .....	-	-	-	-	-	15,761	-	-	(15,761)	-
<b>Earnings before depreciation, amortization and deferred taxes (EBDT)</b> .....	<b>\$ (56,010)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (56,010)</b>	<b>\$ 270,496</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 270,496</b>
Reconciliation to net earnings:										
Earnings before depreciation, amortization and deferred taxes (EBDT) .....	\$ (56,010)	\$ -	\$ -	\$ -	\$ (56,010)	\$ 270,496	\$ -	\$ -	\$ -	\$ 270,496
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	(174,857)	-	-	(17,858)	(192,715)
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	(9,788)	-	-	(1,790)	(11,578)
Deferred taxes – Real Estate Groups .....	3,958	-	-	-	3,958	(27,240)	-	-	(1,436)	(28,676)
Straight-line rent adjustment .....	-	-	-	-	-	12,835	-	-	(2,175)	10,660
Gain on disposition of rental properties and other investments, net of tax .....	311	-	-	-	311	311	-	12,900	26,505	39,716
Provision for decline in real estate, net of tax and minority interest .....	-	-	-	-	-	(3,952)	-	(432)	-	(4,384)
Gain on disposition of equity method rental properties, net of tax .....	-	-	-	-	-	12,900	-	(12,900)	-	-
Provision for decline in real estate of equity method rental properties, net of tax .....	-	-	-	-	-	(432)	-	432	-	-
Discontinued operations, net of tax and minority interest:										
Depreciation and amortization – Real Estate Groups .....	-	-	-	-	-	(17,858)	-	-	17,858	-
Amortization of mortgage procurement costs – Real Estate Groups .....	-	-	-	-	-	(1,790)	-	-	1,790	-
Deferred taxes – Real Estate Groups .....	-	-	-	-	-	(1,436)	-	-	1,436	-
Straight-line rent adjustment .....	-	-	-	-	-	(2,175)	-	-	2,175	-
Gain on disposition of rental properties .....	-	-	-	-	-	26,505	-	-	(26,505)	-
<b>Net earnings</b> .....	<b>\$ (51,741)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (51,741)</b>	<b>\$ 83,519</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 83,519</b>



**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Enterprises, Inc. Portfolio of Real Estate**

**COMMERCIAL GROUP**  
**OFFICE BUILDINGS**

Name	Date of Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Major Tenants	Leasable Square Feet	Leasable Square Feet at Pro- Rata %
<b>Consolidated Office Buildings</b>							
2 Hanson Place .....	2004	100.00 %	100.00 %	Brooklyn, NY	Bank of New York, HSBC	399,000	399,000
35 Landsdowne Street.....	2002	100.00 %	100.00 %	Cambridge, MA	Millennium Pharmaceuticals	202,000	202,000
40 Landsdowne Street.....	2003	100.00 %	100.00 %	Cambridge, MA	Millennium Pharmaceuticals	215,000	215,000
45/75 Sidney Street.....	1999	100.00 %	100.00 %	Cambridge, MA	Millennium Pharmaceuticals	277,000	277,000
65/80 Landsdowne Street.....	2001	100.00 %	100.00 %	Cambridge, MA	Partners HealthCare System	122,000	122,000
88 Sidney Street.....	2002	100.00 %	100.00 %	Cambridge, MA	Alkermes, Inc.	145,000	145,000
Ballston Common Office Center.....	2005	50.00 %	100.00 %	Arlington, VA	US Coast Guard	176,000	176,000
Chase Financial Tower .....	1991	95.00 %	100.00 %	Cleveland, OH	Chase Manhattan Mortgage Corporation	119,000	119,000
+ Edgeworth Building.....	2006	100.00 %	100.00 %	Richmond, VA	Heushler Flieshler	142,000	142,000
Eleven MetroTech Center .....	1995	85.00 %	85.00 %	Brooklyn, NY	City of New York - CDCSA; E-911	216,000	184,000
Fifteen MetroTech Center.....	2003	95.00 %	95.00 %	Brooklyn, NY	Empire Blue Cross and Blue Shield; City of New York - HRA	653,000	620,000
Halle Building.....	1986	75.00 %	100.00 %	Cleveland, OH	Case Western Reserve University; First American Equity; Liggett-Stashower	412,000	412,000
Harlem Center.....	2003	75.00 %	75.00 %	Manhattan, NY	Office of General Services-Temporary Disability & Assistance; State Liquor Authority	146,000	110,000
Illinois Science and Technology Park							
+ - Building A .....	2006	100.00 %	100.00 %	Skokie, IL	Evanston Northwestern Hospital	225,000	225,000
+ - Building P.....	2006	100.00 %	100.00 %	Skokie, IL	Nanoink, Inc.	127,000	127,000
* - Building Q.....	2007	100.00 %	100.00 %	Skokie, IL	Leasing in Progress	160,000	160,000
Jackson Building.....	1987	100.00 %	100.00 %	Cambridge, MA	Ariad Pharmaceuticals	99,000	99,000
* Johns Hopkins – 855 North Wolfe Street .....	2008	76.60 %	76.60 %	East Baltimore, MD	Johns Hopkins, Spec Biotech	278,000	213,000
Knight Ridder Building at Fairmont Plaza .....	1998	85.00 %	85.00 %	San Jose, CA	Knight Ridder; Merrill Lynch; Calpine; UBS Financial; Camera 12 Cinemas	404,000	343,000
M. K. Ferguson Plaza .....	1990	1.00 %	1.00 %	Cleveland, OH	Washington Group; Chase Manhattan Mortgage Corporation; Quicken Loans; Educational Loan Servicing Corp.	478,000	5,000
* New York Times.....	2007	70.00 %	79.50 %	Manhattan, NY	Legg Mason; Covington & Burling; Osler Hoskin	736,000	585,000
Nine MetroTech Center North.....	1997	85.00 %	85.00 %	Brooklyn, NY	City of New York - Fire Department	317,000	269,000
One MetroTech Center .....	1991	82.50 %	82.50 %	Brooklyn, NY	Keyspan; Bear Stearns	933,000	770,000
One Pierrepont Plaza .....	1988	91.70 %	91.70 %	Brooklyn, NY	Morgan Stanley; Goldman Sachs; U.S. Attorney	656,000	602,000
+ Resurrection Health Care.....	2006	100.00 %	100.00 %	Skokie, IL	Resurrection Health Care	40,000	40,000
Richards Building .....	1990	100.00 %	100.00 %	Cambridge, MA	Genzyme Biosurgery; Alkermes, Inc.	126,000	126,000

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Enterprises, Inc. Portfolio of Real Estate**

**COMMERCIAL GROUP**  
**OFFICE BUILDINGS (continued)**

Name	Date of Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Major Tenants	Leasable Square Feet	Leasable Square Feet at Pro- Rata %
<b>Consolidated Office Buildings (continued)</b>							
Skylight Office Tower .....	1991	92.50 %	100.00 %	Cleveland, OH	Cap Gemini; Travelers Indemnity; Ulmer & Berne, LLP	320,000	320,000
+ Stapleton Medical Office Building .....	2006	90.00 %	90.00 %	Denver, CO	University of Colorado Hospital	45,000	41,000
Ten MetroTech Center .....	1992	100.00 %	100.00 %	Brooklyn, NY	Internal Revenue Service	409,000	409,000
Terminal Tower .....	1983	100.00 %	100.00 %	Cleveland, OH	Forest City Enterprises, Inc.; Greater Cleveland Growth Association	577,000	577,000
Twelve MetroTech Center .....	2004	80.00 %	80.00 %	Brooklyn, NY	Leasing in progress	177,000	142,000
Two MetroTech Center .....	1990	82.50 %	82.50 %	Brooklyn, NY	Securities Industry Automation Corp.; City of New York - Board of Education	521,000	430,000
University of Pennsylvania .....	2004	100.00 %	100.00 %	Philadelphia, PA	University of Pennsylvania	123,000	123,000
<i>Consolidated Office Buildings Subtotal</i> .....						<b>9,975,000</b>	<b>8,729,000</b>
<b>Unconsolidated Office Buildings</b>							
350 Massachusetts Ave .....	1998	50.00 %	50.00 %	Cambridge, MA	Star Market; Tofias	169,000	85,000
+ Advent Solar .....	2006	47.50 %	47.50 %	Albuquerque, NM	Advent Solar	88,000	42,000
+ Bulletin Building .....	2006	50.00 %	50.00 %	San Francisco, CA	Great West Life and Annuity; Corinthian School	87,000	44,000
Chagrin Plaza I & II .....	1969	66.67 %	66.67 %	Beachwood, OH	National City Bank; Benihana; H&R Block	114,000	76,000
Clark Building .....	1989	50.00 %	50.00 %	Cambridge, MA	Acambis	122,000	61,000
Emery-Richmond .....	1991	50.00 %	50.00 %	Warrensville Hts., OH	Allstate Insurance	5,000	3,000
Enterprise Place .....	1998	50.00 %	50.00 %	Beachwood, OH	University of Phoenix; Advance Payroll; PS Executive Centers	132,000	66,000
Liberty Center .....	1986	50.00 %	50.00 %	Pittsburgh, PA	Federated Investors	527,000	264,000
One International Place .....	2000	50.00 %	50.00 %	Cleveland, OH	Fort Dearborn Life Ins.; Battelle Memorial; Transportation Security Administration	88,000	44,000
Signature Square I .....	1986	50.00 %	50.00 %	Beachwood, OH	Ciuni & Panichi	79,000	40,000
Signature Square II .....	1989	50.00 %	50.00 %	Beachwood, OH	Cleveland Clinic Ophthalmology; Allen Telecom, Inc.	82,000	41,000
<i>Unconsolidated Office Buildings Subtotal</i> .....						<b>1,493,000</b>	<b>766,000</b>
<b>Total Office Buildings at January 31, 2007</b> .....						<b>11,468,000</b>	<b>9,495,000</b>
<b>Total Office Buildings at January 31, 2006</b> .....						<b>11,185,000</b>	<b>8,532,000</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Enterprises, Inc. Portfolio of Real Estate**

**COMMERCIAL GROUP**  
**RETAIL CENTERS**

Name	Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Major Tenants	Total Square Feet	Total Square Feet at Pro-Rata %	Gross Leasable Area	Gross Leasable Area at Pro-Rata %
<b>Consolidated Regional Malls</b>									
Antelope Valley Mall.....	1990/1999	78.00 %	78.00 %	Palmdale, CA	Sears; JCPenney; Dillard's; Harris Gottschalks; Mervyn's	995,000	776,000	303,000	236,000
Ballston Common Mall.....	1986/1999	100.00 %	100.00 %	Arlington, VA	Macy's; Sport & Health; Regal Cinemas	578,000	578,000	310,000	310,000
Galleria at Sunset.....	1996/2002	100.00 %	100.00 %	Henderson, NV	Dillard's; Macy's; Mervyn's; JCPenney; Galyan's	1,048,000	1,048,000	330,000	330,000
Mall at Robinson.....	2001	56.67 %	100.00 %	Pittsburgh, PA	Macy's; Sears; JCPenney; Dick's Sporting Goods	872,000	872,000	318,000	318,000
Mall at Stonecrest .....	2001	66.67 %	100.00 %	Atlanta, GA	Parisian; Sears; JCPenney; Dillard's; AMC Theatre; Macy's	1,171,000	1,171,000	397,000	397,000
^+ Northfield at Stapleton.....	2005/2006	95.00 %	97.90 %	Denver, CO	Bass Pro; Target; Foley's; Harkins Theatre	1,170,000	1,145,000	560,000	548,000
^* Orchard Town Center .....	2008	100.00 %	100.00 %	Westminister, CO	JCPenney; Macy's; Target	971,000	971,000	557,000	557,000
* Promenade Bolingbrook .....	2007	100.00 %	100.00 %	Bolingbrook, IL	Bass Pro; Macy's	736,000	736,000	409,000	409,000
Promenade in Temecula.....	1999/2002	75.00 %	100.00 %	Temecula, CA	JCPenney; Sears; Robinsons- May; Macy's; Edwards Cinema	1,013,000	1,013,000	425,000	425,000
Short Pump Town Center.....	2003/2005	50.00 %	100.00 %	Richmond, VA	Nordstrom; Hecht's; Dillard's; Dick's Sporting Goods	1,193,000	1,193,000	590,000	590,000
Simi Valley Town Center .....	2005	85.00 %	100.00 %	Simi Valley, CA	Macy's	612,000	612,000	365,000	365,000
South Bay Galleria.....	1985/2001	100.00 %	100.00 %	Redondo Beach, CA	Macy's; Mervyn's; Nordstrom; AMC Theater	955,000	955,000	387,000	387,000
Victoria Gardens.....	2004	40.00 %	80.00 %	Rancho Cucamonga, CA	Macy's; JCPenney; AMC Theater	1,139,000	911,000	670,000	536,000
<i>Consolidated Regional Malls Subtotal.....</i>						<u>12,453,000</u>	<u>11,981,000</u>	<u>5,621,000</u>	<u>5,408,000</u>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Enterprises, Inc. Portfolio of Real Estate**

**COMMERCIAL GROUP**  
**RETAIL CENTERS (continued)**

Name	Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Major Tenants	Total Square Feet	Total Square Feet at Pro-Rata %	Gross Leasable Area	Gross Leasable Area at Pro-Rata %
<b>Consolidated Specialty Retail Centers</b>									
42nd Street .....	1999	100.00 %	100.00 %	Manhattan, NY	AMC Theaters; Modell's; Dave & Buster's; Madame Tussaud's Wax Museum	306,000	306,000	306,000	306,000
Atlantic Center .....	1996	100.00 %	100.00 %	Brooklyn, NY	Pathmark; OfficeMax; Old Navy; Marshall's; Sterns; Circuit City; NYC - Dept. of Motor Vehicles	399,000	399,000	399,000	399,000
Atlantic Center Site V .....	1998	100.00 %	100.00 %	Brooklyn, NY	Modell's	17,000	17,000	17,000	17,000
Atlantic Terminal .....	2004	100.00 %	100.00 %	Brooklyn, NY	Target; Designer Shoe Warehouse; Chuck E. Cheese's; Daffy's	373,000	373,000	373,000	373,000
Avenue at Tower City Center .....	1990	100.00 %	100.00 %	Cleveland, OH	Hard Rock Café; Morton's of Chicago; Cleveland Cinemas	367,000	367,000	367,000	367,000
Brooklyn Commons .....	2004	100.00 %	100.00 %	Brooklyn, NY	Lowe's	151,000	151,000	151,000	151,000
Bruckner Boulevard .....	1996	100.00 %	100.00 %	Bronx, NY	Conway; Seaman's; Old Navy	113,000	113,000	113,000	113,000
Columbia Park Center .....	1999	75.00 %	75.00 %	North Bergen, NJ	Shop Rite; Old Navy; Circuit City; Staples; Bally's; Shopper's World	347,000	260,000	347,000	260,000
Court Street .....	2000	100.00 %	100.00 %	Brooklyn, NY	United Artists; Barnes & Noble	103,000	103,000	103,000	103,000
Eastchester .....	2000	100.00 %	100.00 %	Bronx, NY	Pathmark	63,000	63,000	63,000	63,000
Forest Avenue .....	2000	100.00 %	100.00 %	Staten Island, NY	United Artists	70,000	70,000	70,000	70,000
Grand Avenue .....	1997	100.00 %	100.00 %	Queens, NY	Stop & Shop	100,000	100,000	100,000	100,000
Gun Hill Road .....	1997	100.00 %	100.00 %	Bronx, NY	Home Depot; Chuck E. Cheese's	147,000	147,000	147,000	147,000
Harlem Center .....	2002	75.00 %	75.00 %	Manhattan, NY	Marshall's; CVS/Pharmacy; Staples; H&M	126,000	95,000	126,000	95,000
Kaufman Studios .....	1999	100.00 %	100.00 %	Queens, NY	United Artists	84,000	84,000	84,000	84,000
Market at Tobacco Row .....	2002	100.00 %	100.00 %	Richmond, VA	Rich Foods; CVS/Pharmacy	43,000	43,000	43,000	43,000
Northern Boulevard .....	1997	100.00 %	100.00 %	Queens, NY	Stop & Shop; Marshall's; Old Navy	218,000	218,000	218,000	218,000
Quartermaster Plaza .....	2004	100.00 %	100.00 %	Philadelphia, PA	A.J. Wright; Home Depot; BJ's Wholesale; Staples; PetSmart; Walgreen's	459,000	459,000	459,000	459,000
Quebec Square .....	2002	90.00 %	90.00 %	Denver, CO	Wal-Mart; Home Depot; Sam's Club; Ross Dress for Less; Office Depot; PetSmart	740,000	666,000	218,000	196,000
Queens Place .....	2001	100.00 %	100.00 %	Queens, NY	Target; Best Buy; Macy's Furniture; Designer Shoe Warehouse	455,000	455,000	221,000	221,000
* Rancho Cucamonga Leggio ...	2007	80.00 %	80.00 %	Rancho Cucamonga, CA	Bass Pro	180,000	144,000	180,000	144,000
Richmond Avenue .....	1998	100.00 %	100.00 %	Staten Island, NY	Circuit City; Staples	76,000	76,000	76,000	76,000
Saddle Rock Village .....	2005	80.00 %	100.00 %	Aurora, CO	Target; JoAnn Fabrics	271,000	271,000	97,000	97,000
South Bay Southern Center .....	1978	100.00 %	100.00 %	Redondo Beach, CA	CompUSA	78,000	78,000	78,000	78,000
Station Square .....	1994/2002	100.00 %	100.00 %	Pittsburgh, PA	Hard Rock Café; Grand Concourse Restaurant; Buca Di Beppo	288,000	288,000	288,000	288,000
Woodbridge Crossing .....	2002	100.00 %	100.00 %	Woodbridge, NJ	Great Indoors; Linens-N-Things; Circuit City; Modell's; Thomasville Furniture; Party City	284,000	284,000	284,000	284,000
<i>Consolidated Specialty Retail Centers Subtotal .....</i>						5,858,000	5,630,000	4,928,000	4,752,000
<i>Consolidated Retail Centers Total .....</i>						18,311,000	17,611,000	10,549,000	10,160,000

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Enterprises, Inc. Portfolio of Real Estate**

**COMMERCIAL GROUP**  
**RETAIL CENTERS (continued)**

Name	Date of Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Major Tenants	Total Square Feet	Total Square Feet at Pro-Rata %	Gross Leasable Area	Gross Leasable Area at Pro-Rata %	
<b>Unconsolidated Regional Malls</b>										
	Boulevard Mall.....	1996/2000	50.00 %	50.00 %	Amherst, NY	JCPenney; Macy's; Sears; Michael's	908,000	454,000	331,000	166,000
	Charleston Town Center ...	1983	50.00 %	50.00 %	Charleston, WV	Macy's; JCPenney; Sears	897,000	449,000	361,000	181,000
+	San Francisco Centre .....	2006	50.00 %	50.00 %	San Francisco, CA	Nordstrom's; Bloomingdale's; Century Theaters	1,462,000	731,000	812,000	406,000
^*	Shops at Wiregrass.....	2008	50.00 %	66.70 %	Tampa, FL	JCPenney	530,000	354,000	380,000	253,000
	<i>Unconsolidated Regional Malls Subtotal.....</i>						<u>3,797,000</u>	<u>1,988,000</u>	<u>1,884,000</u>	<u>1,006,000</u>
<b>Unconsolidated Specialty Retail Centers</b>										
*	East River Plaza .....	2008	35.00 %	50.00 %	Manhattan, NY	Home Depot; Target; Best Buy	514,000	257,000	514,000	257,000
	Golden Gate .....	1958	50.00 %	50.00 %	Mayfield Hts., OH	OfficeMax; Old Navy; Linens-N-Things; Marshall's; Cost Plus	362,000	181,000	362,000	181,000
	Marketplace at Riverpark.....	1996	50.00 %	50.00 %	Fresno, CA	JCPenney; Best Buy; Linens-N-Things; Marshall's; Office Max; Old Navy; Target; Sports Authority	471,000	236,000	296,000	148,000
+	Metreon .....	2006	50.00 %	50.00 %	San Francisco, CA	Lowes; IMAX	290,000	145,000	290,000	145,000
	Plaza at Robinson Town Center.....	1989	50.00 %	50.00 %	Pittsburgh, PA	TJ Maxx; Marshall's; CompUSA; IKEA; Value City; JoAnn Fabrics	507,000	254,000	507,000	254,000
	<i>Unconsolidated Specialty Retail Centers Subtotal.....</i>						<u>2,144,000</u>	<u>1,073,000</u>	<u>1,969,000</u>	<u>985,000</u>
	<i>Unconsolidated Retail Centers Subtotal.....</i>						<u>5,941,000</u>	<u>3,061,000</u>	<u>3,853,000</u>	<u>1,991,000</u>
	<b>Total Retail Centers at January 31, 2007.....</b>						<u>24,252,000</u>	<u>20,672,000</u>	<u>14,402,000</u>	<u>12,151,000</u>
	<b>Total Retail Centers at January 31, 2006.....</b>						<u>21,745,000</u>	<u>17,735,000</u>	<u>12,955,000</u>	<u>10,427,000</u>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Enterprises, Inc. Portfolio of Real Estate**

**COMMERCIAL GROUP**  
**HOTELS**

Name	Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Rooms	Hotel Rooms at Pro-Rata %
<b>Consolidated Hotels</b>						
Charleston Marriott .....	1983	95.00 %	100.00 %	Charleston, WV	352	352
Ritz-Carlton, Cleveland.....	1990	95.00 %	100.00 %	Cleveland, OH	206	206
Sheraton Station Square .....	1998/2001	100.00 %	100.00 %	Pittsburgh, PA	399	399
<i>Consolidated Hotels Subtotal .....</i>					957	957
<b>Unconsolidated Hotels</b>						
Courtyard by Marriott .....	1985	3.97 %	3.97 %	Detroit, MI	250	10
University Park at MIT.....	1998	50.00 %	50.00 %	Cambridge, MA	210	105
Westin Convention Center .....	1986	50.00 %	50.00 %	Pittsburgh, PA	616	308
<i>Unconsolidated Hotels Subtotal.....</i>					1,076	423
<b>Total Hotel Rooms at January 31, 2007 .....</b>					<b>2,033</b>	<b>1,380</b>
<b>Total Hotel Rooms at January 31, 2006 .....</b>					<b>2,496</b>	<b>1,613</b>

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Enterprises, Inc. Portfolio of Real Estate**

**RESIDENTIAL GROUP**  
**APARTMENTS**

Name	Date of Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Leasable Units	Leasable Units at Pro-Rata %	
<b>Consolidated Apartment Communities</b>							
	100 Landsdowne Street .....	2005	100.00 %	100.00 %	Cambridge, MA	203	203
	101 San Fernando .....	2000	66.50 %	95.00 %	San Jose, CA	323	307
+	1251 S. Michigan .....	2006	100.00 %	100.00 %	Chicago, IL	91	91
	23 Sidney Street .....	2005	100.00 %	100.00 %	Cambridge, MA	51	51
	American Cigar Company .....	2000	100.00 %	100.00 %	Richmond, VA	171	171
	Ashton Mill .....	2005	90.00 %	100.00 %	Cumberland, RI	193	193
	Autumn Ridge .....	2002	100.00 %	100.00 %	Sterling Heights, MI	251	251
	Botanica on the Green (East 29 <sup>th</sup> Avenue Town Center).....	2004	90.00 %	90.00 %	Denver, CO	78	70
*	Botanica II.....	2007	90.00 %	90.00 %	Denver, CO	154	139
	Bowin .....	1998	1.99 %	95.05 %	Detroit, MI	193	183
	Cambridge Towers .....	2002	100.00 %	100.00 %	Detroit, MI	250	250
	Consolidated-Carolina .....	2003	89.99 %	100.00 %	Richmond, VA	158	158
	Coraopolis Towers .....	2002	80.00 %	80.00 %	Coraopolis, PA	200	160
	Crescent Flats (East 29 <sup>th</sup> Avenue Town Center).....	2004	90.00 %	90.00 %	Denver, CO	66	59
+	Cutters Ridge at Tobacco Row .....	2006	100.00 %	100.00 %	Richmond, VA	12	12
^*	Dallas Mercantile .....	2007-2008	100.00 %	100.00 %	Dallas, TX	366	366
	Donora Towers .....	2002	100.00 %	100.00 %	Donora, PA	103	103
	Drake .....	1998	1.99 %	95.05 %	Philadelphia, PA	282	268
	Emerald Palms.....	1996/2004	100.00 %	100.00 %	Miami, FL	505	505
	Grand.....	1999	85.50 %	85.50 %	North Bethesda, MD	549	469
	Grand Lowry Lofts.....	2000	0.10 %	90.00 %	Denver, CO	261	235
	Grove.....	2003	100.00 %	100.00 %	Ontario, CA	101	101
	Heritage.....	2002	100.00 %	100.00 %	San Diego, CA	230	230
	Independence Place II .....	2003	100.00 %	100.00 %	Parma Heights, OH	201	201
	Kennedy Biscuit Lofts.....	1990	2.99 %	100.00 %	Cambridge, MA	142	142
	Knolls .....	1995	1.00 %	100.00 %	Orange, CA	260	260
	Lakeland.....	1998	1.98 %	94.10 %	Waterford, MI	200	188
	Landings of Brentwood .....	2002	100.00 %	100.00 %	Nashville, TN	724	724
	Lenox Club.....	1991	95.00 %	95.00 %	Arlington, VA	385	366
	Lenox Park .....	1992	95.00 %	95.00 %	Silver Spring, MD	406	386
	Lofts at 1835 Arch.....	2001	1.99 %	95.05 %	Philadelphia, PA	191	182
*	Lucky Strike .....	2007	100.00 %	100.00 %	Richmond, VA	131	131
	Metro 417 .....	2005	75.00 %	100.00 %	Los Angeles, CA	277	277
	Metropolitan .....	1989	100.00 %	100.00 %	Los Angeles, CA	270	270
	Museum Towers .....	1997	100.00 %	100.00 %	Philadelphia, PA	286	286
	One Franklinton.....	1988	100.00 %	100.00 %	Philadelphia, PA	335	335
	Parmatown Towers and Gardens.....	1972-1973	100.00 %	100.00 %	Parma, OH	412	412

**Forest City Enterprises, Inc. and Subsidiaries**  
**Supplemental Financial Information**

**Forest City Enterprises, Inc. Portfolio of Real Estate**

**RESIDENTIAL GROUP**  
**APARTMENTS (continued)**

Name	Date of Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Leasable Units	Leasable Units at Pro-Rata %
<b>Consolidated Apartment Communities (continued)</b>						
Pavilion .....	1992	95.00 %	95.00 %	Chicago, IL	1,114	1,058
Plymouth Square .....	2003	100.00 %	100.00 %	Detroit, MI	280	280
Queenswood .....	1990	99.00 %	100.00 %	Corona, NY	296	296
+ Sky55 .....	2006	100.00 %	100.00 %	Chicago, IL	411	411
Southfield .....	2002	100.00 %	100.00 %	White Marsh, MD	212	212
Village Green .....	1994-1995	100.00 %	100.00 %	Beachwood, OH	360	360
<i>Consolidated Apartment Communities Subtotal .....</i>					11,684	11,352
<b>Consolidated Supported-Living Apartments</b>						
Forest Trace .....	2000	100.00 %	100.00 %	Lauderhill, FL	322	322
Sterling Glen of Bayshore .....	2001	80.00 %	100.00 %	Bayshore, NY	85	85
Sterling Glen of Center City .....	2002	80.00 %	100.00 %	Philadelphia, PA	135	135
Sterling Glen of Darien .....	2001	80.00 %	100.00 %	Darien, CT	80	80
Sterling Glen of Forest Hills .....	2001	56.00 %	70.00 %	Forest Hills, NY	83	58
Sterling Glen of Lynbrook .....	2005	80.00 %	100.00 %	Lynbrook, NY	130	130
Sterling Glen of Plainview .....	2000	80.00 %	100.00 %	Plainview, NY	79	79
* Sterling Glen of Roslyn .....	2007	80.00 %	100.00 %	Roslyn, NY	158	158
Sterling Glen of Rye Brook .....	2004	40.00 %	50.00 %	Ryebrook, NY	168	84
Sterling Glen of Stamford .....	2000	80.00 %	100.00 %	Stamford, CT	166	166
<i>Consolidated Supported-Living Apartments Subtotal .....</i>					1,406	1,297
<i>Consolidated Apartment Total .....</i>					13,090	12,649



**Forest City Enterprises, Inc. and Subsidiaries**  
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**Forest City Enterprises, Inc. Portfolio of Real Estate**

**RESIDENTIAL GROUP**  
**APARTMENTS (continued)**

Name	Date of Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Leasable Units	Leasable Units at Pro-Rata %
<b>Unconsolidated Apartment Communities</b>						
^*++ Arbor Glen .....	2001-2007	50.00 %	50.00 %	Twinsburg, OH	288	144
Bayside Village .....	1988-1989	50.00 %	50.00 %	San Francisco, CA	862	431
Big Creek .....	1996-2001	50.00 %	50.00 %	Parma Hts., OH	516	258
Boulevard Towers .....	1969	50.00 %	50.00 %	Amherst, NY	402	201
(3) Brookpark Place .....	1976	100.00 %	100.00 %	Wheeling, WV	152	152
Brookview Place .....	1979	3.00 %	3.00 %	Dayton, OH	232	7
(3) Burton Place .....	1999	90.00 %	90.00 %	Burton, MI	200	180
Camelot .....	1967	50.00 %	50.00 %	Parma, OH	151	76
(3) Carl D. Perkins .....	2002	100.00 %	100.00 %	Pikeville, KY	150	150
(3) Cedar Place.....	1974	2.39 %	100.00 %	Lansing, MI	220	220
Cherry Tree .....	1996-2000	50.00 %	50.00 %	Strongsville, OH	442	221
Chestnut Lake.....	1969	50.00 %	50.00 %	Strongsville, OH	789	395
Clarkwood.....	1963	50.00 %	50.00 %	Warrensville Hts., OH	568	284
^*++ Cobblestone Court.....	2006-2008	50.00 %	50.00 %	Painesville, OH	304	152
Colonial Grand .....	2003	50.00 %	50.00 %	Tampa, FL	176	88
Connellsville Towers.....	1981	7.96 %	7.96 %	Connellsville, PA	111	9
Coppertree .....	1998	50.00 %	50.00 %	Mayfield Hts., OH	342	171
Deer Run .....	1987-1989	43.03 %	43.03 %	Twinsburg, OH	562	242
Eaton Ridge.....	2002-2004	50.00 %	50.00 %	Sagamore Hills, OH	260	130
(3) Farmington Place.....	1980	100.00 %	100.00 %	Farmington, MI	153	153
Fenimore Court .....	1982	7.06 %	50.00 %	Detroit, MI	144	72
Fort Lincoln II .....	1979	45.00 %	45.00 %	Washington, D.C.	176	79
Fort Lincoln III & IV.....	1981	24.90 %	24.90 %	Washington, D.C.	306	76
(3) Frenchtown Place .....	1975	4.92 %	100.00 %	Monroe, MI	151	151
(3) Glendora Gardens.....	1983	1.99 %	99.00 %	Glendora, CA	105	104
Granada Gardens .....	1966	50.00 %	50.00 %	Warrensville Hts., OH	940	470
Hamptons .....	1969	50.00 %	50.00 %	Beachwood, OH	651	326
Hunter's Hollow .....	1990	50.00 %	50.00 %	Strongsville, OH	208	104
Independence Place I.....	1973	50.00 %	50.00 %	Parma Hts., OH	202	101
Liberty Hills .....	1979-1986	50.00 %	50.00 %	Solon, OH	396	198
Met Lofts .....	2005	50.00 %	50.00 %	Los Angeles, CA	264	132
Midtown Towers .....	1969	63.00 %	63.00 %	Parma, OH	635	400
(3) Millender Center .....	1985	3.97 %	100.00 %	Detroit, MI	339	339
(3) Miramar Towers.....	1980	1.99 %	100.00 %	Los Angeles, CA	157	157

**Forest City Enterprises, Inc. and Subsidiaries**  
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**Forest City Enterprises, Inc. Portfolio of Real Estate**

**RESIDENTIAL GROUP**  
**APARTMENTS (continued)**

Name	Date of Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Leasable Units	Leasable Units at Pro-Rata %
<b>Unconsolidated Apartment Communities (continued)</b>						
^* Military Housing – Marines, Hawaii Increment II .....	2007-2010	10.00 %	10.00 %	Honolulu, HI	1,175	118
^* Military Housing – Navy, Hawaii Increment III .....	2007-2010	10.00 %	10.00 %	Honolulu, HI	2,519	252
^* Military Housing – Navy Midwest .....	2009	25.00 %	25.00 %	Chicago, IL	1,658	415
Newport Landing .....	2002-2005	50.00 %	50.00 %	Coventry, OH	336	168
Noble Towers .....	1979	50.00 %	50.00 %	Pittsburgh, PA	133	67
Nu Ken Tower (Citizen’s Plaza) .....	1981	8.84 %	50.00 %	New Kensington, PA	101	51
(3) Oceanpointe Towers .....	1980	1.99 %	100.00 %	Long Branch, NJ	151	151
^* Ohana Military Communities, Hawaii Increment I .....	2005-2008	10.00 %	10.00 %	Honolulu, HI	1,952	195
(3) Panorama Towers .....	1978	99.00 %	99.00 %	Los Angeles, CA	154	152
(3) Park Place Towers .....	1975	2.39 %	100.00 %	Mt. Clemens, MI	187	187
Parkwood Village .....	2001-2002	50.00 %	50.00 %	Brunswick, OH	204	102
(3) Pebble Creek .....	1995-1996	50.00 %	50.00 %	Twinsburg, OH	148	74
(3) Perrytown .....	1973	4.92 %	100.00 %	Pittsburgh, PA	231	231
(3) Pine Grove Manor .....	1973	1.99 %	100.00 %	Muskegon Township, MI	172	172
^ Pine Ridge Valley .....	1967-1974,					
(3) Potomac Heights Village .....	2005-2007	50.00 %	50.00 %	Willoughby Hills, OH	1,309	655
Residences at University Park .....	1981	1.99 %	100.00 %	Keyser, WV	141	141
(3) Riverside Towers .....	2002	25.00 %	40.00 %	Cambridge, MA	135	54
Settler’s Landing at Greentree .....	1977	2.96 %	100.00 %	Coshocton, OH	100	100
(3) Shippan Avenue .....	2001-2004	50.00 %	50.00 %	Streetsboro, OH	408	204
St. Mary’s Villa .....	1980	100.00 %	100.00 %	Stamford, CT	148	148
Stratford Crossing .....	2002	35.22 %	35.22 %	Newark, NJ	360	127
^* Surfside Towers .....	2007-2009	50.00 %	50.00 %	Wadsworth, OH	348	174
Sutton Landing .....	1970	50.00 %	50.00 %	Eastlake, OH	246	123
^* Tamarac .....	2007-2008	50.00 %	50.00 %	Brimfield, OH	216	108
(3) The Springs .....	1990-2001	50.00 %	50.00 %	Willoughby, OH	642	321
(3) Tower 43 .....	1981	1.99 %	100.00 %	La Mesa, CA	129	129
(3) Towne Centre Place .....	2002	100.00 %	100.00 %	Kent, OH	101	101
Twin Lake Towers .....	1975	4.43 %	100.00 %	Ypsilanti, MI	170	170
* Uptown Oakland .....	1966	50.00 %	50.00 %	Denver, CO	254	127
(3) Village Square .....	2008	50.00 %	50.00 %	Oakland, CA	665	333
Westwood Reserve .....	1978	100.00 %	100.00 %	Williamsville, NY	100	100
Woodgate/Evergreen Farms .....	2002	50.00 %	50.00 %	Tampa, FL	340	170
Worth Street .....	2004-2006	33.00 %	33.00 %	Olmsted Township, OH	348	115
(3) Ziegler Place .....	2003	50.00 %	50.00 %	Manhattan, NY	330	165
	1978	100.00 %	100.00 %	Livonia, MI	141	141
<i>Unconsolidated Apartment Communities Subtotal .....</i>					27,306	12,414

**Forest City Enterprises, Inc. and Subsidiaries**  
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**Forest City Enterprises, Inc. Portfolio of Real Estate**

**RESIDENTIAL GROUP**  
**APARTMENTS (continued)**

Name	Date of Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Leasable Units	Leasable Units at Pro-Rata %
<b>Unconsolidated Supported-Living Apartments</b>						
Classic Residence by Hyatt .....	1989	50.00 %	50.00 %	Teaneck, NJ	220	110
Classic Residence by Hyatt .....	1990	50.00 %	50.00 %	Chevy Chase, MD	339	170
Classic Residence by Hyatt .....	2000	50.00 %	50.00 %	Yonkers, NY	310	155
Sterling Glen of Glen Cove .....	2000	40.00 %	50.00 %	Glen Cove, NY	80	40
Sterling Glen of Great Neck .....	2000	40.00 %	50.00 %	Great Neck, NY	142	71
<i>Unconsolidated Supported-Living Apartments Subtotal .....</i>					1,091	546
<i>Unconsolidated Apartments Total .....</i>					28,397	12,960
<i>Combined Apartments Total .....</i>					41,487	25,609
<b>Federally Subsidized Housing (Total of 10 Buildings) .....</b>					1,765	
<b>Total Apartments at January 31, 2007 .....</b>					43,252	
<b>Total Apartments at January 31, 2006 .....</b>					38,440	

**CONDOMINIUMS**

Name	Date of Opening/ Acquisition/ Expansion	Legal Ownership <sup>(1)</sup>	Pro-Rata Ownership <sup>(2)</sup>	Location	Total Units	Total Units at Pro-Rata %	Units Sold as of 1/31/07	Units Sold as of 1/31/07 at Pro-Rata %
<b>Unconsolidated For Sale Condominiums</b>								
+ 1100 Wilshire .....	2006-2007	40.00 %	40.00 %	Los Angeles, CA	228	91	139	56
* Mercury .....	2007-2008	50.00 %	50.00 %	Los Angeles, CA	238	119	62	31
^* Central Station .....	1995-2009	25.00 %	25.00 %	Chicago, IL	2,140	535	571	143
<i>Unconsolidated For Sale Condominiums Total .....</i>					2,606	745	772	230
<b>Total For Sale Condominiums at January 31, 2007 .....</b>					2,606			

\* Property under construction as of January 31, 2007.

\*\* Expansion of property under construction as of January 31, 2007.

+ Property opened or acquired in 2006.

++ Expansion of property.

^ Property to open in phases.

(1) Represents the Company's share of a property's profits and losses upon settlement of any preferred returns to which the Company or its partner(s) may be entitled.

(2) Represents the Company's share of a property's profits and losses adjusted for any preferred returns to which the Company or its partner(s) may be entitled.

(3) This property is reported on the equity method of accounting as the U.S. Department of Housing and Urban Development is the primary beneficiary of the property primarily due to the fact that they are either the lender on the mortgage or the guarantor of the mortgage.