

Shareholder Information

Company Information

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INFORMATION RELATED TO FORWARD-LOOKING STATEMENTS

Statements made in this presentation that state the Company's or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. It is important to note that the Company's future events and actual results, financial or otherwise, could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause future events or actual results to differ materially from those in the forward-looking statements are included in the "Risk Factors" section of the Company's SEC filings, including, but not limited to, the Company's Annual Report and quarterly reports. You are cautioned not to place undue reliance on such forward-looking statements.

USE OF NON-GAAP MEASURES

We frequently use the non-GAAP measures at total company ownership of funds from operations ("FFO"), Operating FFO, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), Adjusted EBITDA, Net Debt to Adjusted EBITDA, net operating income ("NOI"), and comparable NOI to explain operating performance and assist investors in evaluating our business. In addition, we present a schedule of components to assist investors in determining the "net asset value" ("NAV") of the Company and an implied cap rate, also non-GAAP measures. For a more thorough discussion of FFO, Operating FFO, EBITDA, Adjusted EBITDA, Net Debt to Adjusted EBITDA, NOI, Comparable NOI, and NAV, including how we reconcile these measures to their GAAP counterparts, as applicable please refer to the definitions and reconciliations beginning on slide 57 of this presentation or the supplemental package furnished to the SEC on Form 8-K on February 27, 2017. Copies of our quarterly and annual supplemental packages can be found on our website at www.sec.gov.

Please note: We periodically post updated investor presentations on the Investors page of our website at www.forestcity.net. It is possible the periodic updates may include information deemed to be material. Therefore, we encourage investors, the media, and other interested parties to review the Investors page of our website at www.forestcity.net for the most recent investor presentation.

Our Strategic Plan

FOCUS ON THE CORE

SUSTAINABLE CAPITAL STRUCTURE

OPERATIONAL EXCELLENCE

Aligning our business initiatives with our core markets and products as we develop, own and operate a high-quality portfolio.

Improving our metrics
by paying down debt
and activating our
existing pipeline.

Using the strength
of the enterprise
to maximize efficiency,
effectiveness, and
customer satisfaction
through improved
business processes.

Quick Facts

3.2%

2016 Comp NOI Growth

\$1.3B

Gross Value of Non-Core Asset Dispositions and Joint Ventures

87.7%

Core Market NOI

\$8.2B
Consolidated Assets

6.2%

Implied Cap Rate

183

Operating Properties

2.5%

Comp NOI Margin Improvement

323K SF

8

3,250 Units

Under Development

Office

93.2%

Comp Occupancy

Retail

94.3%

Comp Occupancy

Apartments

94.3%

Comp Occupancy

7.6%

Development Ratio

20 Million

Square feet of entitlements in attractive real estate markets

7

Core Markets

22

LEED Certified Properties

Our Story

Becoming the Nation's Leading Mixed-Use Urban Placemaker





Founded in 1920; managed by Ratner, Miller and Shafran families

Publicly traded C-Corp since 1960

Growing portfolio of real estate assets

1990s-2000s

Diversifying our portfolio with large projects in core urban markets



Portfolio of office, retail, apartments, FAH, military housing, hotels, arena

Track record of success and partnership in core U.S. urban markets

Premier projects

- MetroTech Center
- University Park at MIT
- Stapleton
- The New York Times Building

2014-2016

Building foundation as a strategically focused REIT



Tightened focus on urban, mixed-use placemaking projects

Solid, well-performing portfolio in core markets

Core markets are vibrant urban environments

Completed REIT conversion

Improved balance sheet and financial flexibility

2017 AND BEYOND

Focus on core markets and urban, mixed-use placemaking



Planned sales of non-core assets, including FAH and retail assets, to fuel investments that align with our focus on core markets and urban, mixed-use placemaking projects

Elimination of dual-class stock structure

Continued de-levering to close NAV gap

Commitment to growing dividend

Margin enhancement

What sets us apart ...

- Transformative, placemaking assets concentrated in core, highbarrier-to-entry urban markets
- Key strategic relationships with public- and private-sector partners in local markets who share our long-term commitment to communities
- Experienced team with capability of operating <u>and</u> developing mixed-use projects in urban centers
- Embedded growth opportunities with approximately \$826 million (cost at company share) of projects under construction and 20 million square feet of entitlements in attractive real estate markets
- Nearing completion of a multi-year transformation from a publicly traded, family-controlled C-corp to an urban mixed-use REIT

... Drives shareholder value

- Nearly 88% of NOI from high-quality assets in core markets
- Room for *significant EBITDA margin improvement* of 400-500 basis points in 12-18 months after achieving 460 bps of movement from year-end 2015 to 2016.
- Strong and improving balance sheet reduced Net Debt to Adjusted EBITDA from 13.1x in 2011 to 8.4x in 2016 with a target of 7-8x by year-end 2017
- Strong financial results
 - 2016 Comp NOI Growth of 3.2%
 - Leasing Spread increases of 2.9% in Apartments, 11.0% in Office, and 12.0% in Regional Malls
- **Disciplined capital allocation strategy,** with development ratio of 7.6% (return on cost: 5.6% to 6.1%), as we prudently activate our 20 million square feet of entitlements

Corporate Governance and Reporting Changes

- Converted to a REIT
- Announcing agreement to eliminate dual class share structure on December 6, 2016.
- Majority Independent Board with intention to appoint two new, independent directors
- Replacing Executive Chairman with non-Executive Chairman
- Implementing majority voting standards
- Streamline portfolio
 - Sale of FAH, military housing, and other non-core assets
 - Strategic alternatives for retail portfolio
- Financial reporting improvements
 - Established new segment reporting to align with our new internal reorganization

Retail Transaction

QIC

Madison

Forest City

Antelope Valley Mall

Charleston Town Center

Mall at Robinson

Shops at Northfield Stapleton

Shops at Wiregrass

South Bay Galleria

Westchester's Ridge Hill

Galleria at Sunset

Short Pump Town Center

Promenade Temecula

Victoria Gardens

42nd Street

Atlantic Center

Atlantic Terminal

Castle Center

Forest Avenue

Harlem Center

Queens Place

Shops at Gun Hill Road

Shops at Northern Boulevard

Shops at Richmond Avenue

The Heights

Columbia Park Center

Westfield San Francisco Centre

Ballston Quarter (redevelopment)

East River Plaza

Brooklyn Commons

Station Square

The Yards:

- Boilermaker Shops
- Lumber Shed
- Twelve12

Likely Dispositions:

- Boulevard Mall
- Atlantic Center Site V
- Fairmount Cinema

\$110.0M2016 NOI

| Cap Rate | 5.0% |
|-----------|---------|
| Valuation | \$2.2 B |
| Debt | 1.0 B |
| NAV | \$1.2 B |

Why not just sell & distribute?

| <u>CASH</u> | | |
|---------------------------------|---------|--|
| (in millions) | | |
| Sale Price | \$2,200 | |
| Debt | (1,000) | |
| Transaction Costs (4% Estimate) | (88) | |
| Built in Gain Taxes | (574) | |
| Cash | \$ 538 | |

| <u>TAX</u> | | |
|--|----------------|--|
| (in millions) | # 0.000 | |
| Sale Price | \$2,200 | |
| Transaction Costs (4% Estimate) | (88) | |
| Tax Basis | (412) | |
| Taxable Gain | \$1,700 | |
| | | |
| Built In Gain | \$1,400 | |
| Taxes @ 41% (Est. Federal, State, Local) | (574) | |
| | | |
| Taxable Gain | \$1,700 | |
| Less: Built In Gain Taxes | (574) | |
| Net Gain | \$1,126 | |
| | | |
| Required Distribution | \$1,126 | |

Disclaimer: These figures are estimates based on preliminary information and are subject to change. No transaction can be guaranteed and we may not be able to transact on either portfolio in the foreseeable future, or on the terms described in this presentation.