



San Francisco Centre

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Forest City and Westfield Agreement Creates Largest Urban Shopping Center West of the Mississippi in the Heart of San Francisco's Retail District

Companies Invest \$410 Million in One of California's Largest Privately Funded Construction Projects

San Francisco, February 6, 2003 – Forest City Enterprises (NYSE: FCEA), the developer of the 835 Market Street project in downtown San Francisco, and Westfield America (ASX: WFA), the owner of the San Francisco Centre, today announced a business agreement to integrate, develop and market the two sites, creating one of the nation's largest urban retail destinations. The interconnected venues will boast the second largest Bloomingdale's and Nordstrom in the country, a state-of-the-art theatre complex and over 200 specialty stores.

"Two of the nation's leading real estate companies have come together to develop a premier retail and entertainment destination that will provide substantial benefits to the City of San Francisco," said Mayor Willie L. Brown, Jr. "This one-of-a-kind project will give San Francisco's retail core a huge boost by attracting millions of new shoppers. Businesses from Union Square to Yerba Buena will benefit from the increase in consumers drawn to the area, and the City will benefit from a surge in tax revenue, thousands of new jobs and millions in community contributions."

The agreement between Forest City and Westfield leverages the companies' strengths to effectively develop, lease and manage the property. Forest City is the developer of 835 Market Street with approved plans to revitalize the site into a Bloomingdale's Department Store, nine-screen cinema, retail shops and offices. Westfield is the largest retail landlord in the State of California and owns the San Francisco Centre. As part of the agreement, Westfield will lease and manage the new Centre.

Research estimates the new San Francisco Centre will attract over 25 million shoppers each year. At the 1.5 million square-foot center, there will be a total of 3,350 permanent jobs. Additionally, the project will generate 770 new union construction jobs. The new San Francisco Centre is expected to generate \$500 million in annual sales.

"Our combined development experience, leasing capabilities and capital gives us a variety of tools to build a spectacular world-class retail and entertainment destination," said James Ratner, President and CEO, Forest City Commercial Group.

"Joining these properties creates one vision for a world-class shopping experience that will tremendously benefit the City of San Francisco while becoming one of the premier retail destinations in the world," said Peter Lowy, CEO, Westfield Corp. "The collaborative partnership of Forest City and Westfield provides the combination of expertise and capability to bring this project to life."
(more...)

At today's news conference, Forest City and Westfield also announced:

- Groundbreaking for the new project is scheduled for fall of 2003. Nordstrom and the existing San Francisco Centre will remain open during construction.
- The new facility will open in fall 2006. The two properties will connect at five levels.
- Designs feature restored 102-foot-wide glass and steel dome and historic facade of 835 Market Street, and the unique oval-shaped atrium that currently illuminates the San Francisco Centre.
- Leasing begins immediately.
- Upon completion, Federated will own and operate Bloomingdale's as part of a long-term operating agreement.

Corporate Descriptions

(Note: Corporate descriptions are from 2003 and do not reflect current company information.)

Forest City Enterprises, Inc. is a \$4.7 billion NYSE-listed real estate company headquartered in Cleveland, Ohio. The Company is principally engaged in the ownership, development, acquisition and management of commercial and residential real estate throughout the United States. The Company's portfolio includes interests in retail centers, apartment communities, office buildings and hotels.

Westfield America Trust (ASX: WFA) is a property trust listed on the Australian Stock Exchange with assets of \$10.2 billion (US). WFA owns a majority interest in the Westfield America portfolio of 63 centers across the U.S., branded as Westfield Shoppingtowns. Westfield Shoppingtowns are home to more than 8,400 specialty stores and encompass 64 million square feet in the states of California, Colorado, Connecticut, Florida, Illinois, Indiana, Maryland, Missouri, Nebraska, New Jersey, New York, North Carolina, Ohio and Washington.

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Statements made in this news release that state the Company or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, real estate development and investment risks, economic conditions in the Company's target markets, reliance on major tenants, the impact of terrorist acts, the Company's substantial leverage and the ability to service debt, guarantees under the Company's credit facility, changes in interest rates, continued availability of tax-exempt government financing, the sustainability of substantial operations at the subsidiary level, significant geographic concentration, illiquidity of real estate investments, dependence on rental income from real property, conflicts of interest, competition, potential liability from syndicated properties, effects of uninsured loss, environmental liabilities, partnership risks, litigation risks and other risk factors as disclosed from time to time in the Company's SEC filings, including, but not limited to, the Company's report on Form 10-K for the year ended January 31, 2002.