

## Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

### Part I Reporting Issuer

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Forest City Realty Trust, Inc.		47-4113168	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
James W. Finnerty	216-621-6060	jamesfinnerty@forestcity.net	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
50 Public Square, Terminal Tower Suite 1100		Cleveland, OH 44113	
<b>8</b> Date of action		<b>9</b> Classification and description	
June 9, 2017		Convertible Senior Notes, Conversion Rate Adjustments	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
345550 AP2 345550 AR8			

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Effective after the opening of business on June 9, 2017, Forest City Realty Trust, Inc. ("FCRT") adjusted the conversion rates of its 4.25% Convertible Senior Notes due 2018 (CUSIP: 345550 AP2) ("2018 Notes") and 3.625% Convertible Senior Notes due 2020 (CUSIP: 345550 AR8) ("2020 Notes" and together with the 2018 Notes, the "Notes"). The conversion rate adjustments were made pursuant to the indentures governing the 2018 Notes and 2020 Notes dated as of July 19, 2011 and July 19, 2013, respectively, as a result of the cumulative effect of cash dividends declared on the outstanding shares of FCRT's Class A Common Stock (NYSE: FCEA) into which the Notes are convertible. The conversion rate adjustments are deemed to be distributions under IRS Section 305(c).

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ As a result of the conversion rate adjustments, the Notes had deemed distribution increases to the basis of the Notes of \$15.21 per \$1,000 principal amount of the 2018 Notes and \$13.62 per \$1,000 principal amount of the 2020 Notes.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The amount of the deemed distributions were based on the fair market value of the shares into which the Notes are convertible measured as of the opening of business on June 9, 2017, the effective date and time of the conversion rate adjustments. The fair market value of the Class A Common Stock as of the opening of business on June 9, 2017 was \$24.57 per share.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Internal Revenue Code Section 305(c)

Treasury Regulation Section 1.305-3

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶

Date ▶

9/6/17

Print your name ▶ James W. Finnerty

Title ▶ SVP - Tax

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	