



EUROCASTLE

Eurocastle Prices IPO

June 24, 2004

Eurocastle Investment Limited
24 June 2004

EUROCASTLE INVESTMENT LIMITED

This announcement and the information contained herein is not for publication, distribution or release in, or into, the United States, Canada, Australia or Japan.

PRESS RELEASE

London 24 June 2004

Eurocastle prices IPO

Eurocastle Investment Limited ('Eurocastle' or the 'Company'), a Guernsey investment company managed by Fortress Investment Group LLC ('Fortress'), today announces that an offer price of €12.00 per ordinary share has been set in respect of its initial public offering. At the offer price, Eurocastle's ordinary share capital is valued at €214 million.

- Offer price set at €12.00 per ordinary share
- Based on offer price, Eurocastle valued at €214 million at commencement of dealings
- Over-allotment option of up to 10% of the Global Offer
- Conditional dealings expected to commence on the London Stock Exchange at 8.00 a.m. today
- Admission to the Official List of the UK Listing Authority and commencement of unconditional dealings on the London Stock Exchange expected at 8.00 a.m. on 29 June 2004

DETAILS OF THE GLOBAL OFFER

6,000,000 shares are being made available under the Global Offer to raise gross proceeds for Eurocastle of €72 million. In addition, the Company has made arrangements with the underwriters of the Global Offer to over-allot an additional 600,000 shares.

Eurocastle intends to use the net proceeds of the Global Offer of approximately €68 million to increase the size and diversification of its portfolio of

primarily real estate related asset-backed securities.

Immediately following Admission (prior to exercise of the over-allotment option) it is expected that Fortress and its affiliates and employees will own 10.3 per cent. of the Company's ordinary shares.

Conditional dealings on the London Stock Exchange are expected to commence at 8.00 a.m. today. Admission to the Official List of the UK Listing Authority and commencement of unconditional dealings on the London Stock Exchange's main market for listed securities is expected to take place at 8.00 a.m. on 29 June 2004. The shares will be listed on the London Stock Exchange under the symbol ECT.

Morgan Stanley is acting as Sponsor, Global Coordinator and Bookrunner to the Global Offer and Bear, Stearns International Limited is acting as Co-lead manager.

For further information please contact:

Fortress
Lilly H. Donohue
+1 212 798-6118

Morgan Stanley
Struan Robertson
+44-20-7425-8000

Bear, Stearns International Limited
Emmanuel Pezier
+44-20-7516-6000

About Eurocastle

Eurocastle Investment Limited is an investment company that invests in and manages a diverse portfolio consisting primarily of European real estate related asset-backed securities. Eurocastle is managed by Fortress Investment Group LLC.

About Fortress

Fortress Investment Group LLC is a global alternative investment and asset management firm with approximately \$7 billion of capital currently under management. Fortress was founded in 1998, and today employs over 200 people. Fortress is headquartered in New York and it and its affiliates have offices in London, Rome, Frankfurt and Geneva.

The contents of this announcement, which have been prepared by and are the sole responsibility of Eurocastle, have been approved by Morgan Stanley & Co. International Limited solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000.

Morgan Stanley & Co. International Limited (acting as Sponsor) and Morgan Stanley Securities Limited (acting as Global Coordinator), and Bear Stearns International Limited (acting as Co-lead Manager) are acting for Eurocastle and no one else in connection with the proposed offering and will not be responsible to anyone other than Eurocastle for providing the protections afforded to their respective clients or for providing advice in relation to the proposed offering or any other matter referred to herein.

This announcement does not constitute, or form part of, an offer or invitation to sell or issue, or any solicitation of an offer to purchase or subscribe for securities and any subscription for or purchase of, or application for, shares in Eurocastle should only be made on the basis of information contained in the listing particulars to be issued in due course and any supplements thereto. The listing particulars will contain certain detailed information about Eurocastle and its management, as well as financial statements and other financial data.

This document is not an offer of securities for sale in the United States. The securities discussed herein have not been and will not be registered under the US Securities Act of 1933, as amended (the 'US Securities Act'), and may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act. No public offering of the securities discussed herein is being made in the United States. Eurocastle is not, and will not be, registered under the US Investment Company Act of 1940, as amended, and investors will not be entitled to the benefits of such Act. This announcement and the information contained herein is not for publication, distribution or release in, or into, the United States.

The contents of this announcement include statements that are, or may be deemed to be 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should'. By their nature, forward-looking statements involve risks and uncertainties and readers are cautioned that any such forward-looking statements are not guarantees of future performance. Eurocastle's actual results and performance may differ materially from the impression created by the forward-looking statements. Eurocastle undertakes no obligation to publicly update or revise forward-looking statements, except as may be required by law or regulation (including the Listing Rules).