



EUROCASTLE

REG-Eurocastle Inv. Ltd Interim Results - Part 1

August 4, 2005

RNS Number:7149P

Eurocastle Investment Limited

04 August 2005

EUROCASTLE INVESTMENT LIMITED

FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2005

First Half 2005 Highlights

- Share offer completed in June 2005, raising net proceeds of e95 million
- Increased dividend by 6.1% from e0.33 per share in Q1 to e0.35 per share in Q2
- Completed two further non-recourse term financings for target real estate debt portfolios of £200 million and e400 million
- Net profit after taxation of e13.2 million for the half year, or e0.69 per diluted share
- FFO return on average invested capital was 12.8%

Second Quarter 2005 Highlights

- Total assets amounted to e1,682.4 million at the quarter end
- Equity book value total of e291.9 million, or e12.06 per share
- Net profit after taxation of e6.8 million for the quarter, or e0.35 per diluted share.
- Second quarter dividend of e0.35 per share, paid on 15 July 2005
- FFO return on average invested capital during the quarter was 12.6%

----- Selected Financial Data (amounts in e'000, except share data and supplemental data) Operating Data -----	----- Three Months Ended 30 June 2005 -----	----- Half Year Ended 30 June 2005 -----	----- Half Year Ended 30 June 2004 -----
Net profit after taxation	6,760	13,215	3,786
Earnings per diluted share	0.35	0.69	0.32
Funds from operations ("FFO")	6,247	12,702	3,786
FFO per diluted share	0.32	0.66	0.32
Weighted average number of shares outstanding, diluted	19,332,958	19,253,965	11,955,615
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Balance Sheet Data	As of		As of
-----	30 June 2005	31 December 2004	-----
Asset backed securities (includes cash to be invested and securities pledged under repurchase agreements)	-----	-----	-----
		1,213,385	1,264,484

Real estate loans (includes loans pledged under repurchase agreements)	47,239	21,938
Investment properties	319,451	318,514
Cash and cash equivalents	87,650	10,293
Total assets	1,682,412	1,627,619
Debt obligations	1,337,339	1,154,310
Shareholders' equity	291,864	206,420
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Reconciliation of Funds from Operations (FFO) to net profit after taxation	Three Months Ended 30 June 2005	Half Year Ended 30 June 2005	Half Year Ended 30 June 2004
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Net profit after taxation	6,760	13,215	3,786
Increase in fair value of investment properties	(513)	(513)	-
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Funds from operations (FFO)	6,247	12,702	3,786
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FFO is an appropriate measure of the underlying operating performance of real estate companies because it provides investors with information regarding our ability to service debt and make capital expenditures. Furthermore, FFO is used to compute our incentive compensation to our manager. FFO, for our purposes, represents net profit after taxation (computed in accordance with IFRS), excluding changes in fair value of investment properties. We consider gains and losses on resolution of our investments to be a normal part of our recurring operations and therefore do not exclude such gains and losses when arriving at FFO. FFO does not represent cash generated from operating activities in accordance with IFRS and therefore should not be considered an alternative to cash flow as a measure of liquidity, and is not necessarily indicative of cash available to fund cash needs. Our calculation of FFO may be different from the calculation used by other companies and, therefore, comparability may be limited.

Supplemental Total Real Estate and Other ABS Securities and Real Estate Loans Data*	As of 30 June 2005	As of 31 December 2004
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Total debt investments	1,124,806	1,023,218
Weighted average asset yield	4.09%	4.18%
Weighted average liability cost	2.65%	2.73%
Weighted average net spread	1.44%	1.45%
Weighted average credit rating	BBB+	BBB+
Weighted average asset credit spread (above Euribor)	1.90%	1.99%
Percentage investment grade of securities portfolio	89%	93%
Number of securities and loans	92	87

* excludes short-term investments with a maturity of less than 3 months and rated A-1+ by Standard & Poor's and P-1 by Moody's

Supplemental Total Credit Leased Real Estate Data	As of 30 June 2005	As of 31 December 2004
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Investment properties at fair value	319,451	318,514
Weighted average asset yield	7.13%	7.10%
Weighted average liability cost	4.56%	4.56%
Weighted average net yield	2.57%	2.54%

More to follow, for following part double-click [nRN1D7149P]

small e before a number denotes euros