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**Eurocastle Releases Financial Results for the Nine Months Ended 30 September 2018,
 Announces Third Quarter Dividend of €0.15 per share,
 Tender Offer to Repurchase up to €15 million of Ordinary Shares at €6.50 per ordinary share,
 Renewal of Share Buy-Back Programme and
 Appointment of Hammad Khan as Non-Executive Director**

Guernsey, 15 November 2018 – Eurocastle Investment Limited (Euronext Amsterdam: ECT) today has released its financial results for the nine months ended 30 September 2018. In addition, the Company announces a tender offer (the “**Tender Offer**”) of up to €15 million of ordinary shares in the Company (“**Ordinary Shares**”) for a fixed price of €6.50 per Ordinary Share. In addition, the current programme to buy-back shares listed on Euronext ending 15 November 2018 will be renewed for a further period commencing on 20 December 2018 following settlement of the Tender Offer (the “Share Buy-Back Programme”).

- ◆ **Net Asset Value (“NAV”)** of €418.7 million¹, or €8.80 per share² reflecting i) a quarterly net increase of €0.18 per share predominantly from the positive performance of ECT’s NPL portfolios (up €0.24 per share, or 12%, in the quarter) and ii) a €0.76 per share decrease due to doBank’s recent share price decline (investment marked at €9.50 per doBank share as at 30 September 18 vs €11.30 as at 30 June 2018).
- ◆ **Normalised FFO**³ of €7.2 million, or €0.15 per share², for the third quarter of 2018.
- ◆ **Third Quarter 2018 Dividend** of €0.15 per share declared on 14 November 2018 and to be paid on 29 November 2018 to shareholders of record at close of business on 22 November 2018, with an ex-dividend date of 21 November 2018.

	Q3 2018		Q2 2018		YTD 2018		YTD 2017	
	€ million	€ per share	€ million	€ per share ²	€ million	€ per share	€ million	€ per share ²
NAV ¹	418.7	8.80 ²	494.7	9.38	418.7	8.80 ²	641.0	10.49
Normalised FFO ³	7.2	0.15 ²	7.3	0.14	21.8	0.42 ²	103.3	1.71
Distributions ²	7.1 ⁴	0.15	7.2	0.15	31.7 ⁴	0.63	102.1	1.83

THIRD QUARTER 2018 BUSINESS HIGHLIGHTS

doBank Financial Performance

- Strong operational results for 9M18 with EBITDA (€54.4 million) and Net Income (€34.8 million) substantially up (by 30% and 29% respectively) versus 9M17.
- Key drivers were the progressive on-boarding of €12.1 billion of new mandates, helping take gross collections to €1.33 billion, up 8% versus 9M17, together with an increase in the EBITDA margin by 5% to 34% demonstrating the operational leverage of the business.
- Recently awarded two new mandates with a total GBV of €2.8 billion bringing total new servicing contracts for the year to €15 billion GBV and total AUM to €84 billion.

Positive NPL Performance

- Strong performance of the NPL portfolios drove valuations up by €0.24 per share, or 12% for the quarter⁵
- NPL portfolios continue to perform well through the unique expertise and active management by the Company’s Manager and its NPL Servicer, doBank, with the unlevered pace of life to date collections of the entire portfolio representing 129% of underwriting and unlevered profitability on fully resolved loans of 162% versus underwriting.

¹ NAV for Q3 2018 is before deducting the third quarter 2018 dividend of €0.15 per share declared and to be paid in November 2018.

² Per share calculations for Eurocastle throughout this document are based on the weighted average or outstanding voting shares and therefore exclude shares held in treasury. As at 30 September 2018, 66.1 million shares were in issue of which 47.6 million were voting shares and 18.5 million were held in treasury. Amounts per share are therefore calculated on the following basis: Q3 2018 Net Asset Value per share (“NAV per share”) on 47.6 million voting shares, Q3 2018 NFFO on 49.6 million weighted average voting shares, Q2 2018 NAV and NFFO per share – based on 52.7 million voting shares, YTD 2018 NFFO based on 51.7 million weighted average voting shares and YTD 2017 NFFO based on 60.3 million weighted average voting shares. Q3 2018 distribution estimated on 47.6 million and Q2 distribution paid on 47.7 million voting shares.

³ Normalised FFO (“NFFO”) is a non-IFRS measure used to explain the financial performance of the Company, as outlined on page 13 of the 2017 Annual Report.

⁴ Q3 2018 declared dividend of €0.15 per share estimated at €7.1 million based on 47.6 million outstanding voting shares. Actual nominal amount of dividend will be determined based on the total voting shares outstanding on 22 November 2018 (Q3 2018 dividend record date) which will be dependent on the amount of shares that will be bought back under the open market buy-back programme that commenced on 6 August 2018.

⁵ Represents the fair value increase of NPLs for the third quarter of €11.3 million as a percentage of their previous quarters carrying value net of outstanding commitments (€98.2 million) as reported in the Company’s accounts.

Share Tender and Open Market Buy-back

- In August, the Company closed on a fully subscribed share tender, repurchasing 5 million, or 9.48%, of the ordinary voting shares in issue; returning capital of €40 million at a 9% discount to the Q3 2018 NAV and an 11% premium to the share price at the time. The tender was earnings accretive, increasing Q3 NFFO per share by approximately 10.5%, or €0.01 per share, and Q3 NAV per share by approximately 1.7%, or €0.15 per share.
- Following the tender, on 6 August 2018, the Company implemented its first open market buyback programme. Up to 30 September 2018, Eurocastle had bought back 106,605 ordinary shares at an average price of €7.03 per ordinary share, representing a 20% discount to Q3 NAV. As of 14 November 2018, a further €0.8 million of shares have been bought back. The current programme ends on 15 November 2018.

BUSINESS HIGHLIGHTS SUBSEQUENT TO 30 SEPTEMBER 2018

New Investment

- In November, Eurocastle committed to a €29.5 million investment to acquire a shared interest in a €675 million GBV portfolio of Italian NPLs. The portfolio is predominantly secured by real estate claims to SME borrowers and is expected to close by the end of November.

Share Tender and Renewal of Share Buy-Back Programme

- Based on the success of the August share tender and buy-back programme, the Company is pleased to announce a new tender offer of up to €15 million at €6.50 per share together with a renewal of the share buy-back programme for an amount up to €2.0 million from 20 December 2018 to 6 March 2019. Further details are set out below.

APPOINTMENT OF NEW DIRECTOR

- Eurocastle is pleased to announce the appointment of Mr. Hammad Khan to Eurocastle's Board of Directors as a non-executive director, subject to completion of formalities. After giving effect to Mr. Khan's appointment, the Board of Directors includes six directors.
- Mr. Khan is a representative of Eurocastle's largest shareholder, which is an affiliate of EJF Capital LLC (EJF). Mr. Khan is a senior managing director, Europe, of EJF. Mr. Khan is also a senior member of the investment team for EJF Investments Manager LLC. Mr. Khan joined EJF's London affiliate (EJF Capital Ltd) in March 2013. Mr. Khan is responsible for identifying investment opportunities in the European markets with a focus on the banking, insurance and specialty finance sectors. Mr. Khan previously worked at Oak Circle Capital LLC in New York as a credit analyst where he analyzed opportunities within the U.S. RMBS & CMBS sectors. Prior to joining Oak Circle Capital LLC, Mr. Khan worked at Ivy Square Ltd and Ceres Capital Partners LLC in New York where he analyzed investment opportunities in the credit markets. Mr. Khan holds a BA in International Economics from Suffolk University in Boston.

For further information of the Company as at 30 September 2018, please refer to the Company's new investor fact sheet found under the investor relations section on the Company's website (www.eurocastleinv.com).

NORMALISED FFO

Normalised FFO (“NFFO”) is a non-IFRS financial measure that, with respect to all of the Company’s Italian Investments other than the doBank Group, recognises i) income on an expected yield basis updated periodically, allowing Eurocastle to report the run rate earnings from these investments in line with their expected annualised returns and ii) any additional gains or losses not previously recognised through NFFO at the point investments are realised. Cash flow receipts are therefore allocated by the Company between income and capital in accordance with this expected yield methodology. With respect to the doBank Group, following the IPO, the Company now recognises NFFO based on its share of doBank’s reported annual net income after tax together with any gains or losses arising from the sale of its shares. The income cash flow profile of each of the Company’s investments may not exactly equal the NFFO recognised by the Company each period but will do so over the life of each investment.

Normalised FFO for the Nine Months Ended 30 September 2018	Average Net Invested Capital ¹ € Thousands	Annualised Yield	YTD 2018 € Thousands
doBank Group	81,151	17%	10,122
Italian NPLs	93,312	30%	20,615
Real Estate Fund Investments	31,657	4%	878
Italian Investments NFFO before expenses	206,120	21%	31,615
Legacy portfolios			1,392
Manager base & incentive fees ²			(7,993)
Other operating expenses			(3,200)
Normalised FFO			21,814
<i>€ per share³</i>			<i>0.42</i>

Normalised FFO for the Three Months Ended 30 September 2018	Average Net Invested Capital ¹ € Thousands	Annualised Yield	Q3 2018 € Thousands
doBank Group	81,151	16%	3,247
Italian NPLs	88,904	31%	6,933
Real Estate Fund Investments	31,028	3%	216
Italian Investments NFFO before expenses	201,083	21%	10,396
Legacy portfolios			215
Manager base & incentive fees ²			(2,578)
Other operating expenses			(795)
Normalised FFO			7,238
<i>€ per share³</i>			<i>0.15</i>

Following the change in classification to an investment entity as defined under IFRS 10 in July 2017, the Company does not consolidate the entities it controls and therefore fair values all of its investments (whether through subsidiaries, joint ventures or associates).

Income Statement for the Nine and Three Months ended 30 September 2018 (Unaudited)	YTD 2018 € Thousands	Q3 2018 € Thousands
Portfolio Returns		
doBank Group	(73,610)	(36,138)
Romeo NPLs	8,486	5,019
FINO NPLs	9,341	1,447
Other NPL Pools	7,917	4,849
Real Estate Funds	(436)	91
Fair value movement on Italian investments	(48,302)	(24,732)
Fair value movements on residual Legacy entities	1,392	215
Other income – Gains on foreign currency translation and other derivatives	1	-
Total loss	(46,909)	(24,517)
Operating Expenses		
Interest expense	373	107
Manager base and incentive fees	7,992	2,578
Remaining operating expenses	2,825	685
Other Operating expenses	10,817	3,263
Total expenses	11,190	3,370
Net loss for the period	(58,099)	(27,887)
<i>€ per share³</i>	<i>(1.12)</i>	<i>(0.56)</i>

For the nine months ended 30 September 2018, the total net loss reported was €58.1 million, or €1.12 per share. Excluding the €73.6 million loss that arose from the doBank investment, which is marked-to-market based on doBank’s closing share price, Eurocastle recognised a

¹ Q3 2018 declared dividend of €0.15 per share estimated at €7.1 million based on 47.6 million outstanding voting shares. Actual nominal amount of dividend will be determined based on the total voting shares outstanding on 22 November 2018 (Q3 2018 dividend record date) which will be dependent on the amount of shares that will be bought back under the open market buy-back programme that commenced on 6 August 2018.

² Manager base fees are equal to the sum of (i) 1.5% of the Company’s Net Asset Value excluding Net Corporate Cash and (ii) 0.75% of the Company’s Net Corporate Cash (including cash committed to investments but not yet deployed) calculated and paid monthly in arrears. Incentive fees are equal to 25% of the euro amount by which the Company’s NFFO derived from Italian Investments (net of allocable fees and expenses) exceeds the net amount invested in such investments multiplied by a simple interest rate of 8% per annum (calculated on a cumulative but not compounding basis)

³ Amounts per share calculated on the following basis: Q3 2018 49.6 million weighted average voting shares and YTD 2018 NFFO on 51.7 million weighted average voting shares.

€15.5 million profit, or €0.30 per share. For the three months ended 30 September 2018, excluding the loss from the doBank investment, the Company recorded a profit of €8.3 million, or €0.17 per share.

Balance Sheet and NAV Reconciliation as at 30 September 2018 (Unaudited)	Italian Investments € Thousands	Corporate € Thousands	Total € Thousands
Assets			
Cash and cash equivalents	-	106,596	106,596
Other assets	-	194	194
Investments:			
doBank Group	190,797	-	190,797
Romeo NPLs	53,652	-	53,652
FINO NPLs	4,167	-	4,167
Other NPL Pools	42,553	-	42,553
Real Estate Funds	27,306	-	27,306
Other net assets of subsidiaries (residual legacy entities)	-	185	185
Total assets	318,475	106,975	425,450
Liabilities			
Trade and other payables	-	4,127	4,127
Manager base and incentive fees	-	2,578	2,578
Total liabilities	-	6,705	6,705
Net Asset Value	318,475	100,270	418,745
FINO deferred purchase price commitment	64,680	(64,680)	-
RE Fund Investment V remaining unfunded estimated investment	419	(419)	-
New NPL Investment	29,450	(29,450)	-
NAV (segments adjusted for outstanding commitments)¹	413,024	5,721	418,745
NAV (€ per share) ²	8.68	0.12	8.80

¹ NAV segments adjusted for outstanding commitments. i) €64.7 million of unfunded committed investment relating to the deferred purchase price on FINO, of which €46.6 million payable in February 2019 with the remainder payable over the next few years ii) an additional €29.5 million in the €675 million GBV NPL pool committed in November 2018 and iii) €0.4 million of remaining unfunded estimated investment in RE Fund Investment V. The Corporate segment deducts outstanding commitments listed above.

² Amounts per share calculated on 47.6 million outstanding voting shares.

TENDER OFFER AND BUY-BACK PROGRAMME

Background to and reasons for the Tender Offer and Share Buy-Back Programme

Eurocastle and its Board of Directors (the “Board”) continuously monitor the Company’s balance sheet with the aim of maintaining an efficient capital structure while meeting the requirements to execute on the Company’s investment pipeline. In light of the discount at which Eurocastle has recently been trading to its net asset value (“NAV”) and the Company’s available cash, the Board believes that the implementation of the Tender Offer at an attractive premium to the prevailing share price provides liquidity to investors while representing an accretive and expeditious use of available cash. The Share Buy-Back Programme to follow the Tender Offer is seen by the Company as an additional means to continue to take advantage of any prevailing share price discount to its NAV over a prolonged period while also providing additional liquidity in its shares.

The Tender Offer

A circular (the “Circular”) to shareholders in relation to the Tender Offer has been posted on the Investor Relations section of the Company’s website under the tab “Periodic Reports and Shareholder Communications – Tender Offer”.

The Tender Offer and the Share Buy-Back Programme are being undertaken pursuant to the authority passed at the Company’s Annual General Meeting held on 20 June 2018. The Tender Offer will remain open until 6.00 p.m. (CET) on 14 December 2018 and is being made at a price of €6.50 per existing Ordinary Share in issue (the “Tender Price”). The repurchase of Ordinary Shares by the Company pursuant to the Tender Offer will be carried out through ABN AMRO Bank N.V. acting for and on behalf of the Company as agent.

The Tender Price has been set at €6.50 per share, representing a premium of 7.5% to the volume weighted average closing price on Euronext Amsterdam of €6.05 per Ordinary Share over the last month to 14 November 2018 (the latest practicable date before the publication of this announcement), and a discount of approximately 21.6% to the Company’s Pro Forma NAV¹ of €8.29 per share as at 14 November 2018.

The Tender Offer will provide shareholders who are eligible with an opportunity to sell part or all of their Ordinary Shares and to receive their respective share of the cash which the Company is seeking to return. The Tender Offer will allow the Company to broaden the return of cash to include those shareholders whose Ordinary Shares might not otherwise be purchased by the Company through a general on-market buyback.

Each eligible shareholder will be entitled to sell up to 4.86 per cent. of the Ordinary Shares registered in their respective names on the record date under the Tender Offer, rounded down to the nearest whole number of Ordinary Shares. This is what is known as each eligible shareholder’s “Basic Entitlement”. All Ordinary Shares validly tendered by eligible shareholders up to their respective Basic Entitlement will be accepted and repurchased in full. Tendering shareholders may also be able to participate in the Tender Offer in excess of their Basic Entitlement to the extent that other eligible shareholders tender less than their respective Basic Entitlement, resulting in surplus Ordinary Shares (known as “Excess Tender Offer Shares”). Any Excess Tender Offer Shares will be repurchased from tendering Shareholders pro rata to the amount in excess of each eligible shareholder’s Basic Entitlement so tendered.

The repurchase of Ordinary Shares by the Company will be carried out on-market through the available systems of Euronext. The Tender Offer will be financed through the use of the Company’s existing and available cash resources.

The Tender Offer is available to eligible shareholders outside Canada and Japan in respect of the number of Ordinary Shares registered in those shareholders’ names at 6.00 p.m. (CET) on 14 December 2018.

The formal terms and conditions of the Tender Offer are set out in the Circular and tender form. The results of the Tender Offer will be announced on 17 December 2018 and published on the Company’s website (www.eurocastleinv.com).

¹ Pro forma NAV means the Company’s last published NAV less the additional incentive compensation which would be due by the Company should all investments be realised at their last reported values (the “Incremental Incentive Fees”), adjusted for (i) the value of the doBank S.P.A. (“doBank”) share price as at market close on 14 November 2018; (ii) the Company’s open market buy-back activity subsequent to 30 September and up to 14 November 2018; and (iii) movements in the Incremental Incentive Fee as a result of changes in the value of the doBank share price since the Company’s last reporting date. Please refer to Tender Offer Circular for further details on the calculation.

Expected timetable**2018**

Tender Offer opens.....	15 November
Latest time and date for receipt of Tender Forms.....	6.00 p.m. (CET) on 14 December
Record Date for the Tender Offer.....	6.00 p.m. (CET) on 14 December
Closing Date for the Tender Offer.....	6.00 p.m. (CET) on 14 December
Announcement of results of the Tender Offer.....	17 December
Euroclear Nederland accounts credited with Tender Offer proceeds and revised holdings of uncertificated Ordinary Shares (Settlement Date).....	20 December
Despatch of cheques for Tender Offer proceeds for Ordinary Shares held through CREST and for certificated Ordinary Shares.....	20 December
Despatch of balance share certificates for unsold Ordinary Shares and share certificates for unsuccessful tenders (certificated holders only).....	20 December

The above times and dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to shareholders.

Information in connection with the Tender Offer is available on the Company's website (www.eurocastleinv.com) or can be obtained from ABN AMRO Bank N.V., Corporate Broking (telephone number +31 20 344 2000). If you hold Ordinary Shares in CREST or in certificated form and have any questions about the procedure for tendering or you want to request tender forms, CREST payment forms or for help completing the tender form, please contact the Company's registrar, Anson Registrars Limited, between 9.00 a.m. and 5.00 p.m. (GMT) Monday to Friday (telephone number +44 1481 711301).

Share Buy-Back Programme

Under the Share Buy-Back Programme, Eurocastle is seeking to buy back shares up to an aggregate market value equivalent to €2.0 million, subject to the limitation of the buy-back authority set out below. The Share Buy-Back Programme will commence following the settlement of the Tender Offer which is expected to occur on 20 December 2018.

The buy-back will be conducted in Eurocastle's ordinary shares listed on Euronext Amsterdam.

The Share Buy-Back Programme will take place within the limitations of the authority granted to the Board at its Annual General Meeting held on 20 June 2018, pursuant to which the maximum number of shares to be bought back is 13,178,041. Taking into account the amount of shares repurchased by the Company up to 14 November 2018 (the latest practicable date) since the buyback authority was renewed, and in the event that the Tender Offer is fully subscribed, the maximum number of shares that could be bought back under the Share Buy-Back Programme would be 5,633,491.

The Share Buy-Back Programme will also be conducted within the parameters prescribed by the Market Abuse Regulation 596/2014, and the Commission Delegated Regulation (EU) 2016/1052.p

The Share Buy-Back Programme will commence on 20 December 2018 and will end no later than 6 March 2019, at which point the Board will review the success of the programme and determine whether to renew the programme for a further period.

Eurocastle has entered into a non-discretionary mandate with Liberum Capital Limited to conduct the Share Buy-Back Programme on its behalf and to make trading decisions under the programme independently of the Company within parameters set by the Board.

Enquires: Please contact the Eurocastle Investor Relations at investorrelations@eurocastle.com or +1 (212) 479-3165.

This announcement does not constitute, or form part of, an offer or any solicitation of an offer for securities in any jurisdiction.

NOTICE:

This announcement contains inside information for the purposes of the Market Abuse Regulation 596/2014.

This announcement may contain forward-looking statements, including ‘forward-looking statements’ within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as ‘will’, ‘aim’, ‘expects’, ‘anticipates’, ‘intends’, ‘looks’, ‘believes’, ‘vision’, or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Eurocastle Group (the “**Group**”). They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ADDITIONAL INFORMATION

For additional information that management believes to be useful for investors, please refer to the latest presentation posted on the Investor Relations section of the Company's website, www.eurocastleinv.com. For investment portfolio information, please refer to the Company's new Fact Sheet as at 30 September 2018, which is available on the Company's website (www.eurocastleinv.com).

EARNINGS CALL INFORMATION

Eurocastle's management will host an earnings conference call at 2:00 P.M. London time (9:00 A.M. New York time) later today. All interested parties are welcome to participate on the live call. You can access the conference call by dialling first +1-844-492-7988 (from within the U.S.) or +1-478-219-0293 (from outside of the U.S.) ten minutes prior to the scheduled start of the call; please reference "Eurocastle Third Quarter 2018 Earnings Call" or conference ID number "1787527".

A webcast of the conference call will be available to the public on a listen-only basis at www.eurocastleinv.com. Please allow extra time prior to the call to visit the site and download the necessary software required to listen to the internet broadcast. A replay of the webcast will be available for three months following the call.

For those who are not available to listen to the live call, a replay will be available until 11:59 p.m. New York time on Saturday, 15 December 2018 by dialling +1-855-859-2056 (from within the U.S.) or +1-404-537-3406 (from outside of the U.S.); please reference access code "1787527".

ABOUT EUROCASTLE

Eurocastle Investment Limited is a publicly traded closed-ended investment company that focuses on investing in performing and non-performing loans and other real estate related assets primarily in Italy. The Company is Euro denominated and is listed on Euronext Amsterdam under the symbol "ECT". Eurocastle is managed by an affiliate of Fortress Investment Group LLC, a leading global investment manager. For more information regarding Eurocastle Investment Limited and to be added to our email distribution list, please visit www.eurocastleinv.com.

FORWARD LOOKING STATEMENTS

This release contains statements that constitute forward-looking statements. Such forward-looking statements may relate to, among other things, future commitments to sell real estate and achievement of disposal targets, availability of investment and divestment opportunities, timing or certainty of completion of acquisitions and disposals, the operating performance of our investments and financing needs. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may", "will", "should", "potential", "intend", "expect", "endeavor", "seek", "anticipate", "estimate", "overestimate", "underestimate", "believe", "could", "project", "predict", "project", "continue", "plan", "forecast" or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. The Company's ability to predict results or the actual effect of future plans or strategies is limited. Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, its actual results and performance may differ materially from those set forth in the forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that may cause the Company's actual results in future periods to differ materially from forecasted results or stated expectations including the risks regarding Eurocastle's ability to declare dividends, amortise the Company's debts, renegotiate the Company's credit facilities, make new investments, or achieve its targets regarding asset disposals or asset performance.