



EUROCASTLE INVESTMENT LIMITED

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Eurocastle Announces Tender Offer to Repurchase up to €40 million of Ordinary Shares at €8.00 per Ordinary Share and Launch of Share Buy-Back Programme

Guernsey. 2 July 2018 – Eurocastle Investment Limited (Euronext Amsterdam: ECT) (“**Eurocastle**” or the “**Company**”) today announces a tender offer (the “**Tender Offer**”) for the repurchase of up to €40 million of ordinary shares in the Company (“**Ordinary Shares**”) for a fixed price of €8.00 per Ordinary Share. In addition, Eurocastle will commence a programme to buy back shares listed on Euronext following the settlement of the Tender Offer which is expected to occur on 6 August 2018 (the “**Share Buy-Back Programme**”).

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 11.59 p.m. (ET) on 30 July 2018 and is being made at a price of €8.00 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.

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 represents an accretive and expeditious use of available cash, whilst maintaining sufficient cash reserves to make additional acquisitions into its portfolio. 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

The Tender Price has been set at €8.00 per share, representing a premium of 11.2% to the volume weighted average closing price on Euronext Amsterdam of €7.19 per Ordinary Share over the last month to 29 June 2018

(the latest practicable date before the publication of this announcement), and a discount of approximately 7.7% to the Company's Pro Forma NAV¹ of €8.67 per share as at 29 June 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 9.48 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 30 July 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 31 July 2018 and published on the Company's website (www.eurocastleinv.com).

Expected timetable

	2018
Tender Offer opens.....	2 July
Latest time and date for receipt of Tender Forms.....	11.59 p.m. (ET) on 30 July
Record Date for the Tender Offer.....	6.00 p.m. (CET) on 30 July
Closing Date for the Tender Offer.....	11.59 p.m. (ET) on 30 July
Announcement of results of the Tender Offer.....	31 July
Euroclear Nederland accounts credited with Tender Offer proceeds and revised holdings of uncertificated Ordinary Shares (Settlement Date).....	6 August

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 29 June 2018 (also taking into account dividends received from doBank subsequent to the Company's last reporting date); (ii) distributions made by the Company subsequent to its last reporting date; 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.

Despatch of cheques for Tender Offer proceeds for Ordinary Shares held through CREST and for certificated Ordinary Shares.....	6 August
Despatch of balance share certificates for unsold Ordinary Shares and share certificates for unsuccessful tenders (certificated holders only).....	6 August

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. (BST) 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 €3.0 million. The Share Buy-Back Programme will commence following the settlement of the Tender Offer which is expected to occur on 6 August 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. The maximum number of shares that may be bought back under Share Buy-Back Programme will depend on the number of shares acquired by the Company under the Tender Offer. 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 8,178,041.

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.

The Share Buy-Back Programme will commence on 6 August 2018 and will end no later than 15 November 2018, 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.

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.

Important Notice

The Company is organized under the laws of Guernsey. The Tender Offer described in this press release will be made pursuant to Guernsey law and in compliance with the applicable provisions of Section 14(e) of the US Securities Exchange Act of 1934 (the "**Exchange Act**"), and Regulation 14E thereunder. The Tender Offer will be subject to disclosure and procedure requirements of Guernsey which are different from those of the United States. The Tender Offer will not be made pursuant to the provisions of any other law. Accordingly, the Company and the persons acting in conjunction with the Company will not procure any further registrations, authorizations or approvals of the Tender Offer by any security supervisory authority or similar institutions. The Tender Offer will be made in the United States by the Company and no one else.

The Company, certain affiliated companies and agents and financial advisers may make certain purchases of, or arrangements to purchase, shares outside the Tender Offer during the period in which the Tender Offer remains open for acceptance. If such purchases or arrangements to purchase are made they will be made outside the United States and will comply with applicable law, including the Exchange Act.