



**EUROCASTLE**

**REG-Eurocastle Inv. Ltd Dividend and Share Offering**

Jun 15, 2005

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Eurocastle Investment Limited  
15 June 2005

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EUROCASTLE INVESTMENT LIMITED

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FOR IMMEDIATE RELEASE

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Eurocastle Announces a Dividend Increase to e0.35 Per Share for the Second Quarter 2005 and Offering of New Shares to Raise up to e90,000,000

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Guernsey. 15 June 2005 - Eurocastle Investment Limited ("Eurocastle") (LSE: ECT) announced today that its Board of Directors has declared a quarterly cash dividend of e0.35 per share for the quarter ending 30 June 2005, up from e0.33 per share in the first quarter of 2005. The e0.35 per share dividend is payable on 15 July 2005 to holders of record on 24 June 2005.

Eurocastle also announced today a proposed offering of new shares to raise up to e90,000,000. The offering price per share and number of new shares will be announced following an institutional bookbuilding process. Assuming an offering of e90,000,000, based on the closing price per share on 14 June 2005, the offering represents approximately 22 per cent of Eurocastle's enlarged share capital immediately after the offering. The Company will grant to the managers of the offering an over-allotment option covering additional shares representing 10 per cent of the new shares offered.

The proceeds of the offering will be used to repay outstanding debt and to make further investments in accordance with Eurocastle's investment guidelines.

Morgan Stanley and Deutsche Bank have been appointed as Joint Lead Managers and Joint Bookrunners to the offering. Swiss Finance & Property Corporation is acting as a co-manager.

Eurocastle also announced today that in order to comply with a recent amendment to the Listing Rules which now requires that the chairman of a listed investment company be independent from the company's investment manager, the existing Board of Directors has appointed Paolo Bassi as its Chairman. No other changes have

been made to the functions of the Company's Directors.

It is expected that Listing Particulars containing details of the offering of the new shares will be published in accordance with the Listing Rules of the UKLA and made available for inspection at the Document Viewing Facility shortly.

#### About Eurocastle

Eurocastle is an investment company that invests in and manages a diverse portfolio consisting primarily of European real estate related debt and real estate assets. Eurocastle is managed by Fortress Investment Group LLC.

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Morgan Stanley Securities Limited and Deutsche Bank AG London are acting for the Company and no one else in connection with the proposed offering and will not be responsible to anyone other than the Company 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 an offer of securities for sale in the United States, nor may the Company's securities be offered or sold in the United States absent registration or an exemption from registration as provided in the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder. There is no intention to register any portion of any offering in the United States or to conduct a public offering of securities in the United States. The Company is not, and will not be, registered under the U.S. Investment Company Act of 1940, as amended, and investors will not be entitled to the benefits of such Act.

The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities referred to herein in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction.

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. The Company's actual results and performance may differ materially from the impression created by the forward-looking statements. The Company undertakes no obligation to publicly update or revise forward-looking statements, except as may be required by applicable law and regulation (including the Listing Rules).

Stabilisation/FSA

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small e before a number denotes euros