



EUROCASTLE

Investor Presentation

June 2008

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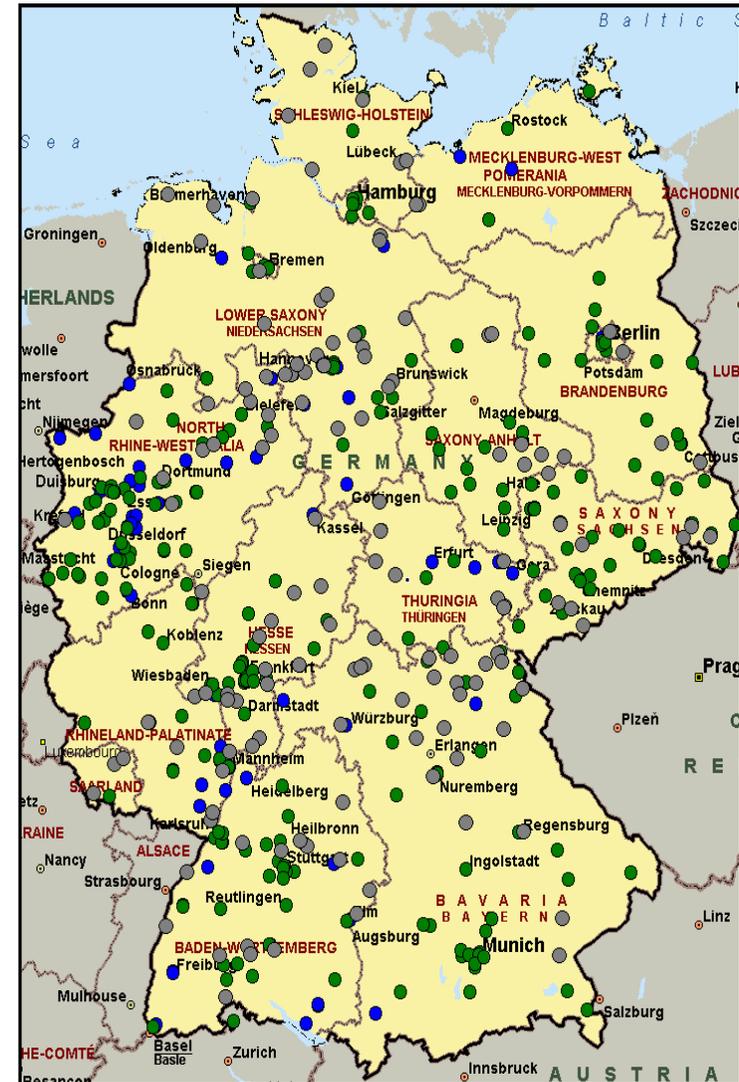
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Company Overview

- One of the largest listed owners of German commercial property
 - €5.1bn portfolio, 591 properties⁽¹⁾
- “REIT”-like company with ~80 person management team
- Strong alignment with shareholders
 - Fortress owns or controls ~22% of ECT shares ⁽²⁾



Eurocastle Q1 2008 Highlights

- Focus has been on extending short-term financings and harvesting fully valued assets

Financials

- FFO: €22.6 million or €0.35 per share
- NAV: €19.18 per share (€(0.17) for debt portfolio, €19.35 for property portfolio)
- Adjusted NAV: €23.04 per share (€3.69 for debt portfolio, €19.35 for property portfolio)
 - Reflects mark-to-market of liabilities of debt portfolio

Financing⁽¹⁾

- Extended revolving credit facility to March 2009
- Refinanced €330 million short term debt tranche and extended to June 2009

Portfolio

- Signed LOI's to sell €350 million of commercial real estate

Lease-up

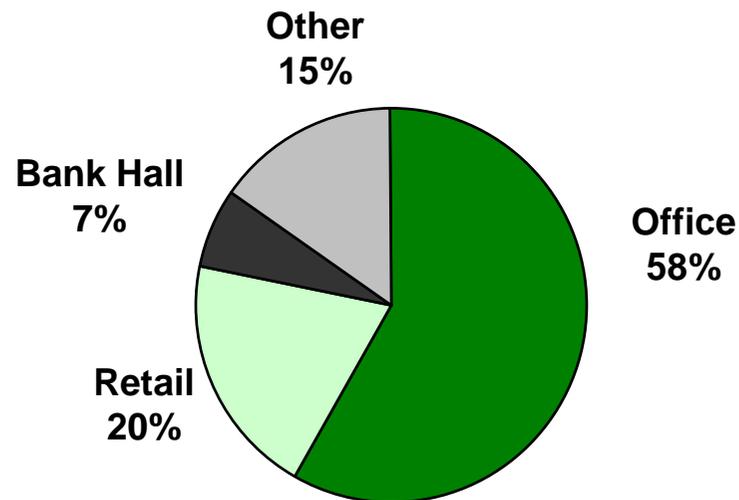
- Signed 172 leases for 82,000 sqm or 3.6% of total lettable space



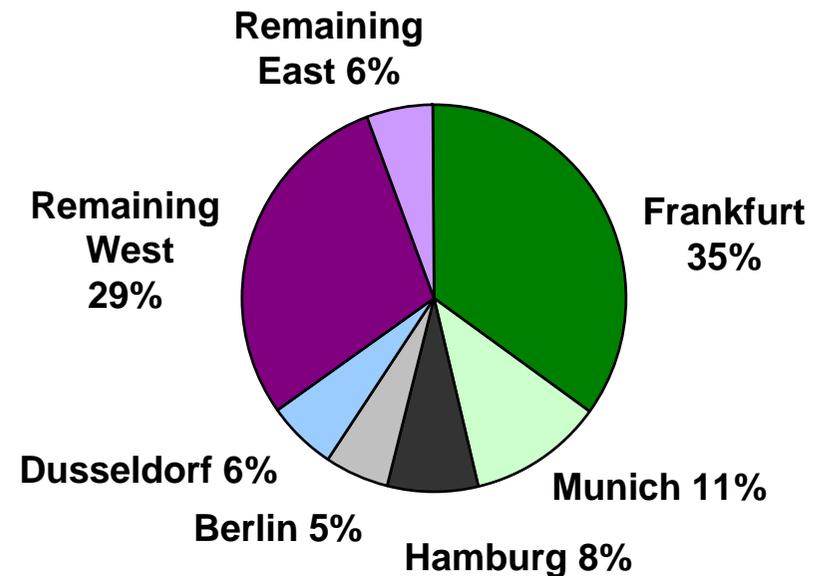
Eurocastle Investment Portfolio

- €5.1 billion portfolio of high quality commercial property in Germany
 - Create value through active asset management and lease-up
 - Harvest fully valued assets with limited upside

Property Portfolio By Use



Property Portfolio By Location



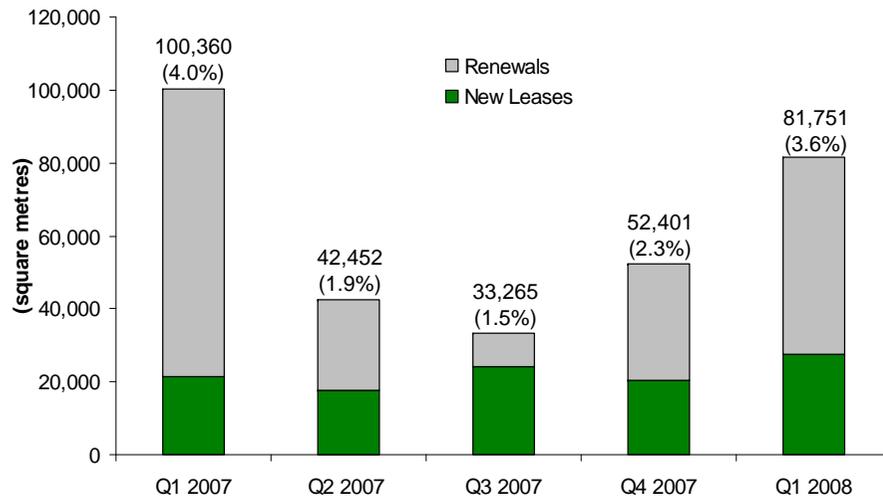
Property Portfolio

- Portfolio provides stable cash flows with upside potential

	Properties	Area (sqm)	Lease Terms	Occupancy	Value (€bn)	% of Portfolio
Core/Stable Assets	527	1,359,575	8.2 years	92.8%	3.0	59%
Value Add Assets	64	890,165	2.7 years	69.7%	2.1	41%
TOTAL⁽¹⁾	591	2,249,741	6.0 years	83.6%	5.1	100%

Leasing Activity⁽²⁾

(in % of total portfolio)



Asset Disposals

Year	Asset	Price (€m)	NOI Yield
Q2/3 2007	78 Properties	325	5.4%
Q4 2007	Redevelopment	155	1.0%
Q4 2007	Prime Office	54	3.9%
Q2 2008	Redevelopment	59	4.4%
Q2P 2008	Prime Office	350	-
TOTAL		943	<4.5%



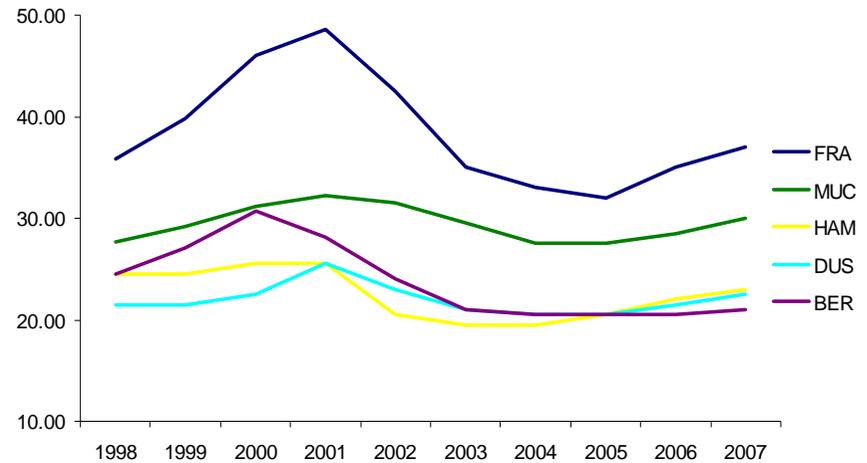
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- (1) Excludes rental guarantee
 (2) Leases signed

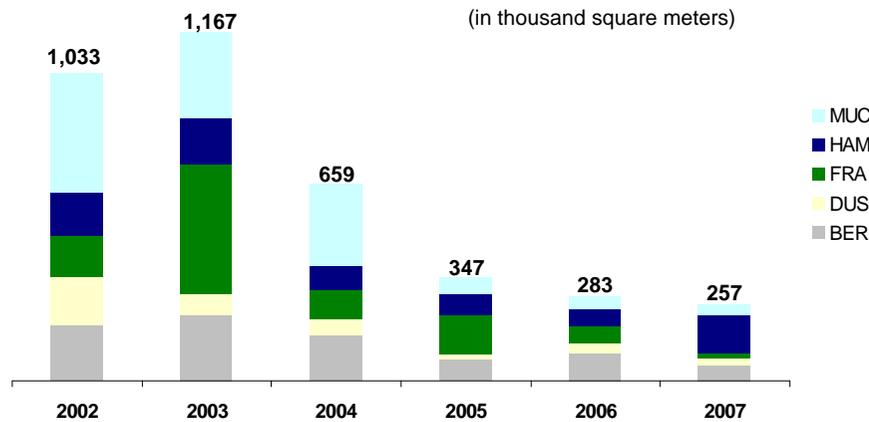
German Commercial Property Market

- German office market stable
- Historically low construction pipeline
- Increasing take-up since 2005
- Solid rental growth

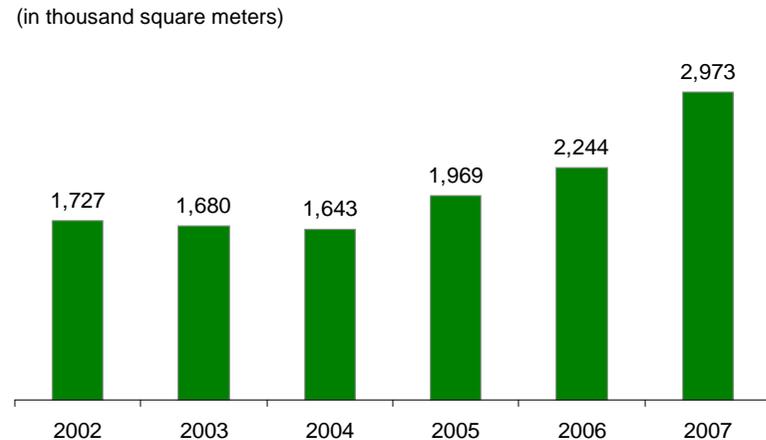
Prime Office Rents (psqm)



Speculative Construction Pipeline Top 5



Office Space Take-Up



Sources: CBRE, BVI, Lehman Brothers Research and Jones Lang LaSalle

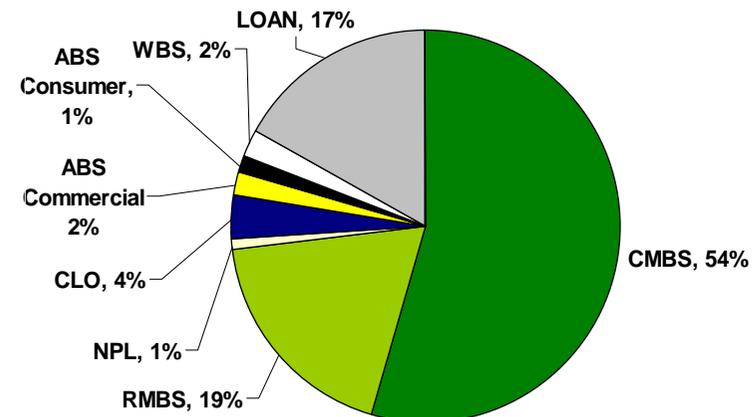
Debt Investment Portfolio

- Diversified and match funded portfolio of European real estate debt
 - Objective is to lock in spreads and eliminate liquidity and interest rate risk
 - €2.1 billion and 257 assets with average rating of BBB-
 - Primarily long-term financed through CDO's at Euribor + 58bps
 - Current lifetime upgrades vs. downgrades: 131:16
 - Targeted c.€30 million or €0.45 per share of FFO in 2008

Adjusted NAV

	€ 000	Per Share (€)
Fair Value Debt Assets	1,991,471	31.21
Nominal Value of Financing	2,002,487	31.39
Reported NAV	-11,016	-0.17
MTM of Loans	-44,897	-0.70
MTM of Financing	291,820	4.56
Adjusted NAV	235,907	3.69

Collateral Type



NAV and Valuation

- Eurocastle currently trades at a significant discount to NAV
- Targeted pay out of substantial portion of recurring FFO as dividend

Per Share	Debt	Property	Total	Share Price	Discount
NAV	€ (0.17)	€ 19.35	€ 19.18	€ 7.93	58.7%
Adjusted NAV	€ 3.69	€ 19.35	€ 23.04	€ 7.93	65.6%

Share price as of May 30, 2008

Implied Valuation Metrics

Discount	Adj. NAV (€/share)					
	18.0	19.0	20.0	21.0	22.0	23.0
0%	€ 18.0	€ 19.0	€ 20.0	€ 21.0	€ 22.0	€ 23.0
10%	€ 16.2	€ 17.1	€ 18.0	€ 18.9	€ 19.8	€ 20.7
20%	€ 14.4	€ 15.2	€ 16.0	€ 16.8	€ 17.6	€ 18.4
30%	€ 12.6	€ 13.3	€ 14.0	€ 14.7	€ 15.4	€ 16.1
40%	€ 10.8	€ 11.4	€ 12.0	€ 12.6	€ 13.2	€ 13.8
50%	€ 9.0	€ 9.5	€ 10.0	€ 10.5	€ 11.0	€ 11.5
60%	€ 7.2	€ 7.6	€ 8.0	€ 8.4	€ 8.8	€ 9.2
70%	€ 5.4	€ 5.7	€ 6.0	€ 6.3	€ 6.6	€ 6.9
80%	€ 3.6	€ 3.8	€ 4.0	€ 4.2	€ 4.4	€ 4.6

Today

Dividend Yield	Dividend per Share (€)*				
	1.00	1.10	1.20	1.30	1.40
5.0%	€ 20.0	€ 22.0	€ 24.0	€ 26.0	€ 28.0
6.0%	€ 16.7	€ 18.3	€ 20.0	€ 21.7	€ 23.3
7.0%	€ 14.3	€ 15.7	€ 17.1	€ 18.6	€ 20.0
8.0%	€ 12.5	€ 13.8	€ 15.0	€ 16.3	€ 17.5
9.0%	€ 11.1	€ 12.2	€ 13.3	€ 14.4	€ 15.6
10.0%	€ 10.0	€ 11.0	€ 12.0	€ 13.0	€ 14.0
11.0%	€ 9.1	€ 10.0	€ 10.9	€ 11.8	€ 12.7
12.0%	€ 8.3	€ 9.2	€ 10.0	€ 10.8	€ 11.7
13.0%	€ 7.7	€ 8.5	€ 9.2	€ 10.0	€ 10.8
14.0%	€ 7.1	€ 7.9	€ 8.6	€ 9.3	€ 10.0
15.0%	€ 6.7	€ 7.3	€ 8.0	€ 8.7	€ 9.3

Today

Objectives

- Harvest fully valued assets
- Create value through active asset management of value add assets
 - Increase occupancy to high 80%'s by end of 2008
 - Increase occupancy to low 90%'s in next 6 to 8 quarters
- Pay substantial portion of recurring FFO as dividend
- Close valuation gap between assets and stock price



Appendix

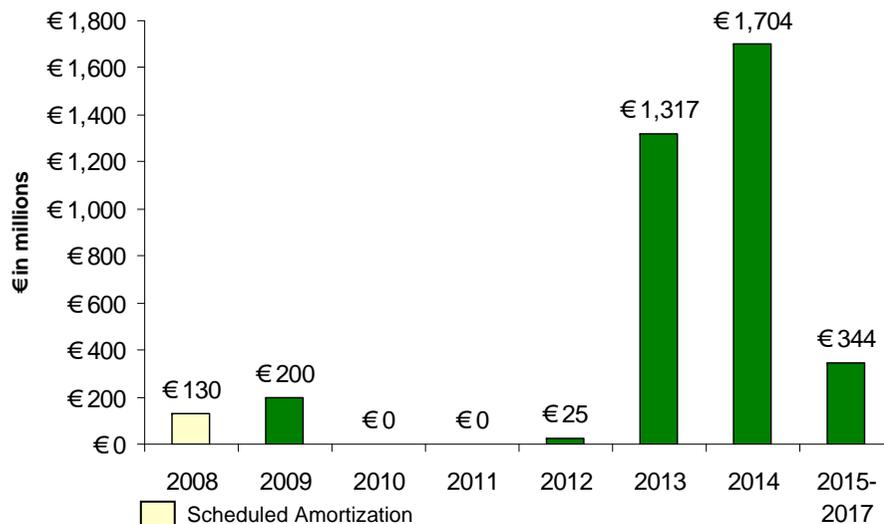


Capital Structure

- €5.1 billion property portfolio financed with €3.8bn of non-recourse debt at 4.6%
- €2.1 billion debt investment portfolio financed with €2.0 billion of substantially non-recourse, non mark-to-market debt at Euribor + 58 bps

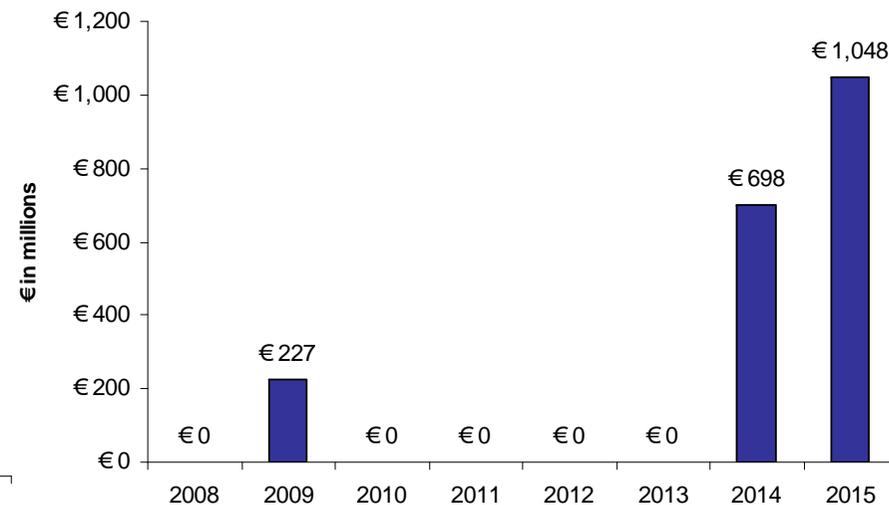
Property Financing

Debt Maturity Schedule



Debt Financing

Debt Maturity Schedule





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