



EUROCASTLE INVESTMENT LIMITED

Company Presentation
April 2016



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Internal rates of return. To Eurocastle’s knowledge, there are no established standards for the calculation of internal rates of return for portfolios of the type to be held by Eurocastle. The use of a methodology other than the one used herein may result in a different, and possibly lower, internal rate of return. In addition, the current unrealized or projected values that form the basis for projected internal rates of return may not be realized in the future, which would materially and adversely effect actual internal rates of return for the applicable investments and potentially the overall portfolio of which they are a part.

The opinions and statements presented herein are based on general information gathered at the time of writing and are subject to change without notice.



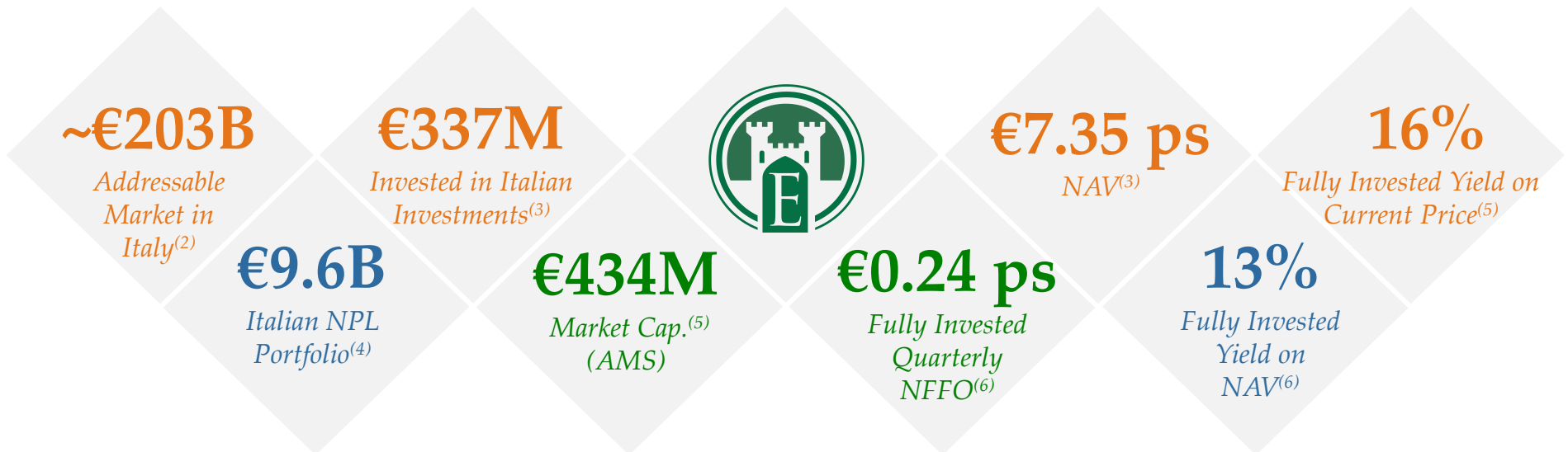
Eurocastle Overview

Eurocastle (ECT:NA) is a publicly traded European company and a leading investor in Italian distressed debt and real estate

- Aim to drive growth primarily through investments in:

1
Italian Loan Servicer (doBank)
2
Italian NPLs
3
Italian RE Funds

- Offer attractive dividend yield of 8.3% for shareholders – 11 consecutive quarters distributing dividend⁽¹⁾
- Eurocastle currently has no corporate debt, all investments are unlevered
- Uniquely positioned to take advantage of attractive market dynamics in Italy – currently over €200 billion of NPLs on Banks' balance sheets
 - Eurocastle, with other Fortress affiliates, owns 50% share in doBank, the largest 3rd party servicer in Italy



(1) Including Q1 2016 dividend of €9 million to be paid in April.

(2) Source: Credit Suisse Research April 2016.

(3) As of December 31, 2015.

(4) Includes €3.3 billion GBV doBank portfolio.

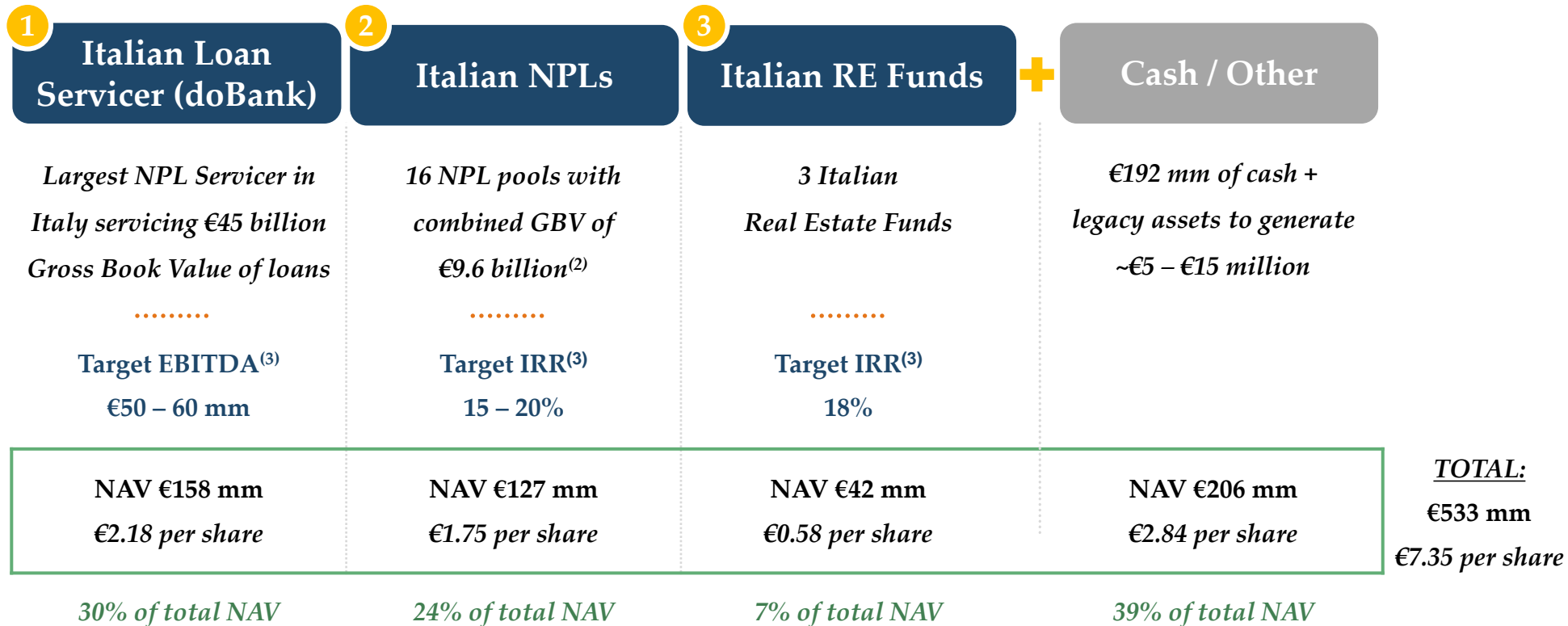
(5) As of April 8, 2016 €6.00 per share.

(6) As of Q4 2015. Assumes a net 16% return on €192 million net corporate cash.



Eurocastle Today

- Eurocastle's business is split into 3 key segments
- NAV of €533 million, or €7.35 per share⁽¹⁾



(1) As of Q4 2015.

(2) Includes doBank portfolio of €3.3 billion GBV.

(3) Projected returns are not a prediction of actual results and are based on a variety of estimates and assumptions by the Company, including, among others, recoveries and recovery timelines dependent on the relevant real estate market environment and legal process. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, geo-political, competitive and financial risks that are outside of the Company's control. There can be no assurance that the estimated projections noted above will ultimately prove accurate, and actual results may differ materially.



Strong Financial Performance

- Normalized FFO €9.3 million or €0.13 per share, reflecting full quarter of doBank
 - Provides **1.04x dividend coverage**, growing to **1.92x on fully invested basis**
- Proforma NFFO yield of 9% on current share price and 7% on NAV, going to 16% and 13% fully invested respectively

ECT Financial Performance

	Q3 2015		Q4 2015		Q4 2015 Proforma for doBank		Q4 2015 Proforma Fully Invested (€ p.s.)
	(€mm)	(€ p.s.)	(€mm)	(€ p.s.)	(€mm)	(€ p.s.)	
Adjusted NAV	€528	€7.30	€533	€7.35	€535	€7.39	
Normalised FFO	€2.4	€0.03	€8.1	€0.11	€9.3 ⁽¹⁾	€0.13 ⁽¹⁾	€0.24 ⁽²⁾
Dividends	€9.1	€0.125	€9.1	€0.125	€9.1	€0.125	
Dividend Coverage Ratio		0.26x		0.89x		1.04x	1.92x
NFFO Yield on NAV ⁽³⁾		2%		6%		7%	13%
NFFO Yield on Current Price ⁽⁴⁾		2%		8%		9%	16%

(1) Illustrative Proforma earnings reflect i) Q4 Normalised FFO ii) one additional month of doBank NFFO to reflect a full quarter of earnings and iii) a reversal of €1.6 million to adjust for one-off positive movements

(2) Illustrative Proforma Fully invested earnings reflect reflects i) Q4 Normalised FFO ii) one additional month of doBank NFFO to reflect a full quarter of earnings iii) a reversal of €1.6 million to adjust for one-off positive movements and iv) a net 16% return on €192 million net Corporate Cash.

(3) NFFO Yield = Annualized NFFO/Adjusted NAV.

(4) NNFO Yield at Current Price of €6.00 per share as of April 8, 2016.



2015 Transformative Year

- Invested €266 million in Italian investments including doBank – **largest transaction of this kind** in Italy since financial crisis
- Realized €78 million from legacy assets – legacy asset **liquidation substantially complete**
- Italian NPL market at all-time high of €203 billion⁽¹⁾, creating Italian banking crisis that **should finally force major NPL sales**
 - Italian banks are under increasing regulatory pressure to deleverage and sell bad assets

		2013	2014	2015
Italian Investments	Acquired:	6 NPL Pools	5 NPL Pools & 2 RE Funds	doBank + NPL Pool, 4 NPL Pools & 1 RE Fund
	€ Invested:	€17 mm	€54 mm	€266 mm
Legacy	% of total NAV:	90%	28%	3%
	€ Recovered:	€28 mm	€40 mm	€78 mm
Market Size ⁽¹⁾	Italian NPL Inventory:	€145 bn	€186 bn	€203 bn

(1) Source: credit Suisse research April 2016. ABI Monthly Outlook March 2016.



Investment Performance

- Strong initial returns, expect to generate 15 - 20% lifetime unlevered IRR, 2.0x multiple

Performance by Investment Type – as of December 31, 2015

(€ in mm)	Equity Invested	Realisations	Net Investment	NAV	IRR to Date
1 / 2 doBank (Servicer +NPL pool)	246.0	2.1	243.9	256.2	
2 NPLs (excluding doBank)	38.9	29.1	9.8	29.1	
3 RE Funds	48.3	12.6	35.8	41.7	
Total Italian Investments	333.3	43.8	289.5	327.0	24%
€ / per share	4.60	0.60	4.00	4.51	

*Expected to generate
15 - 20% lifetime IRR⁽¹⁾*

2.0x multiple

(1) Gross projected return figures are based on a variety of estimates and assumptions, actual results may vary materially, and estimated future gains and current appreciation may not be actually realized. Please see the Disclaimers at the front of the Presentation for additional information concerning the above projections.



1

Largest 3rd party servicer in Italy managing €45 billion GBV of loans

- Highest rated by Fitch RSS1- / CSS1- and S&P “Strong”⁽¹⁾
- 15 branches across Italy, 589 full time employees⁽¹⁾
- 10 year servicing contract in-place with UniCredit, former parent bank
 - Incremental servicing on all future loans below €1 million & select pools above €1 million GBV
- Expecting substantial growth beyond that from:
 - Adding 3rd party serving contracts
 - Banking license-related businesses such as loan auction financing

Illustrative Annual Economics⁽²⁾

NPLs Under Management	€46bn
Gross Collections (~2.5% of GBV)	€1.1bn
Revenues (~11% of Gross Collections)	€120 mm
Expenses (~50% Expense Margin)	(€60) mm

Illustrative Annual EBITDA €50 - 60 mm

Recent Activity

- ✓ *Appointed new CEO – Andrea Mangoni*
- ✓ *Implemented incentive-based asset management model*
- ✓ *Building out auction financing platform and brokerage network*

(1) As of Q4 2015.
 (2) Projected returns are not a prediction of actual results and are based on a variety of estimates and assumptions by the Company, including, among others, recoveries and recovery timelines dependent on the relevant real estate market environment and legal process. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, geo-political, competitive and financial risks that are outside of the Company’s control. There can be no assurance that the estimated projections noted above will ultimately prove accurate, and actual results may differ materially.



2 doBank NPL Portfolio Update

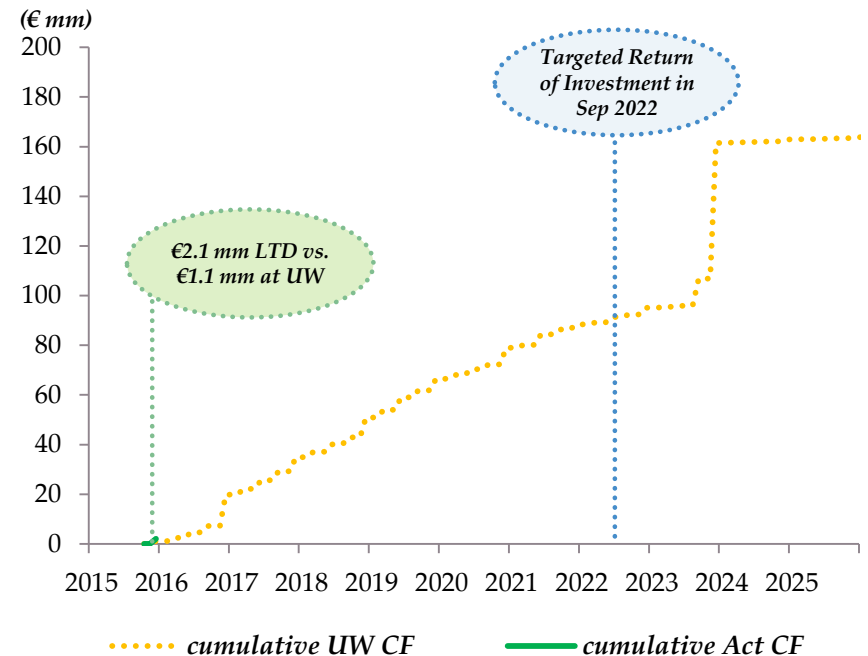
€3.3 billion GBV portfolio with 4,683 borrowers and €703k average claim size

- 42% secured by real estate, loans mainly located in northern & central Italy
- Portfolio outperforming original underwriting, with €2.1 mm⁽¹⁾ of proceeds since closing in Oct. 2015
 - **Pace** – actual pace of cash collections 188% of underwriting⁽²⁾
 - **Profitability** – fully realized loans resolved at 120% of underwriting⁽³⁾

Portfolio Performance

(€ in mm)	To Date	Lifetime
Actual/Reforecast Collections	€2.1	€174.1
Original Underwriting	€1.1	€174.1
Variance	+€1.0	-
<i>Pace vs. Underwriting</i> ⁽²⁾	188%	100%
<i>Profitability vs. Underwriting</i> ⁽³⁾	120%	100%

Investment Cash Flows



(1) Represents Eurocastle 50% share.

(2) Represents total collections received to date versus underwriting projections for the same period.

(3) Represents collections received on fully resolved claims only versus underwriting. It does not reflect profitability as recorded under IFRS.



2 Italian NPLs (excluding doBank Portfolio)

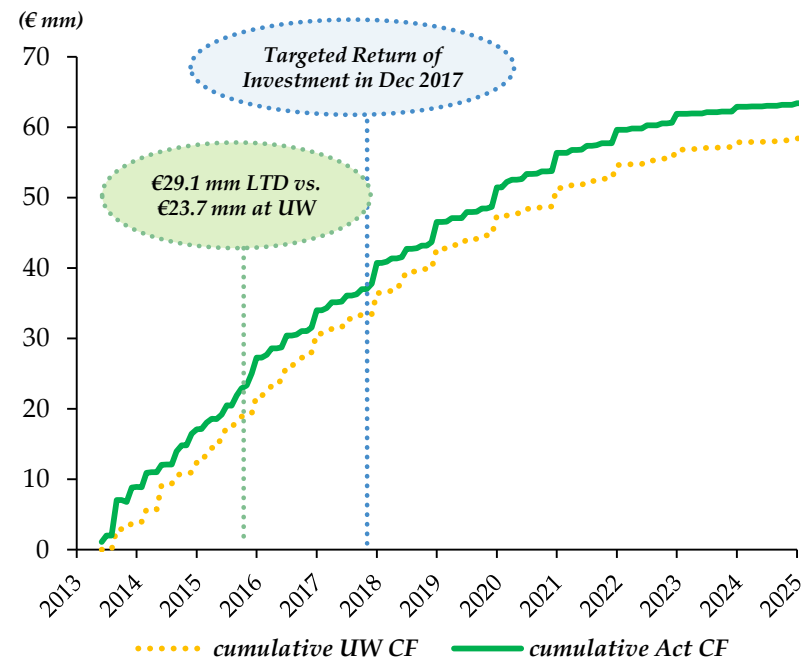
€6.3 billion GBV in 15 pools of Italian loans

- Underwritten returns average 18% IRR and WAL of 3.3 years
- Loans continue to outperform original underwriting based on two criteria:
 - **Pace** – actual pace of cash collections 123% of underwriting⁽¹⁾
 - **Profitability** – fully realized loans resolved at 240% of underwriting⁽²⁾
- Cash flows to date of €29 million represent 75% of original investment

Portfolio Performance

(€ in mm)	To Date	Lifetime
Actual/Reforecast Collections	€29.1	€65.5
Original Underwriting	€23.7	€60.5
Variance	+€5.4	+€5.0
<i>Pace vs. Underwriting⁽¹⁾</i>	123%	108%
<i>Profitability vs. Underwriting⁽²⁾</i>	240%	108%

Investment Cash Flows



(1) Represents total collections received to date versus underwriting projections for the same period.

(2) Represents collections received on fully resolved claims only versus underwriting. It does not reflect profitability as recorded under IFRS.



3 Italian RE Funds

€48.3 million invested in three Italian Real Estate Funds acquired as a significant discount to underlying asset value

- One public property fund (UIU) and two private funds (Redevelopment Fund and Armilla)
- Strategy is to realize profits from asset sales as funds reach their upcoming termination dates
- Investments outperforming original underwriting, with €12.6 million of proceeds to date
 - *Pace* – cash from distributions at 153% of underwriting⁽¹⁾
 - *Profitability* – sales proceeds at 107% of underwriting⁽²⁾
- In March, committed €7 million investment in additional Italian RE Fund

Investment Summary

	Fund Investment I (UIU)	Fund Investment II (Redevelopment)	Fund Investment III (Armilla)
	<i>7% of Public Shares</i>	<i>49% of Private Fund</i>	<i>27% of Private Fund</i>
Collateral	<i>12 mixed-use properties in Northern & Central Italy</i>	<i>2 luxury resi redevelopment projects in Rome</i>	<i>13 mixed-use office & light industrial assets leased to Telecom Italia across Italy</i>
Equity Invested	22.2	15.4	10.7
Cash Received	8.9	3.3	0.4
Net Invested Capital	13.2	12.2	10.4
ECT's NAV	14.3	12.2	15.3
% Disc. to Property Value	39%	-	46%
Fund Leverage	-	35%	55%
Fund Expiration	Q4 2017	Q1 2018	Q1 2019

Portfolio Performance

(€ in mm)	To Date	Lifetime
Actual/Reforecast Collections	€12.6	€ 76.5
Original Underwriting	€8.3	€ 74.0
Variance	+€4.3	+€ 2.6
<i>Pace vs. Underwriting</i>⁽¹⁾	153%	103%
<i>Profitability vs. Underwriting</i>⁽²⁾	107%	103%

(1) Represents total distributions paid up to December 31, 2015 versus underwriting projections for the same period.

(2) Represents total sales proceeds received versus total proceeds expected at underwriting only on those assets sold. It does not reflect profitability as recorded under IFRS.

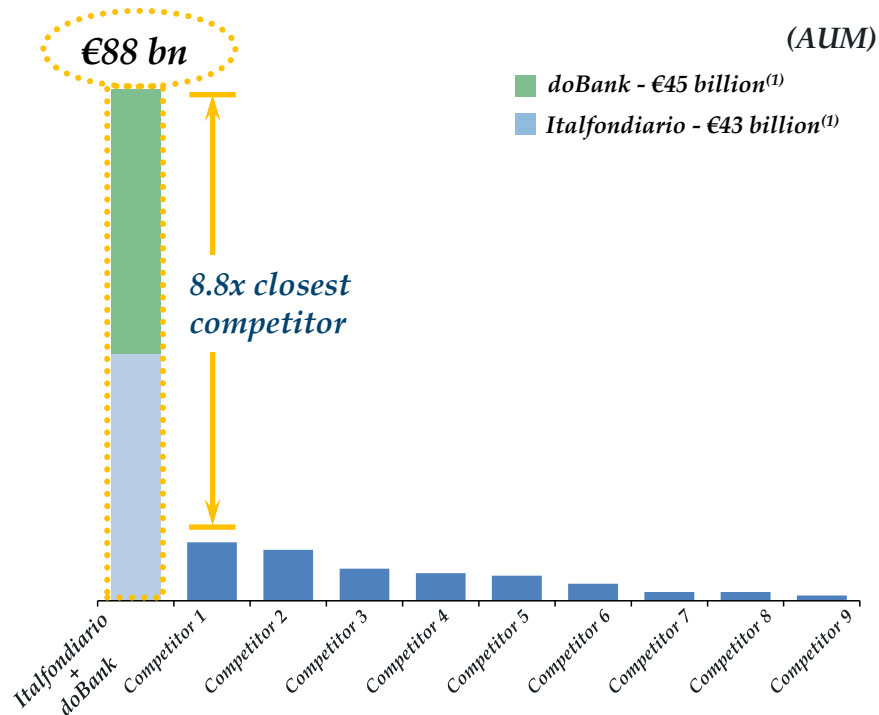


Uniquely Positioned to Take Advantage of Current Market Dynamics

Eurocastle benefits from relationship with two dominant servicers in Italy

- Fortress, ECT's manager, has been actively investing in Italy since 2000
 - To date has acquired over €22 billion GBV of Italian NPLs
 - Controls Italfondario – the second largest, highest rated 3rd party servicer in Italy with €43 billion AUM, ~600 employees in 9 offices
- doBank – the largest and highest rated 3rd party servicer in Italy, with focus on banking clients and ongoing flow of NPLs
 - Banking license creates significant upside potential

Leading Servicers - doBank & Italfondario⁽²⁾



Well Positioned to Buy NPLs

Uniquely Positioned Buyer

- ✓ *On the ground presence since 2000*
- ✓ *Access to over 2 mm data points for loan underwriting*
- ✓ *Experience in completing complex transactions with Italian banks*

The Best Qualified Servicer Under Proposed GACS Program

- ✓ *2 servicers highest rated by Fitch and S&P*

(1) Italfondario data as of June 30, 2015. doBank data as of September 30, 2015
 (2) Source: PWC "The Italian NPL Market – Towards NPL Market Renaissance" – June 2015.



A Robust Actionable NPL Pipeline⁽¹⁾

Currently underwriting ~€12 billion GBV of potential near-term acquisitions
& negotiating servicing for €43 billion GBV

- Current NPL pipeline of ~€12 billion GBV
 - Exclusive or sole bidders on 4 portfolios with combined GBV of ~€2.5 billion
 - Shortlisted/actively engaged on 7 portfolios with combined GBV of ~€9.5 billion
- Actively seeking to service ~€43 billion GBV portfolios
 - Combined GBV of ~€38 billion for servicing opportunities only
 - Combined GBV of ~€5 billion with potential acquisition opportunities

~€43 bn GBV Servicing Pipeline



~€12 bn NPL GBV Pipeline



(1) There can be no assurance that any of the above mentioned Pipeline Investments will ultimately be consummated by Eurocastle. Notwithstanding any analysis included in the Presentation, it is possible that each of the Pipeline Investments, if consummated, could result in a total loss of any invested capital