



EUROCASTLE

Investor Day

30 May 2007

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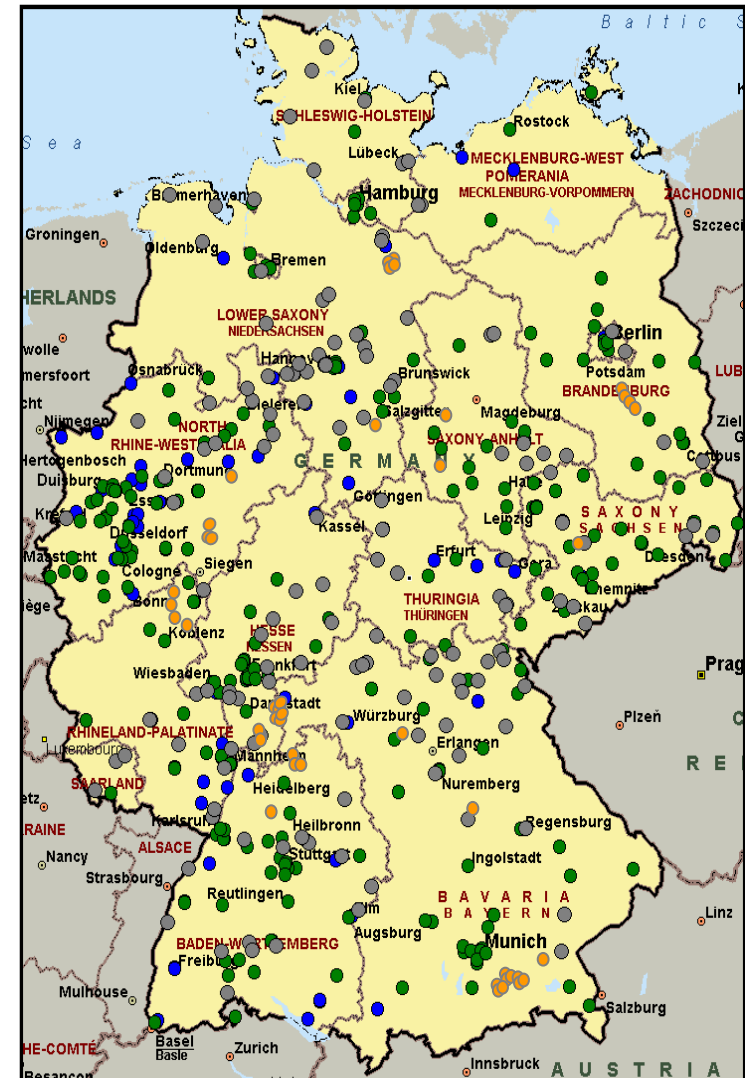
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Company Overview

- One of the largest listed owners of German commercial property
 - €5.5 billion commercial property portfolio
 - 625 properties throughout Germany
- Dedicated acquisitions and asset management team in Germany
- Strong alignment with shareholders
 - Fortress owns or controls c. €400m of ECT shares (1)



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(1) Fortress private equity funds, the Manager, Principals, Officers and Employees (as of 25 May 2007).

Objectives

- Our objective is to build long-term value for our shareholders
 - Increase FFO through organic and accretive growth
 - Pay out substantially all FFO over time as quarterly dividends

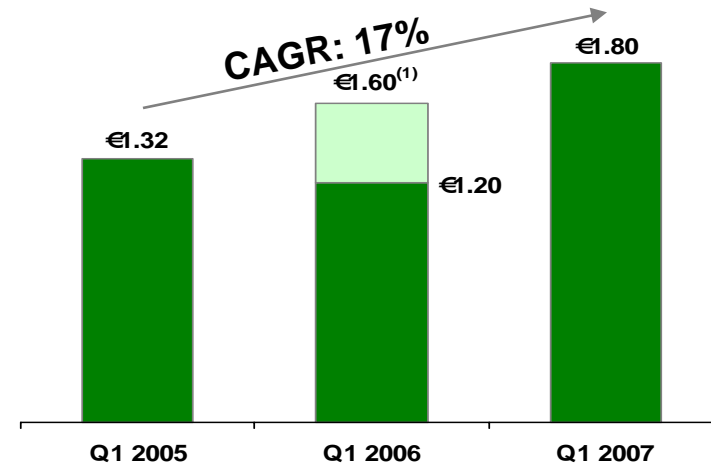


- Increase occupancy
- Control expenditures
- Capture rental growth
- Accretive acquisitions
- High quality real estate
- Upside potential

Financial Performance for Past 2 Years

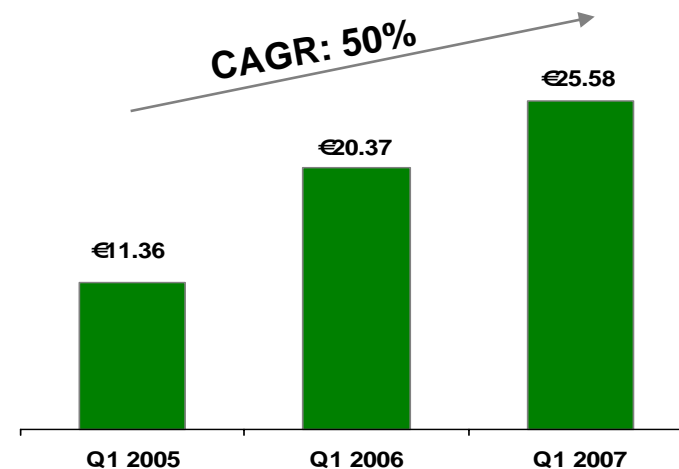
- Annualized quarterly dividend
 - Increased by 36%
 - CAGR of 17%

Annualized Dividend per Basic Share



- Book value per share
 - Increased by 125%
 - CAGR of 50%

Book Value per Basic Share



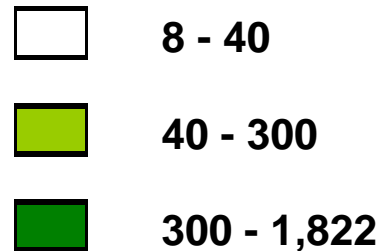
ECT German Property Portfolio



Summary

- Value: € 5.5 billion
- Properties: 625
- Area: 2.5 million m²
- Avg. Lease: 6.4 years
- Occupancy: 86.8%
- Gross Rent: € 325.7 million
- Yield: 5.5%

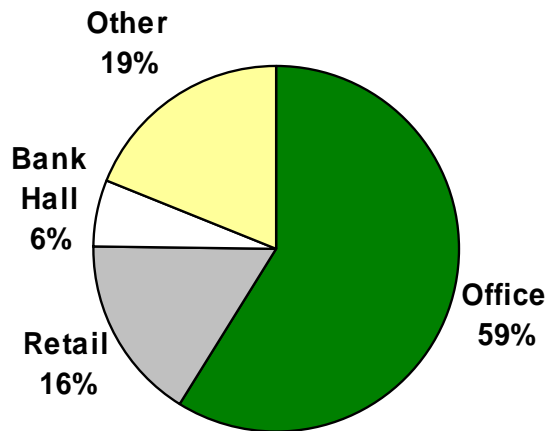
Total Value by Federal State (Gross Value in million)



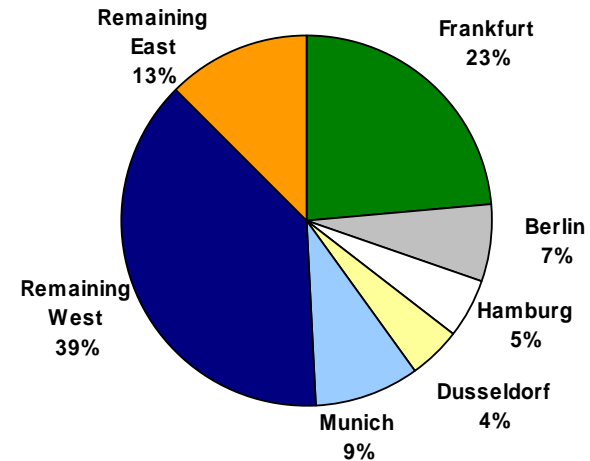
ECT German Property Portfolio

- Focus in major markets
- Predominantly Class A office

Portfolio by Use



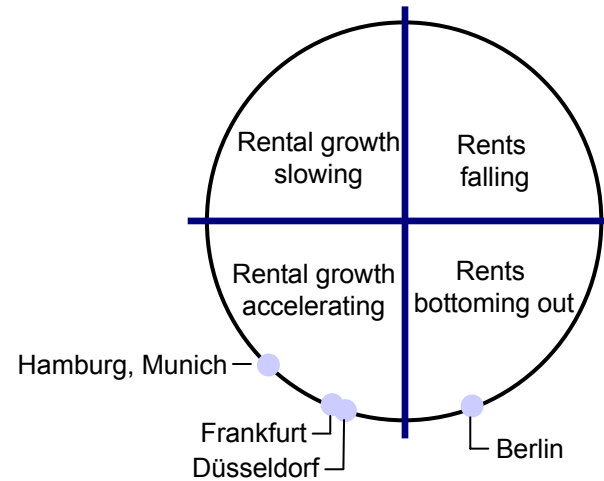
Portfolio by Location



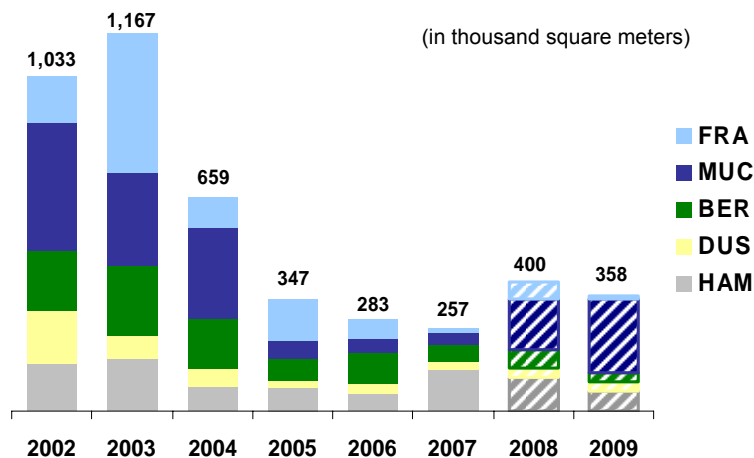
German Commercial Property Market

- German office market recovering
- Historically low construction pipeline
- Increasing take-up since 2005
- Accelerating rental growth

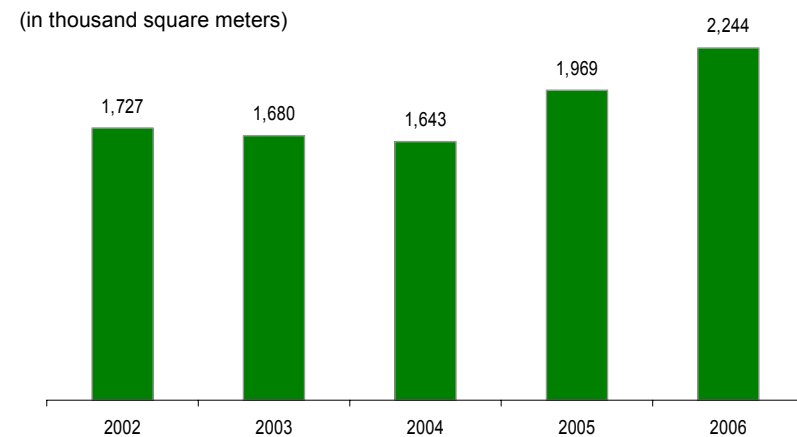
Property Clock – German Office



Speculative Construction Pipeline Top 5



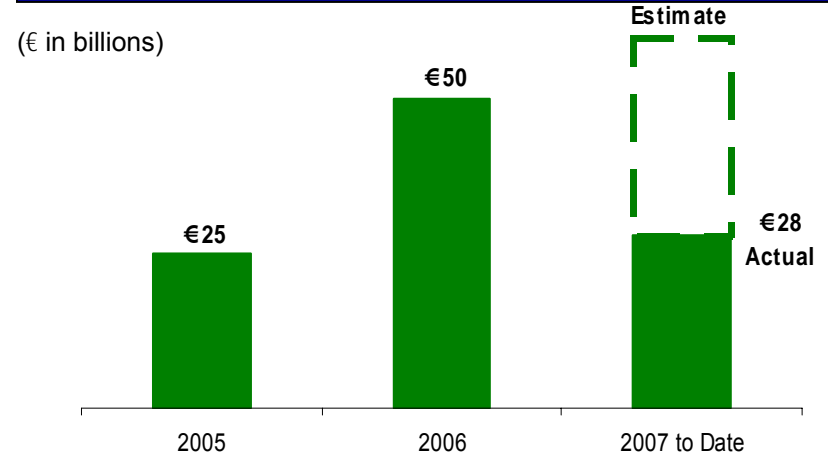
Office Space Take-Up



Increasing Supply

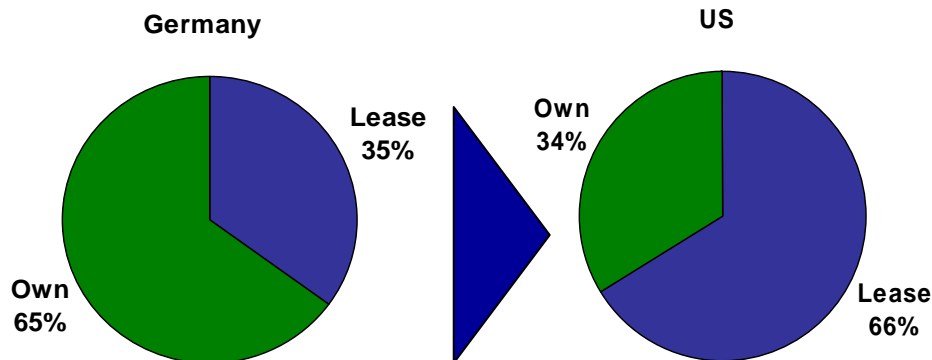
- €28 billion to date in 2007 vs. €50 billion in 2006
- Continued trend of corporate balance sheet restructuring

Transaction Volume 2005 - 2007



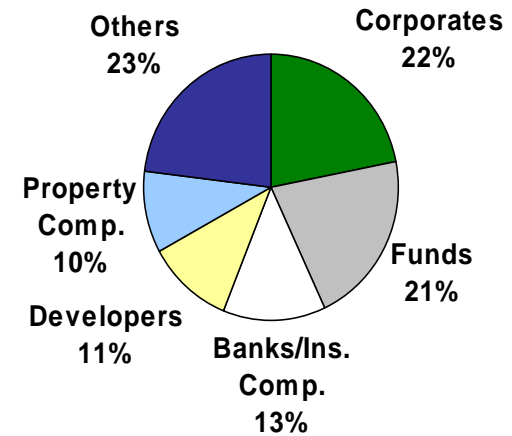
Source: Atis Real & Company Sources

Corporate RE Ownership Germany vs. U.S.



Source: Morgan Stanley

Sellers of German Commercial RE 2006



Source: JLL

Eurocastle 2007 Highlights

- Dividend
 - Raised to €0.45 per share

- Portfolio
 - Closed MARS acquisition at the end of February
 - 56 properties for €2.1 billion

- Asset Management
 - Sold 78 non-core properties for €325 million⁽¹⁾
 - 9% premium to year end carrying value
 - €26 million net realized gain, for €0.40 per share

- Leasing
 - Signed 126 new leases for 38,500 square meters



First Quarter 2007 Results



Key Performance Indicators

Quarterly Dividend per Share
50% €0.45 per share
from €0.30 per share for Q1 2006

Quarterly FFO per Share
26% €0.44 per share
from €0.35 per share for Q1 2006



Income

Rental Income
175% €66 million
from €24 million for Q1 2006

Interest Income
65% €33 million
from €20 million for Q1 2006



Balance Sheet

Total Asset
40% €8.0 billion from €5.7 billion at Q4 2006

Commercial Property
67% €5.5 billion from €3.3 billion at Q4 2006

Book Value per Share
3.4% €25.58 from €24.73 at Q4 2006

German Corporate Tax Reform

Major Tax Law Changes

- Tax reform 2008
- Reduction of corporate tax rate from 25% to 15%
- Tax deductibility of interest expense limited at 30% of EBITDA
- But, “escape clause” allows full tax deductibility of interest expense if leverage of German subsidiaries is approximately equal to or less than the consolidated group leverage

Impact on Eurocastle

- Eurocastle is likely to benefit from escape clause
- Certain shareholder loans will be converted into equity
- Effective current tax rate could increase to 3% - 5%

German REIT Legislation

Eurocastle

- Tax efficient structure, no withholding tax
- Pay out majority of FFO
- Ability to use higher leverage
- No conversion cost
- Potential for G-REIT subsidiary

G-REITs

- Withholding tax of up to 26.375%
- Dividend payout significantly reduced – depreciation is non-distributable
- Leverage limited at 55%
- High conversion costs
 - >RETT of 3.5% / 4.5% (Berlin) on IFRS property value
 - >CGT on transferred assets
- Favorable tax treatment for some vendors through 2009

Near Term Goals

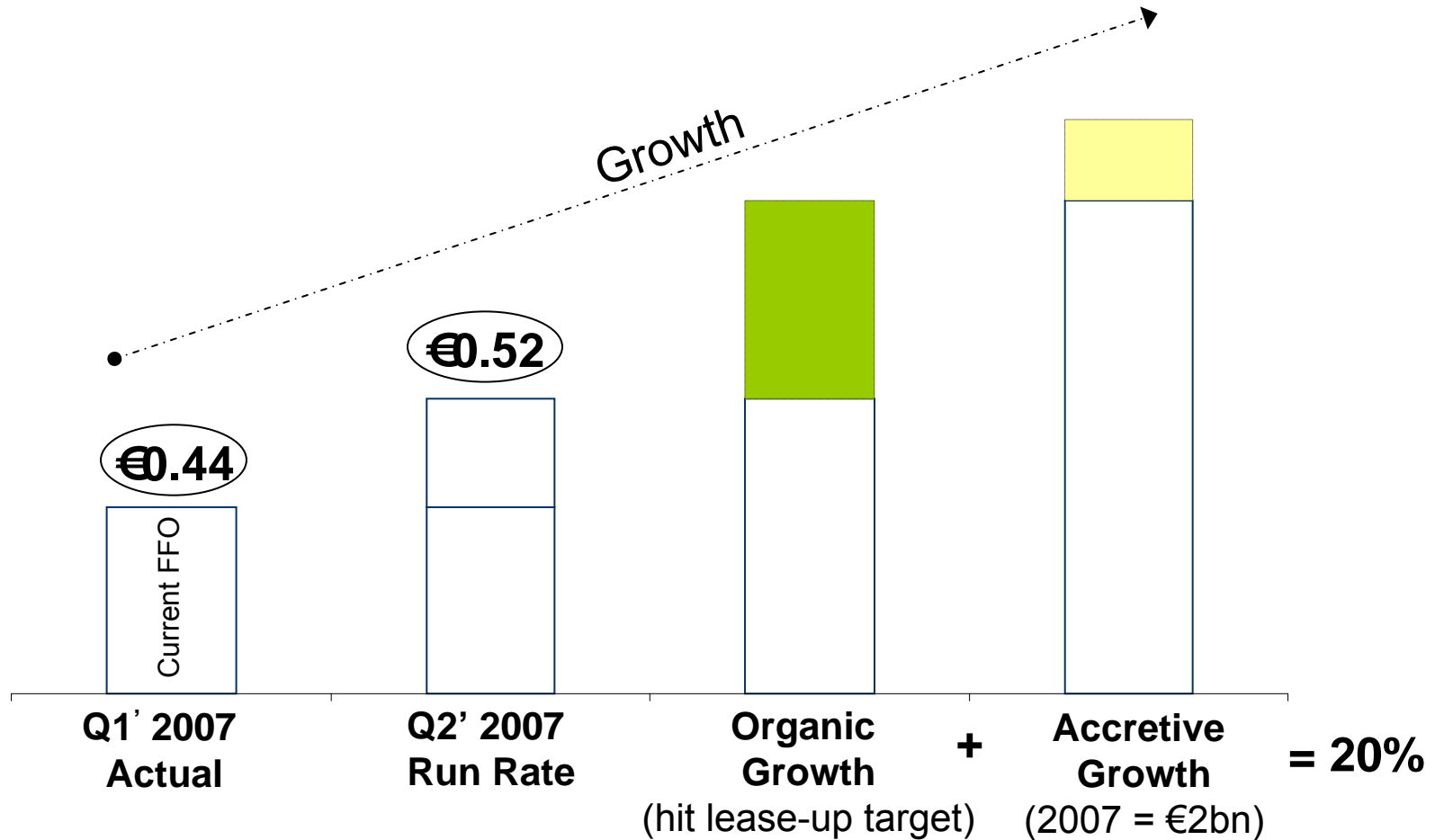
- PORTFOLIO OCCUPANCY
 - Increasing from 87% to stabilized occupancy of 93% during 2008
 - Office occupancy from 84% to 92%

- ACQUISITIONS
 - Add €2 billion of new German commercial property during 2007

- LISTING
 - Frankfurt Stock Exchange beginning in June 2007

Illustrative Example – Growth

Illustrative Calculation of Quarterly FFO per Share Growth





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