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A copy of this document (the "**Supplementary Prospectus**"), which comprises a supplementary prospectus relating to the Company in connection with the issue of the Offer Shares in the Company, prepared in accordance with the Prospectus Rules made under Section 73A of FSMA, has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council accept any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard thereto. The Company and the Directors of the Company, whose names appear on page 15, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Credit Suisse Securities (Europe) Limited which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Sole Bookrunner to the Company in connection with the matters described herein. Credit Suisse Securities (Europe) Limited is acting for the Company and for no one else in connection with the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Credit Suisse Securities (Europe) Limited nor for giving advice in relation to the Offer, the contents of the Original Prospectus and this Supplementary Prospectus or any other matter referred to herein.

This document is supplemental to and must be read in conjunction with the prospectus dated 15 May 2013 (the "**Original Prospectus**"). You should read the whole of this document, the Original Prospectus and any documents incorporated therein by reference. In particular, investment in the Company involves significant risks and special considerations. The attention of prospective investors is drawn to the risk factors in the section entitled "Risk Factors" set out in the Original Prospectus.

Capitalised terms contained in this Supplementary Prospectus shall have the meanings given to such terms in the Original Prospectus unless otherwise defined herein.



Eurocastle Investment Limited

(Incorporated in Guernsey on 8 August 2003 and registered under the Companies (Guernsey) Law, 2008 (as amended) with registered number 41058)

Supplementary Prospectus

Offer of 15,000,000 Ordinary Shares at an Offer Price per Share to be determined

Credit Suisse
SOLE BOOKRUNNER

Ordinary Share Capital immediately following Admission of Offer Shares

Authorised	Ordinary Shares	Issued
Unlimited	Of no par value	32,629,502

The closing price of the Shares on NYSE Euronext Amsterdam on 22 May 2013 was €7.49.

Please refer to "Important Information" on page 5 for a discussion of additional important legal restrictions and risks applicable to an investment in the Shares.

Eurocastle Investment Limited is offering Offer Shares under the Offer.

The Offer Shares to be made available pursuant to the Offer will, on their Admission, rank *pari passu* in all respects with the existing Shares, including for all dividends and other distributions declared, made or paid on the Shares after their Admission.

Application will be made for all of the Offer Shares to be admitted to listing on NYSE Euronext Amsterdam. The Company, Euronext Amsterdam and the Listing Agent do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the listing or the (related) annulment of any transaction in Shares on NYSE Euronext Amsterdam.

A number of factors will be considered in determining the Offer Price, the amount raised in the Offer and the basis of allocation, including the level and nature of demand for the Offer Shares during the book-building process, prevailing market conditions and the objective of establishing an orderly after-market in the Offer Shares. Unless required to do so by law or regulation, the Company does not envisage publishing any further supplementary prospectus or a pricing statement, as the case may be, until announcement of the Offer Price. A pricing statement containing the Offer Price, confirming the number of Offer Shares which are the subject of the Offer and containing any other outstanding information (the "**Pricing Statement**") is expected to be published in accordance with the expected timetable set out on page 10 of this Supplementary Prospectus. The Pricing Statement will be available on the Company's website at www.eurocastleinv.com.

This Supplementary Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or acquire Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Advisers, and, in particular, is not for distribution in the United States, Australia, Canada or Japan or to U.S., Australian, Canadian or Japanese persons. The Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States, or under the applicable securities laws of Australia, Canada or Japan.

Subject to certain exceptions, the Offer Shares may not be offered or sold in the United States, Australia, Canada or Japan or to, or for the account or benefit of, any U.S. person, or any national, resident or citizen of Australia, Canada or Japan. The Offer Shares only may be offered (i) to persons reasonably believed to be Accredited Investors or Qualified Institutional Buyers that in each case are also Qualified Purchasers or Knowledgeable Employees or (ii) to investors that are not U.S. Persons in Offshore Transactions pursuant to Regulation S under the Securities Act. The Company will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of such Act. For further information on selling and transfer restrictions please see the section entitled "Important Information" on pages 36 to 42 of the Original Prospectus and pages 5 to 8 of this Supplementary Prospectus.

Prospective investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or another exemption from the registration requirements of the Securities Act. The Offer Shares are not transferable except in compliance with the restrictions described under "Transfer Restrictions" in Part VIII of the Original Prospectus. In addition, prospective investors should take note that there are restrictions on the acquisition of the Offer Shares by investors using assets of any retirement plan or pension plan that is subject to Title I of ERISA or Section 4975 of the Code. Prospective investors are also notified that the Directors believe that the Company is classified as a passive foreign investment company for U.S. federal income tax purposes.

Supplementary Prospectus dated 24 May 2013

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AMENDMENTS TO THE SUMMARY CONTAINED IN THE ORIGINAL PROSPECTUS

This document is supplemental to and should be read in conjunction with the Original Prospectus.

Amendments to the Summary in relation to the size of the Offer

The Company originally intended to offer 10,000,000 Offer Shares pursuant to the Offer. In light of anticipated investor demand, the Company has decided to increase the size of the Offer to 15,000,000 Offer Shares. Accordingly, the following elements of the Summary contained in the Original Prospectus are updated by the following:

Element	Disclosure Requirement	Disclosure			
B.8	Key pro forma financial information	The unaudited pro forma information set out below shows the effect of (i) the Conversion and (ii) the issuing of Offer Shares for subscription (assuming an Offer Price of €8.45, being the closing price of the Shares on NYSE Amsterdam on 13 May 2013 being the last practicable date prior to commencement of the Offer, that 15,000,000 Offer Shares are issued and €3,500,000 of expenses related to the Offer). The pro forma financial information addresses a hypothetical situation as at 31 December 2012 and, therefore, does not represent the Company's actual financial position or results.			
		Financial position as at 31 Dec 2012	Conversion of convertible securities	Share capital raised through the offer	Pro forma financial position as at 31 December 2012
		€'000	€'000	€'000	€'000
		141,344	-	123,250	264,594
		2,020,254	-	-	2,020,254
		456,063	-	-	456,063
		34,037	-	-	34,037
		2,651,698	-	123,250	2,774,948
		Equity and Liabilities			
		Capital and reserves			
		1,446,624	169,924	123,250	1,739,798
		(1,296,297)	-	-	(1,296,297)
		(30,548)	-	-	(30,548)
		160,514	(169,924)	-	(9,410)
		11,813	-	-	11,813
		6	-	-	6
		292,112	-	123,250	415,362
		Liabilities			
		2,250,950	-	-	2,250,950
		108,636	-	-	108,636
		2,359,586	-	-	2,359,586
		2,651,698	-	123,250	2,774,948

C.3	Number of securities in issue	<p>As at 22 May 2013 (being the last practicable date prior to the publication of this Supplementary Prospectus), the issued share capital of the Company comprised 17,629,502 ordinary shares of no par value.</p> <p>On 2 April 2013, the Board announced that it did not intend to issue more than 2,000,000,000 new Shares at a price below €0.05 per Share in the six months following the Conversion (being 10,000,000 new Shares at a price below €10 per Share following the recent share consolidation).</p> <p>Taking into account anticipated demand in the Offer, however, the Board announced on 21 May 2013 that it would increase the number of Offer Shares to 15,000,000.</p>
E.3	Terms and conditions of the offer	<p>The Company proposes to issue 15,000,000 Offer Shares through the Offer, at an Offer Price per Offer Share to be determined by the Company.</p> <p>Under the Offer, all Offer Shares will be sold at the Offer Price which will be determined by the Company in consultation with the Sole Bookrunner. A number of factors will be considered in deciding the Offer Price and the bases of allotment under the Offer, including the level and nature of demand for Offer Shares.</p> <p>The number of Offer Shares to be issued pursuant to the Offer, and therefore the proceeds of the Offer, are not known at the date of this Prospectus but will be notified by the Company via the Pricing Statement and an RIS announcement prior to admission of the Offer Shares.</p> <p>The Offer opened on 15 May 2013. The Directors reserve the right to close the Offer at any time or to extend the closing date of the Offer. Notification of any closure or extension will be via an RIS announcement.</p> <p>The issue of the Offer Shares is conditional on, amongst other things, admission of the Offer Shares to listing on NYSE Euronext Amsterdam and the Underwriting Agreement becoming unconditional and not having been terminated in accordance with its terms.</p> <p>In circumstances in which these conditions are not fully met, the Offer will not take place and no Offer Shares will be issued.</p>
E.6	Dilution	<p>If 15,000,000 Shares are issued pursuant to the Offer, this will represent 45.97 per cent. of the enlarged share capital of the Company and will result in existing shareholders who do not subscribe in the Offer pro rata to their current shareholdings being diluted by 45.97 per cent..</p>

IMPORTANT INFORMATION

Investors should rely on the information in this Supplementary Prospectus. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of the Offer Shares other than as contained in this Supplementary Prospectus and the Original Prospectus, and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by or on behalf of the Company. Without prejudice to any obligation of the Company to publish a further supplementary prospectus pursuant to section 87G of FSMA and PR 3.4.1 of the Prospectus Rules neither the delivery of this Supplementary Prospectus nor the Original Prospectus nor the allotment or issue of Offer Shares shall under any circumstances create any implication that there has been no change in the business or affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The contents of this Supplementary Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any subscription, purchase or proposed subscription or purchase of Shares.

Neither the Company nor the Directors is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment by such offeree or purchaser.

An investment in the Company should be regarded as a long term investment. There can be no assurance that the Company's investment objectives will be achieved.

An investment in the Offer Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Offer Shares should constitute part of a diversified investment portfolio. Further, the price of Shares and the income from Shares can go down as well as up, and investors may not realise the value of their initial investment. Investors must be able and willing to withstand the loss of their entire investment. Accordingly, typical investors in the Company are expected to be sophisticated and/or professional investors who understand the risks involved in investing in the Company.

Statements made in this Supplementary Prospectus are based on the law and practice currently in force and are subject to changes therein. This Supplementary Prospectus and the Original Prospectus should each be read in their entirety before making any application for Offer Shares.

All times and dates referred to in this Supplementary Prospectus are, unless otherwise stated, references to Central European times and dates and are subject to change without further notice.

Forward-looking Statements

This Supplementary Prospectus includes 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" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Supplementary Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it, and Special Purpose Vehicles formed by the Company, invest and issue securities. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Supplementary Prospectus. In addition, even if the investment performance, results of operations, financial condition and dividend policy of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this Supplementary Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- the risk factors set forth above in the section entitled "Risk Factors" in the Original Prospectus;
- changes in economic conditions generally and the real estate and debt markets specifically;
- economic conditions in Germany;
- economic conditions in Italy;
- changes in the Company's business strategy;
- impairments in the value of the Group's investments;
- legislative/regulatory changes;
- changes in taxation regimes;
- the Group's continued ability to invest the cash on its balance sheet and the proceeds of this Offer in suitable investments on a timely basis; and
- the availability and cost of capital for future investments.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Forward-looking statements speak only as at the date of this Supplementary Prospectus. Although the Company undertakes no obligation to revise or update any forward-looking statements contained herein (save where required by the NYSE Euronext Amsterdam Listing Rules, Prospectus Rules or Disclosure Rules and Transparency Rules, as applicable), whether as a result of new information, future events, conditions or circumstances, any change in the Company's expectations with regard thereto or otherwise, investors are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through a Regulatory Information Services announcement (or a "RIS").

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Supplementary Prospectus may not occur. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum and Articles of Incorporation of the Company which investors should review.

The contents of the Company's website at www.eurocastleinv.com are not incorporated into and do not form part of this Supplementary Prospectus and prospective investors should not rely on it.

Subject to its legal and regulatory obligations, the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Prospective investors must not treat the contents of this Supplementary Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (b) any foreign exchange

restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

THE OFFER SHARES HAVE NOT BEEN APPROVED OR RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY U.S. STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE SUCH AUTHORITIES CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS SUPPLEMENTARY PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

The distribution of this Supplementary Prospectus and the offer, sale and/or issue of Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Supplementary Prospectus comes are required by the Company and the Sole Bookrunner to inform themselves about, and to observe, any such restrictions.

This Supplementary Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Offer Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Supplementary Prospectus and the offering of Offer Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom into whose possession this Supplementary Prospectus comes are required by the Company and the Sole Bookrunner to inform themselves about and to observe any restrictions as to the offer or sale of Shares and the distribution of this Supplementary Prospectus under the laws and regulations of any territory in connection with any applications for Shares in the Group, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Group, the Sole Bookrunner, the Manager or the Administrator that would permit a public offering of the Offer Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Supplementary Prospectus other than in any jurisdiction where action for that purpose is required.

The distribution of this Supplementary Prospectus and the offer, sale and/or issue of the Offer Shares has not been and will not be registered under the Securities Act or any state securities laws in the United States or, except as set out in this Supplementary Prospectus, the securities laws of any other jurisdiction and may not be reoffered, resold, pledged or otherwise transferred except as permitted by the Company's Articles of Incorporation and as provided in this Supplementary Prospectus. Subscribers shall be required to represent, acknowledge and agree that they will not reoffer, resell, pledge or otherwise transfer the Offer Shares except (x) in compliance with the Securities Act and other applicable laws and except to a transferee who is (i) (a) an Accredited Investor or a Qualified Institutional Buyer and (b) in each case also a Qualified Purchaser or Knowledgeable Employee or (ii) not a U.S. Person purchasing for its own account, or for the account of a buyer that meets such criteria, in an Offshore Transaction pursuant to Regulation S and (y) (1) upon delivery of all certifications, opinions and other documents that the Company may require and (2) in accordance with any applicable securities law of any state of the United States and any other jurisdiction.

Notice to New Hampshire Residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT

MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANYWAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Presentation of Financial Information

Certain financial information in this Supplementary Prospectus has been rounded and, as a result, the totals of the data presented may vary slightly from the actual arithmetic totals of such information.

Withdrawal Rights

The Offer does not comprise an offer to the public and therefore investors will not have any right to withdraw any acceptance of the Offer made prior to the publication of this Supplementary Prospectus.

OFFER STATISTICS

Offer Price (per Offer Share) ⁽¹⁾	To be determined
Number of Offer Shares being offered in the Offer	15,000,000
Number of Shares in issue following the Offer	up to 32,629,502

Note:

- (1) It is expected that the Pricing Statement containing the Offer Price and the number of Shares to be issued pursuant to the Offer will be published in accordance with the expected timetable set out on page 10 of this Supplementary Prospectus. The Pricing Statement will be available on the Company's website at www.eurocastleinv.com.

EXPECTED TIMETABLE

Event	Expected Time and Date
Announcement of results of the Offer	24 May 2013
Pricing Statement published	24 May 2013
Admission to listing of the Offer Shares on NYSE Euronext Amsterdam	30 May 2013
Commencement of trading of the Offer Shares on NYSE Euronext Amsterdam	30 May 2013
CREST UK account of the Sole Bookrunner credited in respect of Offer Shares in uncertificated form	30 May 2013
Share certificates in respect of Offer Shares issued in certificated form expected to be dispatched (or as soon as practicable thereafter)	6 June 2013

Each of the dates in the above timetable and as referenced throughout this Supplementary Prospectus is subject to change and may be brought forward as well as moved back, in which case new dates and times will be announced publicly. Reference to times are to Central European Time unless otherwise stated. Temporary documents of title will not be issued.

The Company's ISIN is GB00B94QM994.

PART I SUPPLEMENTARY INFORMATION

1 Background

Following the publication of the Original Prospectus and based on anticipated demand in the Offer from potential investors, on 21 May 2013 the Board resolved to increase the number of Offer Shares to be offered pursuant to the Offer from 10,000,000 Offer Shares to 15,000,000 Offer Shares (“**Increased Offer Size**”).

In addition, the Code Committee of the Takeover Panel subsequently clarified its response statement issued on 15 May 2013 in response to its consultation paper dated 5 July 2012. The impact of this clarification is that the residency test of the City Code on Takeovers and Mergers (the “**City Code**”) will continue to apply to the Company and, on the basis that the Company does not have its place of central management in the United Kingdom, the Channel Islands or the Isle of Man, the Takeover Panel is expected to decline to apply the City Code to the Company (the “**Code Amendment**”).

The Company considers the Increased Offer Size and the Code Amendment each to be a significant new factor relating to the information contained in the Original Prospectus and, accordingly, this Supplementary Prospectus has been prepared in accordance with Section 87G of FSMA and the Prospectus Rules.

2 Increased Offer Size

Based on initial interest in the Offer from potential investors, on 21 May 2013, the Board of Directors resolved to approve the Increased Offer Size. As such, the Company is offering 15,000,000 Offer Shares for subscription pursuant to the Offer. The Offer Price has not yet been determined by the Company and will be announced in the Pricing Statement to be published in accordance with the timetable set out on page 10.

The Board announced on 2 April 2013 that at that time it did not intend to issue more than 10,000,000 new Shares at a price below €10.00 per Share in the six months following the date of the Conversion (being 12 April 2013) (such numbers adjusted to reflect the share consolidation on 8 May 2013). However, in light of the investor interest in this Offer, the Board considers that, notwithstanding the announcement of its prior intention, it is in the best interests of the Company to increase the size of the Offer to 15,000,000 Offer Shares.

The net proceeds of the Offer will not be known until after the Offer (and after deduction of expenses payable by the Company in connection with the Offer). If 15,000,000 Shares are issued pursuant to the Offer, the Offer will dilute each existing shareholding prior to the Offer by 45.97 per cent. (so that a 1 per cent. shareholding immediately prior to the Offer would represent a 0.54 per cent. shareholding immediately after the Offer).

3 Code Amendment

A risk factor titled “*Shareholders may not be entitled to the takeover offer protections provided by the City Code on Takeovers and Mergers*” is set out on pages 29 and 30 of the Original Prospectus. The risk factor included information based on the response statement issued by the Code Committee of the Takeover Panel on 15 May 2013. However, that response statement was subsequently amended by the Code Committee of the Takeover Panel.

The impact of the amendment is that the residency test will continue to apply to the Company and the existing position on the application of the City Code will not change (being that the Board considers that on the basis that that Company does not have its place of central management in the United Kingdom, the Channel Islands or the Isle of Man, the Takeover Panel will decline to apply the City Code to the Company and that Shareholders will not receive the benefits

of the takeover offer protections provided by the Code). As such, the disclosure in the Original Prospectus that the residency test will no longer apply to the Company from 30 September 2013 is no longer correct.

PART II
ADDITIONAL INFORMATION

1 Share Capital Information

- 1.1 The authorised, issued and fully paid share capital of the Company immediately following Admission (assuming 15,000,000 Offer Shares are issued pursuant to the Offer) will be as follows:

Class	Authorised Number	Aggregate Nominal Value	Issued and Paid Up Number
Ordinary	Unlimited	No par value	32,629,502

- 1.2 Save as disclosed below, the Company is not aware of interests of any Director as at 22 May 2013 (being the last practicable date prior to publication of this Supplementary Prospectus), including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, such Director whether or not held through another party, in the share capital of the Company, together with any options in respect of such capital.

Director	Number of Shares	% of issued share capital pre-Offer	% of issued share capital post-Offer⁽¹⁾
Keith Dorrian	45	0.00%	0.00%
Randal Nardone ⁽²⁾	534,841	3.03%	1.64%
Udo Scheffel	30	0.00%	0.00%
Simon Thornton	30	0.00%	0.00%
Peter Smith	0	0.00%	0.00%

Notes:

- (1) Assuming (i) such Directors or their connected persons do not purchase any Offer Shares, (ii) 15,000,000 Offer Shares are issued pursuant to the Offer, and (iii) no outstanding Options are exercised on or prior to Admission.
- (2) Randal A. Nardone is a member of Fortress Operating Entity I LP which is the registered holder of 5,025 Shares and as a result of this relationship Randal A. Nardone is interested in the Shares owned by this entity or in some of such Shares.

2 Major Shareholders

Save as disclosed below, the Directors are not aware of any person who, as at 22 May 2013, being the last practicable date prior to the publication of this Supplementary Prospectus, directly or indirectly is interested in 3 per cent. or more of the share capital of the Company.

Shareholder	Number of Shares	% of issued share capital pre-Offer	% of issued share capital Post- Offer⁽³⁾
Euroclear Nominees Limited	10,624,401	60.26%	32.56%
Goldman Sachs Securities (Nominees) Limited	3,318,795	18.83%	10.17%
Chase Nominees Limited	719,838	4.08%	2.21%
Randal Nardone	534,814	3.03%	1.64%
Wesley Edens	534,991	3.03%	1.64%
Total	15,732,839	89.23%	48.22%

Note:

- (1) Assuming (i) such Shareholders do not purchase any Offer Shares, (ii) 15,000,000 Offer Shares are issued pursuant to the Offer, and (iii) no outstanding Options are exercised on or prior to Admission.

Based on information known to the Company at the time of the Conversion, the Company is aware of the following persons who were indirectly interested in 3 per cent. or more of the share capital of the Company and have not subsequently notified the Company of any changes.

Shareholder	Number of Shares¹	% of issued share capital pre-Offer	% of issued share capital Post-Offer²
California State Teachers' Retirement System	3,005,043	17.05%	9.21%
York Capital Management ³	2,744,925	15.57%	8.41%
Kingdon Capital Management, LLC ⁴	1,349,937	7.66%	4.14%
Indus Capital Partners, LLC ⁵	952,428	5.40%	2.92%
Aldel LLC	684,991	3.89%	2.10%

As at 22 May 2013, Fortress, its principals and its senior management owned approximately 7.52 per cent. of the issued share capital of the Company (and, assuming the exercise of their options to purchase Shares, an additional 0.17 per cent. of the then issued share capital). In addition, certain funds managed by the Manager on behalf of third party investors owned approximately 17.80 per cent. of the Company's issued share capital as at 22 May 2013.

¹ Share numbers adjusted to reflect the 200 to 1 share consolidation which took effect on 8 May 2013.

² Assuming (i) such Shareholders do not purchase any Offer Shares, (ii) 15,000,000 Offer Shares are issued pursuant to the Offer, and (iii) no outstanding Options are exercised on or prior to Admission.

³ Shares beneficially owned by funds managed or advised by named entity or its affiliates.

⁴ Shares beneficially owned by funds managed or advised by named entity or its affiliates.

⁵ Shares beneficially owned by funds managed or advised by named entity or its affiliates.

3 Other directorships held by the Directors

Keith Dorrian resigned as a director of PSource Structured Debt Limited on 16 May 2013. All other information in relation to the other directorships of the Directors as set out in the Original Prospectus remains unchanged.

4 Responsibility

To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Directors

Keith Dorrian

Randal A. Nardone

Udo Scheffel

Peter Smith

Simon Thornton

5 Consents

- 5.1 Ernst & Young LLP has given and not withdrawn its written consent to the inclusion in this Supplementary Prospectus of its report on the compilation of the pro forma financial information set out in Part III of this Supplementary Prospectus in the form and context in which it appears.
- 5.2 Credit Suisse Securities (Europe) Limited has given and has not withdrawn its written consent to the inclusion in this Supplementary Prospectus of references to its name in the form and context in which it appears.

6 Documents available for inspection

In addition to those documents set out in paragraph 14 of Part VI: “Additional Information” of the Original Prospectus, copies of this Supplementary Prospectus are available for inspection at the registered office of the Company, at the offices of the Manager, and at the offices of Linklaters, One Silk Street, London EC2Y 8HQ during usual business hours (Saturdays, Sundays and public holidays excepted) from the date of publication of this Supplementary Prospectus for either a period of 14 days or until Admission of all of the Offer Shares, whichever is the longer period. In addition, this Supplementary Prospectus will be published in electronic form and will be available, for the duration of the Offer, on the Company’s website at www.eurocastleinv.com, subject to certain access restrictions applicable to residents outside the UK.

PART III
UNAUDITED PRO-FORMA FINANCIAL INFORMATION

The Directors
Eurocastle Investment Limited
Regency Court
Glategny Esplanade
Guernsey
GY1 1WW

24 May 2013

Dear Sirs

We report on the pro forma balance sheet (the “Pro Forma Financial Information”) set out in Part III of the Supplementary Prospectus dated 24 May 2013, which has been prepared on the basis described in note 1, for illustrative purposes only, to provide information about how the conversion of the convertible securities and the offering of Offer Shares for subscription (the “transactions”) might have affected the financial information presented on the basis of the accounting policies to be adopted by Eurocastle Investment Limited in preparing the financial statements for the period ending 31 December 2012. This report is required by item 20.2 of Annex I of Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Commission Regulation (EC) No 809/2004, consenting to its inclusion in the Supplementary Prospectus.

Responsibilities

It is the responsibility of the directors of Eurocastle Investment Limited to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of Commission Regulation (EC) No 809/2004.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the Commission Regulation (EC) No 809/2004, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of Eurocastle Investment Limited.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Eurocastle Investment Limited.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Eurocastle Investment Limited.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Supplementary Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Supplementary Prospectus in compliance with item 1.2 of Annex I of Commission Regulation (EC) No 809/2004.

Yours faithfully

Ernst & Young LLP

24 May 2013

UNAUDITED PRO FORMA BALANCE SHEET

The following unaudited pro forma balance sheet has been prepared to illustrate the effect of (i) the conversion of the convertible securities into issued Shares and (ii) the offering of Offer Shares for subscription as if these events had occurred on 31 December 2012. The unaudited pro forma balance sheet has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not reflect the Company's actual financial position or results. The unaudited pro forma balance sheet is based on the Company's audited historical financial statements as at 31 December 2012 and has been presented in accordance with the accounting policies of the Company.

The unaudited pro forma balance sheet has been prepared on the basis set out in the notes below and in accordance with the requirements of item 20.2 of Annex I and items 1 to 6 of Annex II to the Prospectus Rules. No account has been taken of any results or other activity since 31 December 2012.

Adjustments	Balance sheet as at 31 December 2012 ⁽²⁾ €'000	Conversion of convertible securities ⁽³⁾ €'000	Share capital raised through the offer ⁽⁴⁾ €'000	Pro forma balance sheet position as at 31 December 2012 €'000
Assets				
Cash and cash equivalents	141,344	-	123,250	264,594
Investment properties held for sale	76,510	-	-	76,510
Other assets	24,066	-	-	24,066
Available-for-sale securities	46,098	-	-	46,098
Loans and receivables (includes cash to be invested)	409,965	-	-	409,965
Fixture and fittings	55	-	-	55
Derivative assets	9,792	-	-	9,792
Investment property	1,943,744	-	-	1,943,744
Investment in associate	-	-	-	-
Intangible assets	124	-	-	124
Total Assets	2,651,698	-	123,250	2,774,948
Equity and Liabilities				
Capital and Reserves				
Issued capital, no par value, unlimited number of shares authorised	1,446,624	169,924	123,250	1,739,798
Accumulated loss	(1,296,297)	-	-	(1,296,297)
Net unrealised loss on available-for-sale securities and loans and receivables	(30,548)	-	-	(30,548)
Hedging reserve	(5,507)	-	-	(5,507)
Perpetual subordinated convertible securities	160,514	(169,924)	-	(9,410)
Other reserves	17,320	-	-	17,320
Total shareholders' equity	292,106	-	123,250	415,356
Non-controlling interest	6	-	-	6
Total equity	292,112	-	123,250	415,362
Liabilities				
Trade and other payables	59,198	-	-	59,198
Current taxation payable	11,249	-	-	11,249
CDO bonds payable	352,905	-	-	352,905
Bank borrowings	1,898,045	-	-	1,898,045
Derivative liabilities	8,756	-	-	8,756
Finance lease payable	23,216	-	-	23,216
Deferred taxation liability	6,217	-	-	6,217
Total liabilities	2,359,586	-	-	2,359,586
Total equity and liabilities	2,651,698	-	123,250	2,774,948

Notes:

- (1) The pro forma information above has been prepared to give effect to (i) the conversion of the convertible securities into issued Shares and (ii) the offering of Offer Shares for subscription as if these events had occurred on 31 December 2012, in a manner consistent with the accounting policies of the Company. The Company prepares its financial statements in accordance with International Financial Reporting Standards.
- (2) Extracted without adjustment from audited consolidated financial statements for the year ended 31 December 2012.
- (3) The conversion of all of the Company's convertible securities into Shares is based on capital and interest accrued on the convertible securities as at 12 April 2013, at a conversion price of €0.05 per Share. The number of Shares in issue increased from 127,425,780 to 3,525,900,465 as a result of the Conversion.
- (4) The share capital raise pursuant to the Offer has been assumed at an Offer Price of €8.45 (being the closing price of the Shares on NYSE Euronext Amsterdam on 13 May 2013, being the last practicable date prior to commencement of the Offer) multiplied by 15,000,000 shares net of estimated expenses relating to the Offer of €3,500,000.
- (5) The negative value remaining in the perpetual subordinated convertible securities relates to the interest accrued from 1 January 2013 to 12 April 2013, being the date of conversion. The future results will not include any interest accrued on convertible securities. For the year ended 31 December 2012, the capitalised interest amounted to €27.9 million.