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The Sole Bookrunner is acting exclusively for the Company and no one else in connection with the Offer. It will not regard any other person (whether or not a recipient of this document) as its client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

This document comprises a pricing notification relating to the Offer of Shares in the Company (the “Offer”) described in a pathfinder prospectus dated 20 April 2015 (the “Pathfinder Prospectus”) for the Offer. Before making an investment, prospective investors should read the Pathfinder Prospectus and the Prospectus Supplement dated 24 April 2015 for more complete information about Eurocastle Investment Limited (the “Company”) and the Offer. A final prospectus expected to be dated 27 April 2015 (the “Final Prospectus”) will be published by the Company and prepared in accordance with the Prospectus Rules under the Financial Services and Markets Act 2000, as amended and in connection with the Offer and Admission.

This document must be read in conjunction with the Pathfinder Prospectus and the Prospectus Supplement dated 24 April 2015. Capitalised terms used and not defined in this document have the same meaning as ascribed to them in the Pathfinder Prospectus. Prospective investors should read both this document and the entire Pathfinder Prospectus and, in particular, for a discussion of certain risks that should be considered in connection with an investment in the Shares, see the section of the Pathfinder Prospectus entitled “Risk Factors”.



## **Eurocastle Investment Limited**

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

### **Pricing Notification relating to the Offer of 39,762,992 Ordinary Shares at an Offer Price of €7.85 per Share and admission to and trading on Euronext Amsterdam**

**Credit Suisse  
SOLE BOOKRUNNER**

*Ordinary Share capital immediately following Admission of Offer Shares*

<u>Authorised</u>	<u>Ordinary Shares</u>	<u>Issued</u>
Unlimited	Of no par value	72,398,494

## Information relating to the Offer

### 1 Expected timetable of principal events

<b>Event</b>	<b>Time and date</b>
Announcement of Offer Price and allocation.....	6.00 p.m. on 24 April 2015
Admission to listing of the Offer Shares on Euronext Amsterdam .....	29 April 2015
Commencement of trading of the Offer Shares on Euronext Amsterdam.....	29 April 2015
CREST UK account of the Sole Bookrunner credited in respect of Offer Shares in uncertificated form.....	on 29 April 2015
Share certificates in respect of Offer Shares issued in certificated form expected to be dispatched (or as soon as practicable thereafter) .....	1 May 2015

Each of the dates in the above timetable 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.

### 2 Offer statistics

<b>Offer Price (per Share)</b>	<b>€7.85</b>
Number of Offer Shares being offered in the Offer .....	39,762,992
Number of Shares in issue following the Offer.....	72,398,494

## Updates

Below are certain amendments to the Pathfinder Prospectus which reflect updated information relating to the Company and its subsidiaries.

### 3 The Offer

The Company intends to issue 39,762,992 Offer Shares pursuant to the Offer which would represent 54.92 per cent. of the enlarged share capital of the Company and raising net proceeds of €304,042,036.

The Offer is being made by means of an offer of Offer Shares to certain institutional and other sophisticated investors outside the United States and in the United States to Accredited Investors or Qualified Institutional Buyers that in each case are also Qualified Purchasers or Knowledgeable Employees. Typical investors in the Company are expected to be sophisticated, institutional and/or professional investors who understand the risks involved in investing in the Company 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.. Any purported purchase by or transfer of an Offer Share to a Benefit Plan Investor is subject to restrictions as provided in the Articles of Incorporation and the Pathfinder Prospectus and the Prospectus Supplement dated 24 April 2015 and requires the consent of the Company.

The Offer will dilute each existing shareholding prior to the Offer by 54.92 per cent. if such shareholder does not subscribe in the Offer (so that a 1 per cent. shareholding immediately prior to the Offer would represent a 0.45 per cent. shareholding immediately after the Offer). The net asset value of the Company will increase by the amount equal to the net proceeds of the Offer. Until such proceeds begin to be used for the purposes disclosed in the Pathfinder Prospectus, the Directors expect that the Offer will not be accretive to earnings.

The Offer will be conditional on Admission occurring and becoming effective by 8.00 a.m. (Amsterdam time) on or prior to 29 April 2015 (or such later date as the Company may determine). In the circumstances in which the conditions set out in this Part V are not fully met, the Offer will not take place and no Offer Shares will be issued.

For additional information on the options granted to the Manager see “Manager’s Fees and Incentive Compensation – Manager’s Options” in Part IV of the Pathfinder Prospectus.

All Offer Shares issued pursuant to the Offer will be issued, payable in full, in cash at the Offer Price of €7.85. Immediately following Admission of the Offer Shares, it is expected that at least 25 per cent. of the Company’s issued Shares (before exercise of the Manager’s Options) will be held in public hands.

### 4 Share Capital

As at the date of this document, the issued share capital of the Company (all of which is fully paid up) consists of 32,635,502 Shares and Options over 1,521,407 Shares.

### 5 Disclosure of Interests in Shares

The interests of Directors in the Shares of the Company as at the date of this document and as they are expected to be immediately following the Offer are as follows:

<b>Name</b>	<b>As at the date of the date of this document</b>	<b>Following the Offer<sup>(1)</sup></b>
Keith Dorrian	2,045	2,045
Randal A Nardone <sup>(2)</sup>	772,082	772,082
Jason Sherwill	1,000	1,000
Simon Thornton	7,547	7,547
Peter Smith	0	0

- (1) Assuming: (i) such Directors or their connected persons do not purchase any Offer Shares; (ii) 39,762,992 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.

Except as set out above, the Company is not aware of interests of any Directors as at 23 April 2015 (being the last practicable date prior to publication of this document), 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.

## 6 Major Shareholders

Save as disclosed in the two tables below, the Directors are not aware of any person who, as at 23 April 2015 (being the latest practicable date prior to the date of this document), directly or indirectly is interested in 3 per cent. or more of the share capital of the Company. The Shares held by each person referred to below carry the same voting rights as all other Shares.

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage of Issued Share Capital pre- Offer</b>	<b>Percentage of Issued Share Capital Post- Offer<sup>(1)</sup></b>
Euroclear Nominees Limited	26,600,651	81.51%	36.74%
The Bank of New York (Nominees) Limited	3,128,049	9.58%	4.32%

- (1) Assuming: (i) such Shareholders do not purchase any Offer Shares; (ii) 39,762,992 Offer Shares are issued pursuant to the Offer; and (iii) no outstanding Options are exercised on or prior to Admission.

Based on the information known to the Company at 23 April 2015 (being the latest practicable date prior to the date of this document), the Company is aware of the following persons who were indirectly interested in 3 per cent. or more of the issued share capital of the Company and have not subsequently notified the Company of any changes.

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage of Issued Share Capital pre- Offer</b>	<b>Percentage of Issued Share Capital Post- Offer<sup>(1)</sup></b>
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York Capital Management <sup>(2)</sup>	7,744,919	23.73%	10.70%
Select Equity Group Inc.	4,466,914	13.69%	6.17%
EMS Capital LP	3,596,628	11.02%	4.97%
California State Teachers' Retirement System	3,005,043	9.21%	4.15%
Kingdon Capital Management, LLC <sup>(2)</sup>	2,044,928	6.27%	2.82%
Lafayette Street Fund II L.P.	1,671,470	5.12%	2.31%
Abrams Capital Management, L.P.	1,502,519	4.60%	2.08%
Lafayette Street Offshore Master Fund Ltd	1,429,295	4.38%	1.97%
Indus Capital Partners, LLC <sup>(2)</sup>	999,293	3.06%	1.38%

(1) Assuming: (i) such Shareholders do not purchase any Offer Shares; (ii) 39,762,992 Offer Shares are issued pursuant to the Offer; and (iii) no outstanding Options are exercised on or prior to Admission.

(2) Shares beneficially owned by funds managed or advised by named entity or its affiliates.

As at 23 April 2015, Fortress, its principals and its senior management owned approximately 4.96 per cent. of the issued share capital of the Company (and, assuming the exercise of their options to purchase Shares, an additional 4.45 per cent. of the then issued share capital). In addition, certain funds managed by the Manager on behalf of third party investors owned approximately 10.37 per cent. of the Company's issued share capital as at 23 April 2015.

The Directors are not aware of any person who, as at the date of this document, directly or indirectly, jointly or severally, exercises control over the Company and are not aware of any arrangements, the operations of which may at a subsequent date result in a change of control of the Company.

## 7 Costs and Expenses of the Offer

The costs and expenses of the Offer will be borne by the Company. The costs are expected to be approximately €8.1 million.

## 8 Unaudited Pro Forma Balance Sheet

The following unaudited pro forma balance sheet has been prepared to illustrate the effect of: (i) the UCCMB Acquisition; and (ii) the Offer, as if these events had occurred on 31 December 2014. 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 2014 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 items 1 to 6 of Annex II to the Prospectus Rules.

	<b>Balance sheet as at 31 December 2014 (note 1) €000</b>	<b>UCCMB Acquisition (note 2) €000</b>	<b>Net proceeds of the Offer (note 3) €000</b>	<b>Pro forma balance sheet as at 31 December 2014 €000</b>
<b>Assets</b>				
Cash and cash equivalents	142,581	(250,000)	304,042	196,623

PRA II 2  
PRA II 3  
PRA II 6

Investment properties held for sale	217,418	-	-	217,418
Assets in disposal groups classified as held for sale	283,060	-	-	283,060
Other assets	18,091	-	-	18,091
Available-for-sale securities	188	-	-	188
Fair value investments – listed shares	2,198	-	-	2,198
Loans and receivables (includes cash to be invested)	199,676	-	-	199,676
Derivative assets	8,291	-	-	8,291
Fair value investments	6,325	-	-	6,325
Real estate fund units	21,890	-	-	21,890
Investment property	603,026	-	-	603,026
Investment in joint ventures	15,483	242,250	-	257,733
Investment in associates	15,681	-	-	15,681
Intangible assets	15	-	-	15
		(7,750)	304,042	1,830,215
<b>Total assets</b>	<b>1,533,923</b>			
<b>Equity and Liabilities</b>				
<b>Capital and reserves</b>				
Issued capital, no par value, unlimited number of shares authorised	1,714,625	-	304,042	2,018,667
Accumulated loss	(1,525,145)	(7,750)	-	(1,532,895)
Net unrealised loss on available-for-sale securities and loans and receivables	(5,593)	-	-	(5,593)
Hedging reserve	588	-	-	588
Other reserves	21,888	-	-	21,888
		(7,750)	304,042	502,655
<b>Total shareholders' equity</b>	<b>206,363</b>			
Non-controlling interest	2,321	-	-	2,321
		(7,750)	304,042	504,976
<b>Total equity</b>	<b>208,684</b>			
<b>Liabilities</b>				
Trade and other payables	77,023	-	-	77,023
Liabilities directly associated with assets in disposal groups classified as held for sale	263,565	-	-	263,565
Current taxation payable	10,824	-	-	10,824
CDO bonds payable	194,248	-	-	194,248
Bank borrowings	757,916	-	-	757,916
Finance lease payable	17,085	-	-	17,085
Deferred taxation liability	4,578	-	-	4,578
		-	-	1,325,239
<b>Total liabilities</b>	<b>1,325,239</b>			
<b>Total equity and liabilities</b>	<b>1,533,923</b>	<b>(7,750)</b>	<b>304,042</b>	<b>1,830,215</b>

- (1) The consolidated balance sheet of the Company at 31 December 2014 has been extracted without material adjustment from the audited consolidated financial statements of the Company for the year ended 31 December 2014 which are incorporated by reference in Part XII of the Pathfinder Prospectus.
- (2) On account of the UCCMB Acquisition being effected through Avio S.à.r.l., a joint venture vehicle, the Company's indirect investment in UCCMB is recognised as an investment in a joint venture. The value of this investment will, on acquisition, be equal to the consideration paid by the Company to Avio S.à.r.l., amounting to €250 million, as disclosed under the heading 'Liquidity and Capital Resources' in Part III of the Pathfinder Prospectus. The value of this investment will, on acquisition, be equal to the consideration paid by the Company, less the Company's share of the transaction costs incurred by the joint venture vehicle, Avio S.à.r.l., amounting to approximately €7.8 million. These costs will be recognised in the income statement as an expense on acquisition as UCCMB will be considered a subsidiary of Avio S.à.r.l..
- (3) The net proceeds of the Offer is based upon 39,762,992 Offer Shares to be issued pursuant to the Offer at the Offer Price of €7.85 per share, less costs and expenses of the Offer of approximately €8.1 million.

- (4) No account has been taken of the financial performance of the Group or of UCCMB since 31 December 2014, nor of any other event save as disclosed above.

Dated 24 April 2015