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\$960 million loan arranged by HFF

for iStar portfolio of office, R&D and industrial properties

BOSTON, MA – The Boston and New York offices of HFF (Holliday Fenoglio Fowler, L.P.) announced today that they arranged a \$960 million loan for a portfolio of 34 single-tenant office, R&D and industrial properties on behalf of iStar Financial Inc.

HFF directors Janet Krolman and Greg LaBine and executive managing director John Fowler (New York) worked exclusively on behalf of the borrower to secure the adjustable-rate, interest only, cross-collateralized and cross-defaulted loan with GE Real Estate.

The 34-property portfolio is located in 12 states with a strong concentration on both coasts and is currently 99.6% occupied with an average lease term of 9.2 years. Nearly half of the approximately 11.9 million-square-foot portfolio is leased to tenants who are rated investment grade.

“Historically, iStar would have obtained financing on an unsecured basis by utilizing the Company’s BBB, investment grade credit rating. However, the current market conditions are such that it was more efficient and cost effective to finance a subset of their existing single tenant portfolio on a secured basis,” said Krolman.

“There were a number of ways to accomplish this including putting together a club deal to finance the portfolio, splitting the portfolio into smaller sub-portfolios or financing the whole portfolio with one source,” LaBine added.

“iStar concluded that a one-stop-shop alternative with GE was the best fit for their needs, as it was a simpler, cost-effective alternative that was accomplished in a very short time frame,” Fowler said.

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GE Real Estate (<http://www.gerealestate.com/>) is one of the world's premier commercial real estate companies with more than \$79 billion in assets and a presence in 32 countries throughout North America, Europe, Asia and Australia/New Zealand. GE Real Estate offers a comprehensive range of capital and investment solutions including equity capital for acquisition or development, as well as fixed- and floating-rate mortgages for new acquisitions or recapitalizations of commercial real estate.

iStar Financial Inc. is a leading publicly traded finance company focused on the commercial real estate industry. The Company primarily provides custom-tailored investment capital to high-end private and corporate owners of real estate, including senior and mezzanine real estate debt, senior and mezzanine corporate capital, as well as corporate net lease financing and equity. The Company, which is taxed as a real estate investment trust ("REIT"), seeks to deliver strong dividends and superior risk-adjusted returns on equity to shareholders by providing innovative and value added financing solutions to its customers. Additional information on iStar Financial is available on the Company's website at www.istarfinancial.com.

HFF (NYSE: HF) operates out of 18 offices nationwide and is a leading provider of commercial real estate and capital markets services to the U.S. commercial real estate industry. HFF offers clients a fully integrated national capital markets platform including debt placement, investment sales, structured finance, private equity, note sales and note sale advisory services and commercial loan servicing.

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