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News Release

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S&P Raises iStar Asset Services Primary Servicer Rating to “Strong”

NEW YORK – July 28, 2003 – iStar Financial Inc. (NYSE: SFI), announced that Standard & Poor’s has upgraded iStar Asset Services’ commercial primary servicer rating to “strong,” its highest level. iStar Asset Services Inc., a subsidiary of iStar Financial Inc., provides asset management and loan servicing for the structured finance portfolio of iStar Financial and other third party institutional lenders. Timothy J. O’Connor, iStar Financial’s executive vice president and chief operating officer, commented, “We are very pleased with S&P’s rating action. Currently, only six of the 31 commercial primary servicers rated by S&P have reached this top ratings level.”

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iStar Financial is the leading publicly traded finance company focused on the commercial real estate industry. The Company provides custom-tailored financing to high-end private and corporate owners of real estate nationwide, including senior and junior mortgage debt, senior, mezzanine and subordinated corporate capital, and corporate net lease financing. The Company, which is taxed as a real estate investment trust, seeks to deliver a strong dividend 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.

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