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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

NOVEMBER 12, 2002
(DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED))

ISTAR FINANCIAL INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MARYLAND (STATE OR OTHER JURISDICTION OF INCORPORATION)	1-15371 (COMMISSION FILE NUMBER)	95-6881527 (IRS EMPLOYER IDENTIFICATION NUMBER)
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1114 AVENUE OF THE AMERICAS, 27TH FLOOR NEW YORK, NEW YORK (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	10036 (ZIP CODE)
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(212) 930-9400
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

ITEM 5.

Attached as Exhibit 99.1 to this report is a supplemental investor presentation.

ITEM 7. EXHIBITS

99.1 Supplemental presentation.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended,
the Registrant has duly caused this Report to be signed on its behalf by the
undersigned, thereunto duly authorized.

iSTAR FINANCIAL INC.

Date: November 11, 2002 By: /s/ Jay Sugarman

Jay Sugarman
Chairman and Chief Executive Officer

Date: November 11, 2002 By: /s/ Spencer B. Haber

Spencer B. Haber
President and Chief Financial Officer

iStar Financial

November 2002

DISCLAIMER

[LOGO]

Statements in this presentation which are not historical fact may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although iStar Financial Inc. (the "Company") believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from the Company's expectations include completion of pending investments, continued ability to originate new investments, the availability and cost of capital for future investments, competition within the finance and real estate industries, economic conditions, and other risks detailed from time to time in the Company's SEC reports and the prospectus supplement and accompanying prospectuses for the offering.

We use the term "adjusted earnings" in this presentation. A definition of adjusted earnings and a detailed reconciliation of adjusted earnings to GAAP net income appears at the end of this presentation.

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OFFERING SUMMARY

[LOGO]

SHARES OFFERED:	8 million primary common shares 2 million secondary common shares
RECENT PRICE:	\$28.20
CURRENT DIVIDEND YIELD:	8.9%
BOOK-RUNNER:	Lehman Brothers
LEAD MANAGER:	Merrill Lynch & Co.
CO-MANAGERS:	Banc of America Securities LLC Bear, Stearns & Co. Inc. Goldman, Sachs & Co. UBS Warburg

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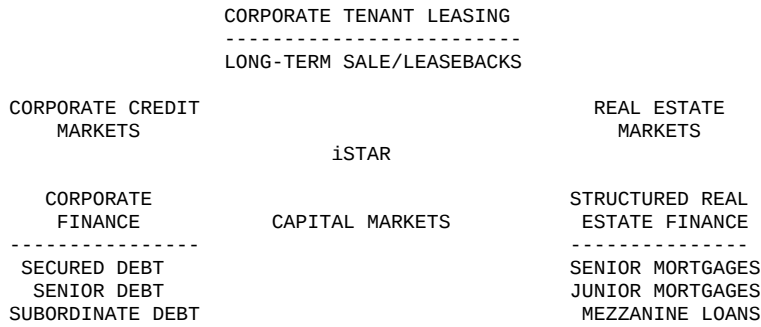
RECENT DEVELOPMENTS

[LOGO]

- o Exceeded \$1 billion in net asset growth for 12 months ended 9/30/02.
 - > Completed an additional \$800 million of gross volume with repeat customers.
- o Generated record adjusted earnings of \$272.2 million for 12 months ended 9/30/02, up 8.8% from prior 12 months.
- o Credit quality remains strong despite challenging economic environment.
 - > No loan losses.
 - > Only two loans on non-accrual (\$5.5 million total).
- o Increased committed credit facilities to \$2.7 billion (\$1.3 billion outstanding pre-offering).
- o Completed \$900 million match-funded STARS offering at a weighted average coupon of LIBOR+56 bp.
- o Received investment grade senior unsecured credit rating from Fitch.
- o Moody's and S&P raised ratings outlook to "positive" for a move to investment grade.
- o Increased quarterly dividend to \$0.63 for 2002 and announced 5.2% expected increase for Q1'03 (to \$0.6625).
- o Delivered 29.2% total rate of return since 9/30/01.

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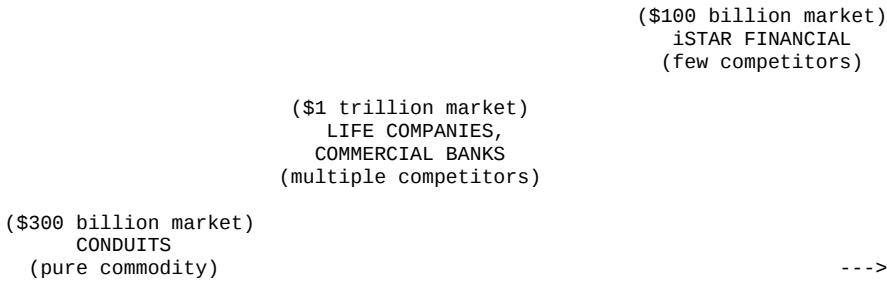
Dominant provider of structured financing for transactions where corporate credit, real estate and capital markets intersect.



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Unique business platform serving as "private banker" to high-end private and corporate owners of real estate who require highly structured financing.

MORE EXPERTISE, HIGHER MARGINS



Sources: Rosen Consulting Group / Lend Lease Real Estate Investments.

Efficient Market--Commodity Products	FLEXIBILITY	Inefficient Market--Structured Products
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iStar Financial has become the largest dedicated provider of creative capital solutions to high-end U.S. corporate and real estate customers by:

- o Consistently delivering value-added financial solutions with integrity and reliability to our customers for nearly ten years.
- o Developing brand recognition in our targeted markets through advertising, customer events, press coverage and industry conferences.

ROBERT SARVER - Managing Partner, Southwest Value Partners

"WE LIKE TO WORK WITH ENTREPRENEURIAL LENDERS WHO UNDERSTAND OUR BUSINESS AND CAN MOVE QUICKLY. ISTAR FINANCIAL PROVIDED A CREATIVE FINANCING ALTERNATIVE THAT GAVE US TAX DEFERRED PROCEEDS UP-FRONT AND THE OPPORTUNITY TO EARN SIGNIFICANT UPSIDE AS RENTAL RATES INCREASED IN THE MARKET."

ROBERT LANDIN - Managing Director, Olympus Real Estate Corporation

"WE NEEDED TO MAKE SURE OUR LENDER WOULD STICK WITH US AS THE CAPITAL STRUCTURE FOR OUR LEVERAGED BUYOUT OF WALDEN RESIDENTIAL EVOLVED. ISTAR WAS NOT ONLY FLEXIBLE, BUT DID ENOUGH WORK UP-FRONT TO

HELP US SOLVE MANY OF THE ISSUES THAT CAME UP ALONG THE WAY. ISTAR REAFFIRMED THIS COMMITMENT IN TWO SUBSEQUENT FINANCINGS WE'VE SINCE DONE WITH THEM."

AL HOFFMAN - CEO,
WCI Communities

"HAVING COMPLETED FIVE LARGE, HIGHLY STRUCTURED FINANCINGS WITH ISTAR FINANCIAL, WE HAVE BEEN VERY IMPRESSED BY THEIR ABILITY TO QUICKLY UNDERSTAND ALL THE MOVING PIECES OF OUR CORPORATE CREDIT AND TO STRUCTURE CREATIVE LENDING SOLUTIONS WHICH MEET OUR NEEDS."

RICHARD COOPER - Chairman,
Amelia Island Company

"I DON'T KNOW ANYONE BETTER AT DEVELOPING 'OUTSIDE-THE-BOX' SOLUTIONS TO REAL ESTATE BORROWERS' NEEDS. IT'S A PLEASURE TO WORK WITH A LENDER WHO THINKS ABOUT VALUE CREATION THE SAME WAY WE DO."

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HIGH-QUALITY CUSTOMERS

[LOGO]

[LOGOS]

8

HIGH-QUALITY COLLATERAL

[LOGO]

[PHOTOS]

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WHAT WE DO

[LOGO]

LOANS ----- \$3.0 BILLION	\$5.3 BILLION LOAN/CTL ASSETS	LEASES ----- \$2.3 BILLION
o 67% 1ST MORTGAGES		o 52% INVESTMENT GRADE CREDITS
> 0% - 66% LTV		o 86% PUBLIC COMPANIES
o 33% CORPORATE LOANS/ 2ND MORTGAGES/ PARTNERSHIP LOANS	----- LOANS / LEASES -----	o 9.1 YEAR AVERAGE TERM
> 59% - 73% LTV		o 117 CORPORATE CREDITS/ 176 FACILITIES
o DSCR: 2.1X		o MISSION-CRITICAL INVESTMENT FOCUS
o 78 LOANS/402 PROPERTIES		

As of September 30, 2002.

Asset base broadly diversified by year of origination, asset type, obligor, geography and property type.

Loan and CTL Assets at September 30, 2002 (\$5.3 billion)

FINANCING STRUCTURE	GEOGRAPHIC REGION	COLLATERAL TYPE
[PIE CHART OMITTED]	[PIE CHART OMITTED]	[PIE CHART OMITTED]

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- o Initial transaction screening and evaluation using proprietary Six Point Methodology SM.
 - > Transaction Source/Review
 - > Collateral Quality
 - > Equity Sponsor/Corporate Lessee
 - > Structure/Control
 - > Alternative Investment Test
 - > Liquidity/Match Funding
- o Intensive underwriting process provides for comprehensive review of potential investments from all key disciplines.
 - > Investments
 - > Credit
 - > Risk Management
 - > Legal
 - > Capital Markets
- o Multi-tiered approval process.
 - > \$0 - \$30 Million: Management Investment Committee
 - > \$30- \$50 Million: Board Investment Committee
 - > Over \$50 Million: Full Board of Directors

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Approximately 65% of our originations come from existing customers or other direct sources. The remaining 35% comes from select third-party intermediaries whom we have familiarized over the years with our unique brand of financial solutions.

2001 ORIGINATION SOURCES

[The following table was represented by a pie chart in the printed material.]

Existing Customers	24%
Direct - Customer	18%
Direct - Other Lenders	23%
Other Third Parties	35%

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Structured and originated \$6.8 billion of financing transactions in nine-year history, with \$2.9 billion of volume from repeat customers.

[The following table was represented by a bar chart in the printed material.]

CUMULATIVE FINANCING TRANSACTIONS (\$ millions)

12/31/95
12/31/96
12/31/97
12/31/98
12/31/99
12/31/00
12/31/01
9/30/02 - -

--- \$768
(1) \$933
(1) \$1,210
\$2,250
\$3,267
\$4,283
\$5,517
\$6,819
iStar
Financial
Private
Predecessors
iStar
Financial

(1) Includes third-party senior positions originated, placed and/or structured by SFI.

SUPERIOR BUSINESS MODEL [LOGO]

- o LESS COMPETITION: Provide level of service, knowledge, creativity and flexibility unavailable from other lenders. Target premium pricing segment of market.
 - > Avoid commodity businesses such as conduit lending, CMBS, RMBS.
- o LESS LEVERAGE, HIGHER ROE: Higher ROA yields higher ROE with lower leverage.
 - > Nearly \$2 billion of tangible equity capital in place to support future expansion.
- o LOWER OPERATING COSTS: Better operating efficiency creates lower beta business.
- o NO TAXES: REIT structure provides superior returns on equity at a fraction of the leverage of taxable finance companies.
- o LESS INTEREST RATE EXPOSURE: Minimal exposure to changes in interest rates and mismatched maturities.
 - > 100 basis point move in short-term rates has minimal impact on earnings.
- o MORE MANAGEMENT EXPERTISE: Management team with leading talent/experience across all key success disciplines - principals, not processors.
 - > Highly disciplined risk management minimizes losses and surprises.
- o MORE ALIGNMENT WITH SHAREHOLDER INTERESTS: Employees and directors own approximately \$150 million of the Company's common equity.

DEEP SENIOR MANAGEMENT TEAM [LOGO]

Management's expertise includes extensive experience across all key disciplines necessary to execute our business plan.

[The following table was represented by an organizational chart in the printed material.]

Sugarman*
Chairman/CEO

Haber
President

14 years

Abrams* EVP Investments	Cozzi* EVP Investments	Digel* EVP Investments	Dorsch* EVP Investments	Rice* CFO 16 years	Curtis* SVP-Credit 17 years	O'Connor* EVP - COO 21 years	Matis* EVP - General Counsel 30 years
26 years	12 years	21 years	19 years				
Jones* EVP Investments	Lodge* EVP Investments	Olmstead* EVP Investments	Richardson SVP - Capital Markets	Sinnett SVP - Project Finance	Tretola VP Controller	Rubin SVP - Loan Servicing	Dugan SVP - HR, Asst. Gen. Counsel
22 years	20 years	22 years					
	Investments		Finance/Acctg.	Project Mgmt.	Asset Mgmt.	Loan Servicing	Legal
	11 Professionals		25 Professionals	6 Professionals	34 Professionals	12 Professionals	3 Professionals

- - - - -
*Denotes member of Investment Committee.

COMPREHENSIVE RISK MANAGEMENT

[LOGO]

- - - - -

iSTAR FINANCIAL HAS ONE OF THE LOWEST LOSS RATIOS IN THE FINANCE INDUSTRY.

- o 50+ person risk management team with in-house expertise in asset management, corporate credit, loan servicing, project management and engineering.
- o Proactive strategy centered around information sharing, frequent customer contact and "early warning" system.
- o Compilation and analysis of asset information is distributed on-line to all iStar Financial professionals on a continuous, real-time basis.
- o Comprehensive risk rating process that enables us to evaluate, monitor and pro-actively manage asset-specific credit issues and identify credit trends on a portfolio-wide basis.

[The following table was represented by a bar chart in the printed material.]

Weighted Average Structured Finance Risk Ratings
(1=lowest risk, 5=highest risk)

1998
1999
2000
2001
2002
- - - - -
- - - - -
- - - - -
- - - - -
- - - - -
- - - - -
- - - - -
- - - - -
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- - - - -
- - - - -
12/31
3/31
6/30
9/30
12/31
3/31
6/30
9/30
12/31
3/31

6/30
 9/30
 12/31
 3/31
 6/30
 9/30
 2.71
 2.64
 2.62
 2.63
 2.54
 2.55
 2.55
 2.59
 2.50
 2.53
 2.68
 2.82
 2.75
 2.77
 2.74
 2.81

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MINIMAL NON-ACCRUAL LOANS [LOGO]

[The following table was represented by a bar chart in the printed material.]

% of Total Book Assets

Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.9%	0.9%	0.1%	0.1%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	
1998				1999				2000				2001				2002 YTD			

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LEASE EXPIRATION PROFILE [LOGO]

At September 30, 2002, the weighted average remaining lease term of iStar Financial's corporate tenant leasing portfolio was 9.1 years and the portfolio was 97% leased.

LEASE EXPIRATION PROFILE
 (AT SEPTEMBER 30, 2002)

[The following table was represented by a bar chart in the printed material.]

[EDGAR REPRESENTATION OF GRAPHIC]

2002	0.9%
2003	2.5%
2004	4.4%
2005	3.4%
2006	5.6%
2007	3.9%
2008	1.7%
2009	27.5%

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DEEP, BROAD CAPITAL RESOURCES [LOGO]

SECURED CREDIT FACILITIES

- o State-of-the-art, committed revolvers from RBS, Deutsche Bank, Lehman Brothers and Goldman Sachs.
- o \$2.4 billion (capacity) in place.
- o \$1.3 billion outstanding.
- o Primary source of working capital.

MATCH FUNDING FACILITIES

- o iStar Asset Receivables (STARSSM).

> Recent upgrades strengthen funding capabilities and lower costs.

o Term lending relationships with a dozen commercial banks and insurance companies.

UNSECURED CREDIT FACILITIES

o Leading commercial banks, including Bank of America, CIBC, Deutsche Bank, Fleet and UBS.

o \$300 million (capacity).

o \$0 outstanding.

UNSECURED CORPORATE BONDS

o Ba1 (+) / BB+ (+) / BBB- senior unsecured credit ratings.

> Positive credit momentum should lead to additional investment grade ratings within 9-15 months.

o \$625 million outstanding.

- - - - -
As of September 30, 2002.

CONSERVATIVE FINANCIAL POLICIES

[LOGO]

o SFI's leverage policies provide for a maximum 2.0x book debt/equity ratio.

> Ability to match-fund in long-term, secured debt markets if credit facilities, corporate debt or equity is unavailable.

> 15 - 20% sustainable ROE target.

o Maintain large equity base.

> \$1.9 billion tangible book equity.

o Maintain diversified sources of investment capital.

o Match-funding discipline: maturities and interest rates.

> 100 basis point change in short term rates has minimal impact on adjusted earnings.

o Comprehensive reserve policies.

> Loans: Loss reserves and asset-specific cash reserves total \$168 million (567 basis points of book assets).

> CTLs: Cash deposits, letters of credit and accumulated depreciation total \$217 million (936 basis points of book assets).

PRO FORMA CAPITALIZATION

[LOGO]

AS OF SEPTEMBER
30, 2002 -----

----- (IN
THOUSANDS) ACTUAL
AS ADJUSTED(1) --

----- LONG-TERM
DEBT, INCLUDING
CURRENT

MATURITIES:
Unsecured senior
notes \$ 612,337 \$
612,337 Unsecured
revolving credit
facilities 0 0
Secured revolving
credit facilities
1,258,427
1,044,607 Secured
term loans
622,743 622,743
iStar Asset
Receivables
secured notes

877,770 877,770
 Other debt obligations
 16,283 16,283 ---

 - TOTAL LONG-TERM DEBT \$3,387,560
 \$3,173,740
 SHAREHOLDERS' EQUITY \$1,877,545
 \$2,091,365 TOTAL LONG-TERM DEBT/SHAREHOLDERS' EQUITY 1.8x 1.5x

Notes:

 (1) Assumes 8.0 million primary shares sold at the current price of \$28.20 per share, a 5.0% gross underwriting spread and \$500,000 of offering expenses.

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SUPERIOR RISK-ADJUSTED RETURNS [LOGO]

SFI has generated superior risk-adjusted returns on invested capital...

[EDGAR REPRESENTATION OF CHART]

	1998(1)	1999	2000	2001
	-----	----	----	----
ROAA	6.0%	6.4%	6.7%	7.1%
ROAE	12.4%	14.7%	15.8%	17.7%

 (1) Annualized - Company went public March 18, 1998.

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SOLID EARNINGS GROWTH [LOGO]

...and grown annual adjusted earnings by 173% since going public.

[EDGAR REPRESENTATION OF CHART]

	1998(2)	1999	2000	2001
	-----	-----	-----	-----
Adjusted Earnings (in millions)(1)				
	\$ 93.60	\$ 127.80	\$ 230.7	\$ 255.1

 (1) See the Appendix of this presentation for a detailed reconciliation of adjusted earnings to GAAP net income.

(2) Annualized--Company went public March 18, 1998.

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COMPELLING TOTAL RATE OF RETURN [LOGO]

Average annual total rates of return since 3/20/98(1)

[The following table was represented by a bar chart in the printed material.]

Annual Shareholder Returns
 (Assumes All Dividends Reinvested)

28.6%	-1.7%	-3.4%	-6.3%
iStar Financial	Russell 1000 Financial Index	S&P 500 Index	NASDAQ

(1) iStar issued 53 million shares, comprising 99% of its then outstanding common stock, at \$15.00 per share on March 18, 1998.

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COMPELLING TOTAL RATE OF RETURN [LOGO]

Total rates of return since 12/31/99

[The following table was represented by a bar chart in the printed material.]

Annual Shareholder Returns
(Assumes All Dividends Reinvested)

122.8%	-5.8%	-36.3%	-66.3%
iStar Financial	Russell 1000 Financial Index	S&P 500 Index	NASDAQ

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STRONG CURRENT RETURNS [LOGO]

- o Increased quarterly dividends 80% since going public.
- o Conservative dividend payout ratios (78%-82% of adjusted earnings) create substantial safety cushion.
- o 20%-25% of 2002 dividend expected to represent tax-deferred return of capital.

[The following table was represented by a bar chart in the printed material.]

\$0.35	\$0.38	\$0.41	\$0.42	\$0.43	\$0.44	\$0.57	\$0.60	\$0.60	\$0.60	\$0.60	\$0.6125	\$0.6125	\$0.6125	\$0.6125	\$0.63	\$0.63	\$0.63
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1998			1999			2000			2001			2002 YTD					

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SIGNIFICANT RATINGS UPSIDE POTENTIAL [LOGO]

iStar Financial outscores the A-rated finance company peer group on both risk and profitability metrics.

	iStar Financial	Peer Group Median (1)
Senior Unsecured Credit Rating	BBB-/BB+(+)/Ba1(+)	A/A-/A3
Tangible Book Equity (\$ in millions)	\$1,878	\$902
Total Liabilities / Tangible Equity	1.9x	7.4x
EBIDA/ Interest	2.5x	2.1x
ROAA	6.1%	3.6%
G&A/Revenue	6.5%	17.8%
Rating Agency Risk-Based Capital Adequacy Score	2.01	0.93

(1) Peer Group includes CIT Group, Financial Federal Corp., GATX Financial, Textron Financial and Transamerica Finance Corp. Balance sheet data as of latest available quarter. Income statement data as of latest available trailing twelve months.

CORPORATE HIGHLIGHTS

[LOGO]

-
- o Largest independent finance company in attractive \$100 - \$150 billion market niche.
 - o Consistent, nine-year track record of superior results.
 - o Intensive risk management and employee ownership lead to best loss performance in finance industry.
 - o Significant investor upside could be realized through:
 - > Continued strong total rate of return (growth and dividends).
 - > Potential for multiple expansion.
 - > Potential for ratings upgrade.

[LOGO]

APPENDIX

CASE STUDY: PORTFOLIO FINANCE

[LOGO]

San Diego Office Portfolio

[PHOTO]

-
- o Collateral: Cross collateralized portfolio of downtown office buildings totaling 1.1 million sf.
 - o Equity Sponsor: Southwest Value Partners, a leading private real estate investment firm.
 - o Investment Structure: 1st and 2nd mortgages.
 - o Credit Statistics:
 - > LTV: 0% - 70%.
 - > DSCR: 2.43x.
 - o Match Funding Vehicle: STARsSM.
 - o Match-Funded ROE: 18.14%.
-

CASE STUDY: STRUCTURED FINANCE

[LOGO]

Charlotte, NC

-
- o Collateral: 1,794,941 sf, 11-building office / mixed use corporate campus on 206 acres.

[PHOTO]

- o Equity Sponsor: Blackacre Capital Management, the real estate investment arm of Cerberus Capital.
- o Investment Structure: 1st mortgage.
- o Credit Statistics:
 - > LTV: 0% - 78%.
 - > DSCR: 1.92x.
- o Match Funding Vehicle: STARsSM (2003).
- o Match-Funded ROE: 18.32%.

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CASE STUDY: CORPORATE FINANCE

[LOGO]

140 Apartment Communities

[PHOTO]

- o Collateral: Diversified portfolio of 140 apartment communities located primarily in 10 major U.S. markets.
- o Equity Sponsor: Olympus Real Estate.
 - o \$400 million equity investment junior to iStar.
- o Investment Structure: Subordinate capital.
- o Credit Statistics:
 - > LTV: 61% - 83%.
 - > DSCR: 1.31x.
- o Match Funding Vehicle: Syndicated term loan.
- o Match-Funded ROE: 21.81%.

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CASE STUDY: CORPORATE TENANT LEASING

[LOGO]

Tyson's Corner, VA

[PHOTO]

- o Collateral: 574,558 square foot newly-constructed Class A+ office building with structured parking.
- o Corporate Sponsor: Northrop Grumman Corporation (NYSE: NOC).
- o Credit Rating: Baa3 / BBB-.
- o Investment Structure: Credit tenant lease guaranteed by Northrop.
- o Match Funding Vehicle: STARsSM (2003).
- o Match-Funded ROE: 15.00%.

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ADJUSTED EARNINGS

[LOGO]

Adjusted earnings represents net income computed in accordance with GAAP, before gain (loss) from discontinued operations, extraordinary items and

cumulative effect of change in accounting principle, plus depreciation and amortization, less preferred stock dividends. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

We believe that to facilitate a clear understanding of the historical operating results of our company, adjusted earnings should be examined in conjunction with net income as shown in the "Consolidated Statements of Operations" in our Annual Report on Form 10-K dated December 31, 2001. Adjusted earnings should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of our performance, or to cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs or available for distribution to our shareholders. We believe that adjusted earnings more closely approximates operating cash flow and is a useful measure for investors to consider, in conjunction with net income and other GAAP measures, in evaluating our financial performance. This is primarily because we are a commercial finance company that focuses on real estate lending and corporate tenant leasing; therefore, our net income (determined in accordance with GAAP) reflects significant non-cash depreciation expense on corporate tenant lease assets. It should be noted that our manner of calculating adjusted earnings may differ from the calculation of similarly-titled measures by other companies.

YEARS ENDED
 RECONCILIATION
 OF ADJUSTED
 EARNINGS TO
 GAAP NET
 INCOME:
 DECEMBER 31,

---	2001 2000
1999	1998(1)

-----	Net
	income
	\$229,912
	\$217,586
	\$38,886
\$63,775	Add:
Joint venture	income
	965
937	1,603
	0
	Add:
Depreciation	
35,642	34,514
11,016	4,122
	Add: Joint
	venture
depreciation	
	and
amortization	
4,044	3,662
365	0
	Add:
Amortization	
of deferred	
financing	
costs	20,720
13,140	6,121
3,238	Less:
	Preferred
	dividends
	(36,908)
	(36,908)
	(23,843)
(944)	Less:
	Gain from
discontinued	
operations	
	(1,145)
(2,948)	0 0
	Add:
Extraordinary	
loss early	
extinguishment	
of debt	1,620
705	0 0
	Add:
Cumulative	
effect of	
change in	
accounting	
principle	282
0 0 0	Less:
	Net income
allocable to	
class B	
shares	0 0
(826)	0
	Add:
Cost incurred	
in acquiring	
former	

external
advisor(2) 0
0 94,476 0 --

-- -----

Adjusted
diluted
earnings
allocable to
common
shareholders
\$255,132
\$230,688
\$127,798
\$70,191
=====
=====
=====
=====

(1) Annualized - Company went public March 18, 1998.

(2) This amount represents a non-recurring, non-cash charge of approximately \$94.5 million relating to the acquisition of our former external advisor on November 4, 1999.