

ISTAR FINANCIAL INC  
 Form FWP  
 November 08, 2012

**Issuer Free Writing Prospectus filed pursuant to Rule 433 under the Securities Act of 1933**

**supplementing the Preliminary Prospectus dated November 7, 2012**

**Registration No. 333-181470**

**November 7, 2012**

**iStar Financial Inc.**

**Pricing Term Sheet**

**7.125% Senior Notes due 2018**

This pricing term sheet is qualified in its entirety by reference to the preliminary prospectus supplement dated November 7, 2012 and the accompanying prospectus (together, the Preliminary Prospectus). The information in this pricing term sheet supplements the Preliminary Prospectus and updates and supersedes the information in the Preliminary Prospectus to the extent it is inconsistent with the information in the Preliminary Prospectus. Capitalized terms used and not defined herein have the meanings assigned to them in the Preliminary Prospectus.

|                                 |  |
|---------------------------------|--|
| Issuer:                         | iStar Financial Inc.   |
| Title of Security:              | 7.125% Senior Notes due 2018   |
| Ranking:                        | Senior unsecured notes   |
| Size:                           | \$300,000,000  |
| Gross proceeds:                 | \$300,000,000  |
| Net proceeds (before expenses): | \$294,000,000  |
| Maturity:                       | February 15, 2018  |
| Coupon:                         | 7.125%   |
| Public offering price:          | 100%, plus accrued and unpaid interest from November 13, 2012.   |
| Yield to maturity:              | 7.125%   |
| Spread to Benchmark Treasury:   | +645 basis points  |
| Benchmark Treasury:             | UST 0.750% due 10/31/17  |
| Interest Payment Dates:         | Semi-annually on February 15 and August 15, commencing August 15, 2013   |
| Record Dates:                   | February 1 and August 1  |
| Equity Clawback:                | N/A  |
| Optional Redemption:            | Make-whole call @ T+50 bps   |
| Change of Control:              | If a Change of Control Triggering Event occurs, each holder will have the right to require that the company purchase all or a portion of such holder's Notes at a purchase price equal to 101% of the principal amount of such notes plus accrued and unpaid interest to, but excluding, the date of repurchase. |
| Trade Date:                     | November 7, 2012   |
| Settlement Date:                | T+3; November 13, 2012   |
| Distribution:                   | SEC registered   |
| CUSIP:                          | 45031U BQ3   |
| ISIN:                           | US45031UBQ31   |
| Denominations/Multiple:         | \$2,000 x \$1,000  |
| Joint Bookrunners:              | Merrill Lynch, Pierce, Fenner & Smith  |

Edgar Filing: ISTAR FINANCIAL INC - Form FWP

Incorporated  
Barclays Capital Inc.  
J.P. Morgan Securities LLC

Use of Proceeds:

The company will use the net proceeds from the offering to refinance existing indebtedness.

Concurrent Convertible Notes Offering:

On the Settlement Date, the Issuer will issue \$175,000,000 3.00% Convertible Senior Notes due 2016, subject to customary closing conditions. The underwriters in that offering were granted an

---

option, exercisable within 30 days of the Trade Date, to purchase up to an additional \$25,000,000 of such notes. Neither the completion of this offering nor the completion of the Convertible Notes Offering is contingent on the completion of the other offering.

**Changes from Preliminary Prospectus:**

In addition to the pricing information set forth above, the Preliminary Prospectus will be updated to reflect the increase in the size of the offering. Consequently, (i) the first paragraph under the heading **Use of Proceeds** is deemed deleted and replaced in its entirety with the following:

The net proceeds from the sale of the Notes, after deducting underwriting discounts and commissions and fees and expenses related to the offering, are expected to be approximately \$293.5 million. We will use a portion of the net proceeds from this offering and the Convertible Notes Offering to redeem the remaining \$67 million aggregate principal amount of our 6.5% Senior Notes due 2013, and the remainder of the net proceeds from this offering and the Convertible Notes Offering to redeem approximately \$381 million aggregate principal amount of our 8.625% Senior Notes due 2013. Neither the completion of this offering of Notes nor the Convertible Notes Offering is contingent on the completion of the other offering. If the Convertible Notes Offering is not completed, the aggregate principal amount of 8.625% Senior Notes due 2013 redeemed will be approximately \$216 million. In the event that the Convertible Notes Offering is completed and the underwriters exercise their option to purchase additional Convertible Notes in full, then the aggregate principal amount of 8.625% Senior Notes due 2013 redeemed will be approximately \$405 million.

and (ii) the table under the heading **Capitalization** is deemed deleted and replaced with the following:

|  |               | <b>As of June 30, 2012</b>                   |                                 |
|--|---------------|--|---------------------------------|
|  | <b>Actual</b> | <b>Pro Forma(1)</b><br><b>(in thousands)</b> | <b>Pro Forma as Adjusted(2)</b> |
| <b>Secured credit facilities:(3)</b>         |               |  |                                 |
| 2011 Tranche A-1 Facility due 2013           | \$ 646,068    | \$   | \$                              |
| 2011 Tranche A-2 Facility due 2014           | 1,450,000     |  |                                 |
| 2012 Tranche A-1 Facility due 2016           | 328,605       | 328,605                                      | 328,605                         |
| 2012 Tranche A-2 Facility due 2017           | 470,000       | 470,000                                      | 470,000                         |
| 2012 Facility due 2017                       |               | 1,820,000                                    | 1,820,000                       |
| <b>Term loans:</b>                           |               |  |                                 |
| Term loan collateralized by net lease assets | 238,425       | 238,425                                      | 238,425                         |
| <b>Unsecured notes:</b>                      |               |  |                                 |
| LIBOR + 0.50% Convertible Notes due 2012     | 469,166       |  |                                 |
| 8.625% Senior Notes due 2013                 | 501,701       | 501,701                                      | 120,450                         |
| 5.95% Senior Notes due 2013                  | 448,453       | 448,453                                      | 448,453                         |

Edgar Filing: ISTAR FINANCIAL INC - Form FWP

|   |              |              |              |
|---|--------------|--------------|--------------|
| 6.5% Senior Notes due 2013              | 67,055       | 67,055       |              |
| 5.70% Senior Notes due 2014             | 200,601      | 200,601      | 200,601      |
| 6.05% Senior Notes due 2015             | 105,765      | 105,765      | 105,765      |
| 5.875% Senior Notes due 2016            | 261,403      | 261,403      | 261,403      |
| 5.85% Senior Notes due 2017             | 99,722       | 99,722       | 99,722       |
| 9.0% Senior Notes due 2017              | 275,000      | 275,000      | 275,000      |
| 7.125% Senior Notes due 2018            |              |              | 300,000      |
| 3.00% Convertible Senior Notes due 2016 |              |              | 175,000      |
| <b>Other debt obligations:</b>          |              |              |              |
| Trust preferred securities              | 100,000      | 100,000      | 100,000      |
| Total debt obligations                  | \$ 5,661,964 | \$ 4,916,730 | \$ 4,943,425 |

---

(1) Since June 30, 2012 and through October 15, 2012, we have (i) repaid \$469.2 million of our senior unsecured convertible notes due October 2012; (ii) repaid \$276.1 million of borrowings outstanding under the 2011 Credit Agreement; and (iii) used net proceeds from the New Credit Agreement to refinance the remaining \$1.82 billion balance outstanding under the 2011 Credit Agreement.

## Edgar Filing: ISTAR FINANCIAL INC - Form FWP

(2) If the Convertible Notes Offering is not completed, the aggregate principal amount of 8.625% Senior Notes due 2013 redeemed will be approximately \$216 million. In the event that the Convertible Notes Offering is completed and the underwriters exercise their option to purchase additional Convertible Notes in full, then the aggregate principal amount of 8.625% Senior Notes due 2013 redeemed will be approximately \$405 million.

(3) The due dates of the secured credit facilities reflect their scheduled maturity dates.

---

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling:

|                            |                            |
|----------------------------|----------------------------|
| BofA Merrill Lynch         | 1-800-294-1322 (toll free) |
| Barclays Capital Inc.      | 1-888-603-5847 (toll free) |
| J.P. Morgan Securities LLC | 1-800-245-8812 (toll free) |

Any disclaimer or other notice that may appear below is not applicable to this communication and should be disregarded. Such disclaimer or notice was automatically generated as a result of this communication being sent by Bloomberg or another email system.