

ISTAR FINANCIAL INC  
Form FWP  
February 16, 2006

Filed Pursuant to Rule 433

Registration No. 333-124795

Dated February 15, 2006

**ISTAR FINANCIAL INC.**  
**\$500,000,000 5.650% SENIOR NOTES DUE 2011**

**\$500,000,000 5.875% SENIOR NOTES DUE 2016**

|                                   | <b>Senior Notes due 2011</b>  | <b>Senior Notes due 2016</b>  |
|-----------------------------------|---|---|
| Issuer:                           | iStar Financial Inc.  | iStar Financial Inc.  |
| Ranking:                          | Senior Notes  | Senior Notes  |
| Ratings (Moody s/S&P/Fitch)       | Baa2/BBB/BBB  | Baa2/BBB/BBB  |
| Trade Date:                       | February 15th, 2006   | February 15th, 2006   |
| Settlement Date (T+3):            | February 21st, 2006   | February 21st, 2006   |
| Maturity:                         | September 15th, 2011  | March 15th, 2016  |
| Notional Amount:                  | \$500,000,000   | \$500,000,000   |
| Pricing Benchmark:                | UST 4.25% due January 2011  | UST 4.50% due February 2016   |
| Treasury Yield:                   | 4.608%  | 4.608%  |
| Spread to Benchmark:              | T+105 bps   | T+128 bps   |
| Yield to Maturity:                | 5.658%  | 5.888%  |
| Coupon:                           | 5.650%  | 5.875%  |
| Public Offering Price:            | 99.956%   | 99.896%   |
| Underwriting Discount:            | 0.600%  | 0.650%  |
| Company Purchase Price:           | 99.356%   | 99.246%   |
| Net Proceeds to Company:          | \$496,780,000   | \$496,230,000   |
| Interest Payment Dates:           | Semi-annually on 15th of each March and September   | Semi-annually on 15th of each March and September   |
| First Coupon:                     | September 15th, 2006  | September 15th, 2006  |
| Day Count:                        | 30/360  | 30/360  |
| Redemption at issuer option:      | The Fixed Rate Notes may be redeemed or purchased in whole or in part at the Company's option at any time prior to the maturity of the Fixed Rate Notes at a price equal to 100% of the principal amount thereof plus the greater of (i) 1.0% of the principal amount of the Fixed Rate Notes and (ii) the excess of (a) the present value of all remaining payments on the Fixed Rate Notes discounted at the treasury comparable yield plus 15 bps over (b) the principal amount of the Fixed Rate Notes. | The Fixed Rate Notes may be redeemed or purchased in whole or in part at the Company's option at any time prior to the maturity of the Fixed Rate Notes at a price equal to 100% of the principal amount thereof plus the greater of (i) 1.0% of the principal amount of the Fixed Rate Notes and (ii) the excess of (a) the present value of all remaining payments on the Fixed Rate Notes discounted at the treasury comparable yield plus 20 bps over (b) the principal amount of the Fixed Rate Notes. |
| Minimum Denominations/ Multiples: | \$1,000/\$1,000   | \$1,000/\$1,000   |

|                |                 | <b>Principal Amount</b> |                 | <b>Principal Amount</b> |
|----------------|-----------------|-------------------------|-----------------|-------------------------|
| Book Managers: | JPMorgan        | \$130,000,000           | JPMorgan        | \$130,000,000           |
|                | Lehman Brothers | \$130,000,000           | Lehman Brothers | \$130,000,000           |
|                | Wachovia        | \$130,000,000           | Wachovia        | \$130,000,000           |

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|              |                  |              |                  |              |
|--------------|------------------|--------------|------------------|--------------|
| Co-Managers: | Barclays Capital | \$36,668,000 | Barclays Capital | \$36,668,000 |
|              | Keybanc          | \$36,666,000 | Keybanc          | \$36,666,000 |
|              | RBS Greenwich    | \$36,666,000 | RBS Greenwich    | \$36,666,000 |

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