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DRIVE SHACK INC.

Newcastle Announces Treatment of 2008 Dividends

NEW YORK, Feb. 2 /PRNewswire-FirstCall/ -- Newcastle Investment Corp. (NYSE: NCT) today announced the tax treatment of its 2008 common and preferred stock dividend payments.

Common Stock Dividends

During 2008, taxable dividends for Newcastle Investment Corp.'s common stock (CUSIP# 65105M-108) were \$0.347324 per share. The entire fourth quarter 2007 common stock dividend was treated as having been received by shareholders and taxable for 2007. The following table summarizes the tax treatment for the 2008 common stock dividend payments.

	Declaration Date	Record Date	Pay Date	Cash Distribution
4th Q 2007	12/13/07	12/31/07	01/30/08	0.720000
1st Q 2008	03/14/08	04/07/08	04/30/08	0.250000
2nd Q 2008	06/16/08	07/07/08	07/30/08	0.250000
3rd Q 2008	09/15/08	10/06/08	10/30/08	0.250000

	Taxable in 2008	Ordinary	Qualified	Long-Term Capital Gain
4th Q 2007	0.000000	0.000000	0.000000	0.000000
1st Q 2008	0.250000	0.250000	0.000000	0.000000
2nd Q 2008	0.097324	0.097324	0.000000	0.000000
3rd Q 2008	0.000000	0.000000	0.000000	0.000000
Totals	0.347324	0.347324	0.000000	0.000000

Series B Preferred Stock Dividends

During 2008, taxable dividends for Newcastle Investment Corp.'s Series B preferred stock (CUSIP# 65105M-207) were \$0.609375 per share. The entire fourth quarter 2007 Series B preferred stock dividend was treated as having been received by shareholders and taxable for 2007. The following table summarizes the tax treatment for the 2008 Series B preferred stock dividend payments.

	Declaration Date	Record Date	Pay Date	Cash Distribution
4th Q 2007	12/13/07	12/31/07	01/31/08	0.609375
1st Q 2008	03/14/08	04/07/08	04/30/08	0.609375
2nd Q 2008	06/16/08	07/07/08	07/31/08	0.609375
3rd Q 2008	09/15/08	10/06/08	10/31/08	0.609375

	Taxable in 2008	Ordinary	Qualified	Long-Term Capital Gain
4th Q 2007	0.000000	0.000000	0.000000	0.000000

1st Q 2008	0.609375	0.609375	0.000000	0.000000
2nd Q 2008	0.000000	0.000000	0.000000	0.000000
3rd Q 2008	0.000000	0.000000	0.000000	0.000000
Totals	0.609375	0.609375	0.000000	0.000000

Series C Preferred Stock Dividends

During 2008, taxable dividends for Newcastle Investment Corp.'s Series C preferred stock (CUSIP# 65105M-306) were \$0.503125 per share. The entire fourth quarter 2007 Series C preferred stock dividend was treated as having been received by shareholders and taxable for 2007. The following table summarizes the tax treatment for the 2008 Series C preferred stock dividend payments.

	Declaration Date	Record Date	Pay Date	Cash Distribution
4th Q 2007	12/13/07	12/31/07	01/31/08	0.503125
1st Q 2008	03/14/08	04/07/08	04/30/08	0.503125
2nd Q 2008	06/16/08	07/07/08	07/31/08	0.503125
3rd Q 2008	09/15/08	10/06/08	10/31/08	0.503125

	Taxable in 2008	Ordinary	Qualified	Long-Term Capital Gain
4th Q 2007	0.000000	0.000000	0.000000	0.000000
1st Q 2008	0.503125	0.503125	0.000000	0.000000
2nd Q 2008	0.000000	0.000000	0.000000	0.000000
3rd Q 2008	0.000000	0.000000	0.000000	0.000000
Totals	0.503125	0.503125	0.000000	0.000000

Series D Preferred Stock Dividends

During 2008, taxable dividends for Newcastle Investment Corp.'s Series D preferred stock (CUSIP# 65105M-405) were \$0.523438 per share. The entire fourth quarter 2007 Series D preferred stock dividend was treated as having been received by shareholders and taxable for 2007. The following table summarizes the tax treatment for the 2008 Series D preferred stock dividend payments.

	Declaration Date	Record Date	Pay Date	Cash Distribution
4th Q 2007	12/13/07	12/31/07	01/31/08	0.523438
1st Q 2008	03/14/08	04/07/08	04/30/08	0.523438
2nd Q 2008	06/16/08	07/07/08	07/31/08	0.523438
3rd Q 2008	09/15/08	10/06/08	10/31/08	0.523438

	Taxable in 2008	Ordinary	Qualified	Long-Term Capital Gain
4th Q 2007	0.000000	0.000000	0.000000	0.000000
1st Q 2008	0.523438	0.523438	0.000000	0.000000
2nd Q 2008	0.000000	0.000000	0.000000	0.000000
3rd Q 2008	0.000000	0.000000	0.000000	0.000000
Totals	0.523438	0.523438	0.000000	0.000000

None of the amounts indicated above as taxable for 2008 are classified as "excess inclusion income".

The data provided in this press release is provided for informational purposes only and does not constitute tax advice. Stockholders are urged to consult their own tax advisors regarding any issues or decisions regarding the proper tax treatment of their shares of Newcastle Investment Corp.

About Newcastle

Newcastle Investment Corp. invests in real estate debt and other real estate related assets. Newcastle is organized and conducts its operations to qualify as a real estate investment trust (REIT) for federal income tax purposes. Newcastle is managed by an affiliate of Fortress Investment Group LLC, a global alternative asset manager with approximately \$34.3 billion in assets under management as of September 30, 2008. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit www.newcastleinv.com.

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