

January 31, 2013

DRIVE SHACK INC.

Newcastle Announces Tax Treatment of 2012 Dividends

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) today announced the tax treatment of its 2012 common and preferred stock dividend payments.

Common Stock Dividends

During 2012, taxable dividends for Newcastle Investment Corp.'s common stock (CUSIP# 65105M108) were \$0.84 per share. The entire fourth quarter 2012 common stock dividend was treated as having been received by shareholders and taxable for 2012. The following table summarizes the tax treatment for the 2012 common stock dividend payments.

	Declaration	Record	Pay	Cash	Taxable		Long-	Return
	Date	Date	Date	Distribution	As	Qualified	Term	of
					Ordinary		Capital	Capital
1st Q 2012	03/14/12	03/26/12	04/30/12	0.200000	0.200000	0.000000	0.000000	0.000000
2nd Q 2012	06/13/12	06/25/12	07/31/12	0.200000	0.200000	0.000000	0.000000	0.000000
3rd Q 2012	09/19/12	10/01/12	10/31/12	0.220000	0.220000	0.000000	0.000000	0.000000
4th Q 2012	12/18/12	12/28/12	01/31/13	0.220000	0.220000	0.000000	0.000000	0.000000
			Totals	0.840000	0.840000	0.000000	0.000000	0.000000

Series B Preferred Stock Dividends

During 2012, taxable dividends for Newcastle Investment Corp.'s Series B preferred stock (CUSIP# 65105M207) were \$2.437500 per share. The entire fourth quarter 2012 Series B preferred stock dividend was treated as having been received by shareholders and taxable for 2012. The following table summarizes the tax treatment for the 2012 Series B preferred stock dividend payments.

Declaration	Record	Pay	Cash	Taxable		Long-	Return
Date	Date	Date	Distribution	As	Qualified	Term	of
				Ordinary		Capital	Capital

1st Q 2012	03/14/12	03/26/12	04/30/12	0.609375	0.609375	0.000000	0.000000	0.000000
2nd Q 2012	06/13/12	07/02/12	07/31/12	0.609375	0.609375	0.000000	0.000000	0.000000
3rd Q 2012	09/19/12	10/01/12	10/31/12	0.609375	0.609375	0.000000	0.000000	0.000000
4th Q 2012	12/18/12	12/28/12	01/31/13	0.609375	0.609375	0.000000	0.000000	0.000000
			Totals	2.437500	2.437500	0.000000	0.000000	0.000000

Series C Preferred Stock Dividends

During 2012, taxable dividends for Newcastle Investment Corp.'s Series C preferred stock (CUSIP# 65105M306) were \$2.012500 per share. The entire fourth quarter 2012 Series C preferred stock dividend was treated as having been received by shareholders and taxable for 2012. The following table summarizes the tax treatment for the 2012 Series C preferred stock dividend payments.

	Declaration Date	Record Date	Pay Date	Cash Distribution	Taxable As Ordinary	Long- Term Capital Gain	Return of Capital
1st Q 2012	03/14/12	03/26/12	04/30/12	0.503125	0.503125	0.000000	0.000000
2nd Q 2012	06/13/12	07/02/12	07/31/12	0.503125	0.503125	0.000000	0.000000
3rd Q 2012	09/19/12	10/01/12	10/31/12	0.503125	0.503125	0.000000	0.000000
4th Q 2012	12/18/12	12/28/12	01/31/13	0.503125	0.503125	0.000000	0.000000
			Totals	2.012500	2.012500	0.000000	0.000000

Series D Preferred Stock Dividends

During 2012, taxable dividends for Newcastle Investment Corp.'s Series D preferred stock (CUSIP# 65105M405) were \$2.093752 per share. The entire fourth quarter 2012 Series D preferred stock dividend was treated as having been received by shareholders and taxable for 2012. The following table summarizes the tax treatment for the 2012 Series D preferred stock dividend payments.

	Declaration	Record	Pay	Cash	Taxable		Long-Term	Return
	Date	Date	Date	Distribution	As Ordinary	Qualified	Capital Gain	of Capital
1st Q								
2012	03/14/12	03/26/12	04/30/12	0.523438	0.523438	0.000000	0.000000	0.000000
2nd Q								
2012	06/13/12	07/02/12	07/31/12	0.523438	0.523438	0.000000	0.000000	0.000000
3rd Q								
2012	09/19/12	10/01/12	10/31/12	0.523438	0.523438	0.000000	0.000000	0.000000
4th Q								
2012	12/18/12	12/28/12	01/31/13	0.523438	0.523438	0.000000	0.000000	0.000000
			Totals	2.093752	2.093752	0.000000	0.000000	0.000000

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 focuses on opportunistically investing in, and actively managing, real estate related assets. The Company primarily invests in two distinct areas: (1) Residential Servicing and Securities and (2) Commercial Real Estate Debt and Other Assets. The Company is organized and conducts its operations to qualify as a real estate investment trust (REIT) for federal income tax purposes. The Company is managed by an affiliate of Fortress Investment Group LLC, a global investment management firm.

Newcastle Investment Corp.
Investor Relations, 212-479-3195

Source: Newcastle Investment Corp.