

June 12, 2013

DRIVE SHACK INC.

Newcastle Announces Upsizing and Pricing of Public Offering of Common Stock

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) ("Newcastle" or the "Company") announced today that it priced a public offering of shares of its common stock. The size of the offering has been upsized from 30,000,000 shares to 35,000,000 shares, for gross proceeds of \$174.0 million. In connection with the offering, the Company has granted the underwriters an option for 30 days to purchase up to an additional 5,250,000 shares of common stock. The offering is expected to close on June 17, 2013, subject to customary closing conditions.

The Company intends to use the net proceeds from the offering for general corporate purposes, including to make a variety of investments, which the Company expects to primarily include acquisitions of senior housing properties, but which could also include acquisitions of CDO debt, other real estate securities and loans, operating businesses or other assets.

BofA Merrill Lynch, Credit Suisse Securities (USA) LLC and UBS Securities LLC are the joint book-running managers for the offering. The offering is being made pursuant to the Company's existing effective shelf registration statement, previously filed with the Securities and Exchange Commission. The offering is being made only by means of a prospectus and a related prospectus supplement. Copies of the prospectus and prospectus supplement may be obtained from: BofA Merrill Lynch, Attention: Prospectus Department, 222 Broadway, New York, NY 10038, Email: dg.prospectus_requests@baml.com; Credit Suisse Securities (USA) LLC, Attention: Prospectus Department, One Madison Avenue, New York, New York 10010, Telephone: (800) 221-1037, Email: newyork.prospectus@credit-suisse.com; or UBS Securities LLC, 299 Park Avenue, New York, New York 10171, Attention: Prospectus Department, Telephone: (888) 827-7275.

This press release does not constitute an offer to sell or the solicitation of an offer to buy shares of common stock, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

ABOUT NEWCASTLE

Newcastle focuses on opportunistically investing in, and actively managing, real estate related assets and primarily invests in two distinct areas: (1) Real Estate & Other Debt and (2) Senior Housing Assets. Newcastle 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.

FORWARD-LOOKING STATEMENTS

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements relating to the offering and intended use of proceeds. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. Newcastle can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Newcastle's expectations include, but are not limited to, the risk that market conditions cause downgrades of a significant number of our securities or the recording of additional impairment charges or reductions in shareholders' equity; the risk that we cannot find additional suitably priced investments; the risk that investments made or committed to be made cannot be financed on the basis and for the term at which we expect; the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested; and the relative spreads between the yield on the assets we invest in and the cost and availability of debt and equity financing. Additional risks that are directly related to investments in senior housing include, but are not limited to, the risk that we are dependent on the performance of our operators, the risk that a downturn in the housing market or an overall economic downturn could cause our occupancy rates, revenues and results of operations to decline, the risk that increases in labor costs at our senior housing facilities may have a material adverse effect on us. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled "Risk Factors" in the prospectus supplement and "Management's Discussion and Analysis of Financial Condition and Results of Operation" incorporated by reference in the prospectus supplement from the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q. In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. Newcastle expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Newcastle Investment Corp.
Investor Relations
212-479-3195

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