

September 27, 2013

DRIVE SHACK INC.

Newcastle Announces Spin-Off of Media Assets

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. ("Newcastle", the "Company") (NYSE:NCT) has announced that its Board of Directors has unanimously approved a plan to spin off its media assets, which include an interest in GateHouse Media, Inc. ("GateHouse") and 100% ownership of Local Media Group, Inc. Newcastle intends to effect the spin-off in early 2014 by distributing shares of its subsidiary New Media Investment Group Inc. ("New Media"). New Media will be a publicly traded company primarily focused on investing in a high quality, diversified portfolio of local media assets and on growing its online advertising and digital marketing businesses.

On September 27, 2013, GateHouse commenced voluntary chapter 11 proceedings under the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware pursuant to a prepackaged plan of reorganization (the "Plan") for which Newcastle is acting as sponsor. As a result of the transactions contemplated by the Plan, New Media will own the reorganized GateHouse and Local Media on the effective date of the Plan.

New Media has filed a registration statement with the U.S. Securities and Exchange Commission ("SEC") with respect to the planned spin-off. The spin-off is subject to certain conditions, such as the approval of the Plan by the Bankruptcy Court, the declaration of New Media's registration statement effective by the SEC, the filing and approval of an application to list New Media's common stock on the NYSE and the formal declaration of the distribution by the Board of Directors. In evaluating the spin-off, the independent members of Newcastle's Board of Directors were advised by Houlihan Lokey.

ABOUT NEWCASTLE

The Company focuses on opportunistically investing in, and actively managing, real estate related assets and primarily invests in two distinct areas: (1) Senior Housing Assets and (2) Real Estate & Other Debt. The Company 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 expected approval of the Plan and spin-off of New Media. These statements are based on management's current expectations and beliefs and are subject to a number of uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. The Company can give no assurance that its expectations will be attained. 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 cause actual

results to differ from such forward-looking statements, see the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” in New Media’s registration statement on Form 10 and the reports filed by Newcastle with the SEC. In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company or GateHouse 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. The Company 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.
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Source: Newcastle Investment Corp.