

November 18, 2013

DRIVE SHACK INC.

Newcastle Announces Agreement to Acquire \$1 Billion of Senior Housing Assets from Holiday Retirement

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE:NCT) ("Newcastle" or the "Company") announced today that it entered into an agreement to acquire a 52-property portfolio of senior housing properties (the "Holiday Portfolio" or "Portfolio") from certain subsidiaries of Holiday Acquisition Holdings LLC ("Holiday") for approximately \$1.01 billion (collectively, the "Holiday Acquisition"). The Company expects to invest approximately \$300 million of equity to acquire the Holiday Portfolio and to fund the remainder of the purchase price with non-recourse mortgage debt. The Holiday Portfolio includes 52 independent living properties with 5,885 units located across 24 states. The Portfolio is 100% private pay and had an average occupancy rate of 91% as of September 30, 2013. Concurrently with the closing of the Holiday Acquisition, the Company intends to enter into two triple net master leases with affiliates of Holiday with first-year rent equal to 6.5% of the purchase price.

Upon closing the Holiday Acquisition and other committed transactions, the Company will have invested approximately \$600 million of equity in senior housing assets (collectively, the "NCT Senior Housing Portfolio"). The NCT Senior Housing Portfolio, inclusive of the Holiday Acquisition and other committed transactions, includes 99 properties with 12,347 rentable units, and is targeted to generate a 17% FFO yield in 2014.

Newcastle expects the closing of this transaction to occur in December. The closing is subject to customary closing conditions and the completion of the financing, and there can be no assurance as to the timing or occurrence of the closing.

Holiday is the largest private owner and operator of senior housing properties in North America. Holiday operates 333 properties with 40,000 apartments in 43 states in the United States and seven provinces in Canada. Holiday is majority owned by private equity funds managed by an affiliate of Newcastle's manager.

ABOUT NEWCASTLE

Newcastle focuses on investing in, and actively managing, real estate related assets and primarily invests in: (1) Senior Housing Assets and (2) Real Estate & Other Debt, in addition to other opportunistic investments. The Company conducts its operations to qualify as a real estate investment trust 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 statements 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 proposed offering, the expected acquisition of a senior housing portfolio from Holiday Retirement (the "Holiday Portfolio"), 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. The Company can give no assurance that its expectations will be attained. Factors that could cause the Company's actual results to differ materially from the expectations include, but are not limited to, the risk that the Company does not complete the purchase of the Holiday Portfolio because of the inability to complete the related financing on attractive terms or at all, or for any other reason.

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 related to the offering and "Management's Discussion and Analysis of Financial Condition and Results of Operation" incorporated by reference in the prospectus supplement related to the offering 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. 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.

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