

December 24, 2013

DRIVE SHACK INC.

Newcastle Completes \$1 Billion Acquisition of 51 Senior Housing Properties from Holiday Retirement

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE:NCT) announced today it has completed the previously announced acquisition of 51 independent living senior housing properties from an affiliate of Holiday Retirement ("Holiday"), for a purchase price, including transaction costs, of \$1.04 billion.

The purchase price was funded with \$720 million of non-recourse, fixed-rate mortgage debt and \$320 million of equity. The debt has a weighted average coupon of 4.15%, and consists of a \$357 million loan with a term of 7 years and a \$363 million loan with a term of 10 years.

The properties will continue to be operated by Holiday pursuant to a 17-year master lease. The initial lease yield is 6.5%, with 4.5% increases in years 2 to 4 and increases based on the Consumer Price Index in years 5 to 17.

Newcastle has invested more than \$500 million of equity throughout the past 18 months to acquire 84 senior housing properties with over 10,000 beds.

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.

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

Source: Newcastle Investment Corp.