

January 30, 2015

DRIVE SHACK INC.

Newcastle Announces Tax Treatment of 2014 Dividends

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE:NCT, "Newcastle") today announced the tax treatment of its 2014 common and preferred stock distribution payments.

Common Stock Dividends

During 2014, Newcastle's common stock was listed under three CUSIPs:

- CUSIP #65105M108 through the effective date on August 18, 2014 of Newcastle's 3-for-1 reverse stock split of its common stock
- CUSIP #65105M504 from August 19, 2014 through the effective date on October 22, 2014 of Newcastle's 2-for-1 reverse stock split of its common stock
- CUSIP #65105M603 as of October 23, 2014

The following tables summarize the tax treatment for the 2014 common stock dividend payments.

2014 Actual Common Stock Dividend Distributions

The information provided below for the dividends paid on the common stock for the fourth quarter 2013 to second quarter 2014 has not been adjusted for Newcastle's 3-for-1 reverse stock split in August 2014 and 2-for-1 reverse stock split in October 2014. The dividend paid on the common stock for the third quarter 2014 has not been adjusted for Newcastle's 2-for-1 reverse stock split in October 2014.

CUSIP	Record Date	Pay Date	Distribution	Form	Ordinary Dividend	Qualified Dividend ⁽¹⁾	Long-Term Capital Gain
<u>#65105M108</u>							
4Q13 ⁽²⁾	12/30/13	01/31/14	0.100000	Cash	0.032637	0.000305	0.007569
NEWM ⁽³⁾	02/06/14	02/13/14	0.890000	Stock	0.290468	0.002710	0.067368
1Q14	03/25/14	04/30/14	0.100000	Cash	0.032637	0.000305	0.007569
2Q14	06/24/14	07/31/14	0.100000	Cash	0.032637	0.000305	0.007569
<u>#65105M504</u>							
3Q14	09/29/14	10/31/14	0.300000	Cash	0.097910	0.000913	0.022708
<u>#65105M603</u>							
SNR ⁽⁴⁾	10/27/14	11/06/14	18.020000	Stock	5.881151	0.054871	1.364006

Qualified Dividend is a subset of, and included in, the Ordinary Dividend amount.

(1)

The entire 4Q13 common stock distribution payment is being treated as received by

(2) *stockholders in 2014.*

Represents the February 13, 2014 common stock distribution of New Media Investment

(3) *Group Inc.'s common shares.*

Represents the November 6, 2014 common stock distribution of New Senior Investment

(4) *Group Inc.'s common shares.*

2014 Split-Adjusted Common Stock Dividend Distributions

The information provided below for the dividends paid on the common stock for the fourth quarter 2013 to second quarter 2014 has been adjusted for Newcastle's 3-for-1 reverse stock split in August 2014 and 2-for-1 reverse stock split in October 2014. The dividend paid on the common stock for the third quarter 2014 has been adjusted for Newcastle's 2-for-1 reverse stock split in October 2014.

	Record Date	Pay Date	Distribution	Form	Ordinary Dividend	Qualified Dividend⁽¹⁾	Long-Term Capital Gain
4Q13 ⁽²⁾	12/30/13	01/31/14	0.600000	Cash	0.195822	0.001830	0.045414
NEWM ⁽³⁾	02/06/14	02/13/14	5.340000	Stock	1.742808	0.016260	0.404208
1Q14	03/25/14	04/30/14	0.600000	Cash	0.195822	0.001830	0.045414
2Q14	06/24/14	07/31/14	0.600000	Cash	0.195822	0.001830	0.045414
3Q14	09/29/14	10/31/14	0.600000	Cash	0.195822	0.001830	0.045414
SNR ⁽⁴⁾	10/27/14	11/06/14	18.020000	Stock	5.881151	0.054871	1.364006
				Cash			
				Total	/		
			25.760000	Stock	8.407247	0.078451	1.949870

(1) *Qualified Dividend is a subset of, and included in, the Ordinary Dividend amount.*

The entire 4Q13 common stock distribution payment is being treated as received by

(2) *stockholders in 2014.*

Represents the February 13, 2014 common stock distribution of New Media Investment

(3) *Group Inc.'s common shares.*

Represents the November 6, 2014 common stock distribution of New Senior Investment

(4) *Group Inc.'s common shares.*

Series B Preferred Stock Dividends

During 2014, taxable dividends for Newcastle's Series B preferred stock (CUSIP# 65105M207) were \$2.437500 per share. The following table summarizes the tax treatment for the 2014 Series B preferred stock distribution payments.

	Record Date	Pay Date	Cash Distribution	Ordinary Dividend	Qualified Dividend⁽¹⁾	Long-Term Capital Gain	Return of Capital
4Q13 ⁽²⁾	12/30/13	01/31/14	0.609375	0.563249	0.001856	0.046126	0.000000
1Q14	03/25/14	04/30/14	0.609375	0.563249	0.001856	0.046126	0.000000
2Q14	06/24/14	07/31/14	0.609375	0.563249	0.001856	0.046126	0.000000
3Q14	09/29/14	10/31/14	0.609375	0.563249	0.001856	0.046126	0.000000
		Total	2.437500	2.252996	0.007424	0.184504	0.000000

(1) *Qualified Dividend is a subset of, and included in, the Ordinary Dividend amount.*

The entire 4Q13 Series B preferred stock distribution payment is being treated as

(2) received by stockholders in 2014.

Series C Preferred Stock Dividends

During 2014, taxable dividends for Newcastle's Series C preferred stock (CUSIP# 65105M306) were \$2.012500 per share. The following table summarizes the tax treatment for the 2014 Series C preferred stock distribution payments.

	Record Date	Pay Date	Cash Distribution	Ordinary Dividend	Qualified Dividend⁽¹⁾	Long-Term Capital Gain	Return Capital
4Q13 ⁽²⁾	12/30/13	01/31/14	0.503125	0.465041	0.001532	0.038084	0.000000
1Q14	03/25/14	04/30/14	0.503125	0.465041	0.001532	0.038084	0.000000
2Q14	06/24/14	07/31/14	0.503125	0.465041	0.001532	0.038084	0.000000
4Q14	09/29/14	10/31/14	0.503125	0.465041	0.001532	0.038084	0.000000
		Total	2.012500	1.860164	0.006128	0.152336	0.000000

(1) *Qualified Dividend is a subset of, and included in, the Ordinary Dividend amount.*

The entire 4Q13 Series C preferred stock distribution payment is being treated as

(2) received by stockholders in 2014.

Series D Preferred Stock Dividends

During 2014, taxable dividends for Newcastle's Series D preferred stock (CUSIP# 65105M405) were \$2.093752 per share. The following table summarizes the tax treatment for the 2014 Series D preferred stock distribution payments.

	Record Date	Pay Date	Cash Distribution	Ordinary Dividend	Qualified Dividend⁽¹⁾	Long-Term Capital Gain	Return of Capital
4Q13 ⁽²⁾	12/30/13	01/31/14	0.523438	0.483817	0.001594	0.039621	0.000000
1Q14	03/25/14	04/30/14	0.523438	0.483817	0.001594	0.039621	0.000000
2Q14	06/24/14	07/31/14	0.523438	0.483817	0.001594	0.039621	0.000000
3Q14	09/29/14	10/31/14	0.523438	0.483817	0.001594	0.039621	0.000000
		Total	2.093752	1.935268	0.006376	0.158484	0.000000

(1) Qualified Dividend is a subset of, and included in, the Ordinary Dividend amount.

The entire 4Q13 Series D preferred stock distribution payment is being treated as (2) received by stockholders in 2014.

THE FOLLOWING INFORMATION APPLIES TO (1) TAX-EXEMPT STOCKHOLDERS, (2) NON-U.S. STOCKHOLDERS, AND (3) U.S. STOCKHOLDERS WITH NET OPERATING LOSSES:

Of the amounts indicated above as taxable for 2014, 0.4942% may be classified as “excess inclusion income.” Excess inclusion income is treated as unrelated business taxable income for tax-exempt stockholders, and is generally subject to a 30% U.S. Federal withholding tax (without reduction under any otherwise applicable tax treaty) for non-U.S. stockholders. U.S. stockholders may not use net operating losses to offset excess inclusion income. Please consult your tax advisor regarding the proper tax treatment of excess inclusion income.

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.

ABOUT NEWCASTLE

Newcastle focuses on investing in, and actively managing, real estate related assets. Newcastle conducts its operations to qualify as a REIT for federal income tax purposes. Newcastle 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.