

February 2, 2012

DRIVE SHACK INC.

Newcastle Announces Tax Treatment of 2011 Dividends

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE: NCT) today announced the tax treatment of its 2011 common and preferred stock dividend payments.

Common Stock Dividends

During 2011, taxable dividends for Newcastle Investment Corp.'s common stock (CUSIP# 65105M-108) were \$0.40 per share. The entire fourth quarter 2011 common stock dividend was treated as having been received by shareholders and taxable for 2011. The following table summarizes the tax treatment for the 2011 common stock dividend payments.

	Declaration	Record	Pay	Cash	Taxable		Long-	Re
	Date	Date	Date	Distribution	As Ordinary	Qualified	Term Capital Gain	Ca
2nd Q 2011	06/17/11	07/05/11	07/29/11	0.100000	0.100000	0.000000	0.000000	0.00
3rd Q 2011	09/14/11	10/03/11	10/28/11	0.150000	0.150000	0.000000	0.000000	0.00
4th Q 2011	12/20/11	12/30/11	01/30/12	0.150000	0.150000	0.000000	0.000000	0.00
			Totals	0.400000	0.400000	0.000000	0.000000	0.00

Series B Preferred Stock Dividends

During 2011, taxable dividends for Newcastle Investment Corp.'s Series B preferred stock (CUSIP# 65105M-207) were \$4.265625 per share. The entire fourth quarter 2011 Series B preferred stock dividend was treated as having been received by shareholders and taxable for 2011. The following table summarizes the tax treatment for the 2011 Series B preferred stock dividend payments.

Declaration	Record	Pay	Cash	Taxable	Long-Term
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	Date	Date	Date	Distribution	As Ordinary	Qualified	Capital Gain	
4th Q 2010	1/6/2011	1/20/2011	1/31/2011	1.828125	1.828125	0.000000	0.000000	C
1st Q 2011	03/30/11	04/15/11	04/29/11	0.609375	0.609375	0.000000	0.000000	C
2nd Q 2011	06/17/11	07/05/11	07/29/11	0.609375	0.609375	0.000000	0.000000	C
3rd Q 2011	09/14/11	10/03/11	10/31/11	0.609375	0.609375	0.000000	0.000000	C
4th Q 2011	12/20/11	12/30/11	01/31/12	0.609375	0.609375	0.000000	0.000000	C
			Totals	4.265625	4.265625	0.000000	0.000000	C

Series C Preferred Stock Dividends

During 2011, taxable dividends for Newcastle Investment Corp.'s Series C preferred stock (CUSIP# 65105M-306) were \$3.521875 per share. The entire fourth quarter 2011 Series C preferred stock dividend was treated as having been received by shareholders and taxable for 2011. The following table summarizes the tax treatment for the 2011 Series C preferred stock dividend payments.

	Declaration Date	Record Date	Pay Date	Cash Distribution	Taxable As Ordinary	Qualified	Long- Term Capital Gain	
4th Q 2010	1/6/2011	1/20/2011	1/31/2011	1.509375	1.509375	0.000000	0.000000	C
1st Q 2011	03/30/11	04/15/11	04/29/11	0.503125	0.503125	0.000000	0.000000	C
2nd Q 2011	06/17/11	07/05/11	07/29/11	0.503125	0.503125	0.000000	0.000000	C
3rd Q 2011	09/14/11	10/03/11	10/31/11	0.503125	0.503125	0.000000	0.000000	C

4th
Q
2011

12/20/11	12/30/11	01/31/12	0.503125	0.503125	0.000000	0.000000	C
Totals			3.521875	3.521875	0.000000	0.000000	C

Series D Preferred Stock Dividends

During 2011, taxable dividends for Newcastle Investment Corp.'s Series D preferred stock (CUSIP# 65105M-405) were \$3.664065 per share. The entire fourth quarter 2011 Series D preferred stock dividend was treated as having been received by shareholders and taxable for 2011. The following table summarizes the tax treatment for the 2011 Series D preferred stock dividend payments.

	Declaration Date	Record Date	Pay Date	Cash Distribution	Taxable As Ordinary	Qualified	Long- Term Capital Gain	
4th Q 2010	1/6/2011	1/20/2011	1/31/2011	1.570313	1.570313	0.000000	0.000000	C
1st Q 2011	03/30/11	04/15/11	04/29/11	0.523438	0.523438	0.000000	0.000000	C
2nd Q 2011	06/17/11	07/05/11	07/29/11	0.523438	0.523438	0.000000	0.000000	C
3rd Q 2011	09/14/11	10/03/11	10/31/11	0.523438	0.523438	0.000000	0.000000	C
4th Q 2011	12/20/11	12/30/11	01/31/12	0.523438	0.523438	0.000000	0.000000	C
Totals				3.664065	3.664065	0.000000	0.000000	C

None of the amounts indicated above as taxable for 2011 are classified as "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 Investment Corp.

ABOUT NEWCASTLE

Newcastle Investment Corp. invests in real estate debt and other real estate related assets. Newcastle is organized and conducts its operations to qualify as a real estate investment trust (REIT) for federal income tax purposes. Newcastle is managed by an affiliate of Fortress Investment Group LLC, a global investment management firm. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit www.newcastleinv.com.

Newcastle Investment Corp.

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