

June 30, 2014

DRIVE SHACK INC.

Newcastle Completes \$186 Million Acquisition of Senior Housing Portfolio

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE:NCT; "Newcastle", the "Company") announced today it has completed the acquisition of 6 senior housing communities for a purchase price, excluding transaction costs, of \$186 million. The purchase price was funded with unrestricted cash at Newcastle. The 6 rental continuing care retirement communities ("CCRCs") consist of a total of 1,265 beds and are all located in Texas.

Concurrent with the acquisition, Newcastle entered into a triple-net master lease agreement with a subsidiary of Lifecare Companies LLC ("LCS"). The lease has an initial term of 15 years with two 5-year renewal options. The initial cash lease yield is 7.6% with 3.75% increases in years 2 to 4 and 2.50% in years 5 to 15.

LCS was established in 1971 and is a leading manager of CCRCs throughout the United States.

Newcastle has invested more than \$700 million of equity throughout the past 24 months to acquire 95 senior housing properties with over 11,900 beds, totaling over \$1.8 billion in assets.

ABOUT NEWCASTLE

The Company focuses on investing in, and actively managing, real estate related assets and primarily invests in: (1) Senior Housing Assets (2) Real Estate Debt and (3) Golf & Other Investments. 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.

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