

January 31, 2014

**DRIVE SHACK INC.**

## Newcastle Announces Tax Treatment of 2013 Dividends

NEW YORK--(BUSINESS WIRE)-- Newcastle Investment Corp. (NYSE:NCT, "Newcastle") today announced the tax treatment of its 2013 common and preferred stock distribution payments.

### Common Stock Dividends

During 2013, taxable dividends for Newcastle's common stock (CUSIP# 65105M108) were \$2.502696 per share. The entire fourth quarter 2013 common stock distribution payment will be treated as having been received by shareholders in 2014. The following table summarizes the tax treatment for the 2013 common stock distribution payments.

	<u>Record Date</u>	<u>Pay Date</u>	<u>Distribution</u>	<u>Form</u>	<u>Taxable As Ordinary</u>	<u>Qualified</u>	<u>Long-Term Capital Gain</u>	<u>Return of Capital</u>
1Q13	03/25/13	04/30/13	0.220000	Cash	0.074606	0.000000	0.000000	0.145394
NRZ <sup>(1)</sup>	05/06/13	05/15/13	6.890000	Stock	2.336528	0.000000	0.000000	4.553472
2Q13	06/13/13	07/31/13	0.170000	Cash	0.057650	0.000000	0.000000	0.112350
3Q13	09/26/13	10/31/13	0.100000	Cash	0.033912	0.000000	0.000000	0.066088
		Total	7.380000	Cash/ Stock	2.502696	0.000000	0.000000	4.877304

*(1) Represents the May 15, 2013 common stock distribution of New Residential Investment Corp.'s common shares.*

### Series B Preferred Stock Dividends

During 2013, taxable dividends for Newcastle's Series B preferred stock (CUSIP# 65105M207) were \$1.828125 per share. The entire fourth quarter 2013 Series B preferred stock distribution payment will be treated as having been received by shareholders in 2014. The following table summarizes the tax treatment for the 2013 Series B preferred stock distribution payments.

	<u>Record Date</u>	<u>Pay Date</u>	<u>Cash Distribution</u>	<u>Taxable As Ordinary</u>	<u>Qualified</u>	<u>Long-Term Capital Gain</u>	<u>Return of Capital</u>
1Q13	03/25/13	04/30/13	0.609375	0.609375	0.000000	0.000000	0.000000
2Q13	06/13/13	07/31/13	0.609375	0.609375	0.000000	0.000000	0.000000
3Q13	09/26/13	10/31/13	0.609375	0.609375	0.000000	0.000000	0.000000
		Total	1.828125	1.828125	0.000000	0.000000	0.000000

### Series C Preferred Stock Dividends

During 2013, taxable dividends for Newcastle's Series C preferred stock (CUSIP# 65105M306) were \$1.509375 per share. The entire fourth quarter 2013 Series C preferred stock distribution payment will be treated as having been received by shareholders in 2014.

The following table summarizes the tax treatment for the 2013 Series C preferred stock distribution payments.

	<b>Record Date</b>	<b>Pay Date</b>	<b>Cash Distribution</b>	<b>Taxable As Ordinary</b>	<b>Qualified</b>	<b>Long-Term Capital Gain</b>	<b>Return of Capital</b>
1Q13	03/25/13	04/30/13	0.503125	0.503125	0.000000	0.000000	0.000000
2Q13	06/13/13	07/31/13	0.503125	0.503125	0.000000	0.000000	0.000000
3Q13	09/26/13	10/31/13	0.503125	0.503125	0.000000	0.000000	0.000000
		<b>Total</b>	1.509375	1.509375	0.000000	0.000000	0.000000

### **Series D Preferred Stock Dividends**

During 2013, taxable dividends for Newcastle's Series D preferred stock (CUSIP# 65105M405) were \$1.570314 per share. The entire fourth quarter 2013 Series D preferred stock distribution payment will be treated as having been received by shareholders in 2014. The following table summarizes the tax treatment for the 2013 Series D preferred stock distribution payments.

	<b>Record Date</b>	<b>Pay Date</b>	<b>Cash Distribution</b>	<b>Taxable As Ordinary</b>	<b>Qualified</b>	<b>Long-Term Capital Gain</b>	<b>Return of Capital</b>
1Q13	03/25/13	04/30/13	0.523438	0.523438	0.000000	0.000000	0.000000
2Q13	06/13/13	07/31/13	0.523438	0.523438	0.000000	0.000000	0.000000
3Q13	09/26/13	10/31/13	0.523438	0.523438	0.000000	0.000000	0.000000
		<b>Total</b>	1.570314	1.570314	0.000000	0.000000	0.000000

*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 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.