

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 11, 2004
(February 12, 2004)

Newcastle Investment Corp.

(Exact Name of Registrant as Specified in Charter)

Maryland	001-31458	81-0559116
----- (State or other jurisdiction of incorporation)	----- (Commission File Number)	----- (IRS Employer Identification No.)

1251 Avenue of the Americas, 16th Floor, New York, NY	10020
----- (Address of Principal Executive Offices)	----- (Zip Code)

Registrant's telephone number, including area code (212) 798-6100

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

Exhibit Reference Number	Exhibit Description
-----	-----
99.1	Press Release, dated February 11, 2004, issued by Newcastle Investment Corp.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On February 11, 2004, Newcastle Investment Corp. (the "Company") announced its results of operations for the quarter ended December 31, 2003. A copy of the related press release is being filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The press release includes the non-GAAP financial measure, "FFO." The Company believes FFO is one appropriate measure of the operating performance of real estate companies because it provides investors with information regarding its ability to service debt and make capital expenditures. The Company also believes that FFO is an appropriate supplemental disclosure of operating performance for a REIT due to its widespread acceptance and use within the REIT and analyst communities. Furthermore, FFO is used to compute the Company's incentive compensation to its manager. FFO, for the Company's purposes, represents net income available for common stockholders (computed in accordance with GAAP), excluding extraordinary items, plus real estate depreciation, and after adjustments for unconsolidated subsidiaries, if any. The Company considers gains and losses on resolution of its investments to be a normal part of its recurring operations and therefore do not exclude such gains and losses when arriving at FFO. Adjustments for unconsolidated subsidiaries, if any, are calculated to reflect FFO on the same basis. FFO does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative to net income as an indicator of our operating performance or as an alternative to cash flow as a measure of liquidity and is not necessarily indicative of cash available to fund cash needs. The Company's calculation of FFO may be different from the calculation used by other companies and, therefore, comparability may be limited. Reconciliation to the related GAAP measure is included in Exhibit 99.1 to this report.

The information furnished pursuant to this Current Report on Form 8-K

(including the exhibits hereto) shall not be considered "filed" under the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference into future filings by the Company under the Securities Act of 1933, as amended or under the Securities Exchange Act of 1934, as amended, unless the Company expressly sets forth in such future filing that such information is to be considered "filed" or incorporated by reference therein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEWCASTLE INVESTMENT CORP.

(Registrant)

Date: February 12, 2004

By: /s/ Randal A. Nardone

Name: Randal A. Nardone

Title: Secretary

EXHIBIT INDEX

Exhibit No. - - - - -	Description - - - - -
99.1	Press Release, dated February 11, 2004, issued by Newcastle Investment Corp.

Contact:
Lilly H. Donohue
Director of Investor Relations
212-798-6118

FOR IMMEDIATE RELEASE

Newcastle Announces Fourth Quarter and Year End 2003 Results

Year End 2003 Highlights

- Total assets ended at \$3.5 billion, a \$1.9 billion increase from December 31, 2002.
- Common equity book value totaled \$476.9 million, or \$15.20 per common share, up 25.6% from December 31, 2002.
- FFO of \$54.4 million, or \$2.08 per diluted common share.
- Income available for common stockholders of \$51.3 million, or \$1.96 per diluted common share.
- FFO return on average invested common equity was 16.4%.
- Declared total dividends of \$1.95 per share of common stock.

Fourth Quarter 2003 Highlights

- FFO of \$16.2 million, or \$0.55 per diluted common share, up 21% from fourth quarter 2002.
- Income available for common stockholders of \$15.4 million, or \$0.52 per diluted common share, up 21% from fourth quarter 2002.
- FFO return on average invested common equity of 16.7%.
- Record investment activity in the fourth quarter of \$873 million.
- Declared dividend of \$0.50 per share of common stock.
- Issued approximately 3.28 million shares of common stock in December 2003, raising net proceeds of approximately \$75 million.

New York, NY. February 11, 2004 - Newcastle Investment Corp. (NYSE: NCT) reported that for the quarter ended December 31, 2003, Funds from Operations ("FFO") were \$16.2 million, or \$0.55 per diluted common share, up from \$10.3 million, or \$0.45 per diluted common share for the quarter ended December 31, 2002. FFO for the year ended December 31, 2003 was \$54.4 million, or \$2.08 per diluted common share. The Company generated a FFO return on average invested common equity of 16.7% for the fourth quarter 2003 and 16.4% for the year ended December 31, 2003.

For the three months ended December 31, 2003, income available for common stockholders was \$15.4 million, or \$0.52 per diluted common share, compared with \$9.7 million, or \$0.43 per diluted common share, in the fourth quarter 2002. For the year ended December 31, 2003, income available for common stockholders was \$51.3 million or \$1.96 per diluted common share. For the quarter ended December 31, 2003, Newcastle declared a dividend of \$0.50 per share of common stock. Dividends declared in 2003 totaled \$1.95 per common share.

Our GAAP common equity book value was \$476.9 million at December 31, 2003. For the year ended December 31, 2003, the Company's assets increased over 100%, with total assets at the end of the year of \$3.5 billion, up from \$1.6 billion at December 31, 2002.

For a reconciliation and discussion of GAAP net income to FFO and GAAP book equity to invested common equity, please refer to the tables following the presentation of GAAP results.

Selected Financial Data
(in thousands)

<TABLE>
<CAPTION>

Operating Data (Unaudited):	Three Months Ended December 31, 2003 -----	Year Ended December 31, 2003 -----
<S>	<C>	<C>
Funds from operations	\$ 16,179	\$ 54,380
Income available for common stockholders	\$ 15,369	\$ 51,345
	As of December 31, 2003 (Unaudited) -----	As of December 31, 2002 -----
Balance Sheet Data:		
Total real estate and other securities	\$ 2,330,830	\$ 1,118,878
Total assets	\$ 3,533,081	\$ 1,572,567

CBO bond obligations	\$ 1,793,533	\$ 868,497
Common stockholders' equity	\$ 476,863	\$ 284,241
Preferred stock	\$ 62,500	-

Supplemental Total Real Estate and Other Securities Data as of December 31, 2003 (Unaudited):

Weighted average asset yield	6.78%
Weighted average liability cost	4.53%
Weighted average net spread	2.25%
Weighted average credit rating	BBB
Weighted average asset credit spread	3.23%
Percentage investment grade	79%
Number of securities	304

</TABLE>

Wesley R. Edens, Chairman and Chief Executive Officer, commented, "We are pleased with our results for the quarter and the year. Newcastle has achieved consistent returns on equity despite having cash on our balance sheet throughout 2003. Our assets have increased by \$1.9 billion for the year with significant investment activity in the fourth quarter. The Company's recent transactions continue to reflect our core expertise and business strategy of investing primarily in debt investments backed by real estate with an emphasis on asset quality, diversification, match funded financing and rigorous credit management."

Capital Markets Activity

Newcastle filed a Form S-3 shelf registration statement with the Securities and Exchange Commission on October 9, 2003. The shelf registration was declared effective on November 3, 2003 and allows the Company to issue various types of securities, such as common stock, preferred stock, depository shares, debt securities and warrants, from time to time, up to an aggregate of \$750 million.

In December 2003, Newcastle issued approximately 3.28 million shares of common stock through a direct placement to an institutional investor, raising net proceeds of approximately \$75 million. In addition, Newcastle issued 3.3 million shares of common stock for net proceeds of approximately \$86 million through an underwritten public offering in January 2004.

Mr. Edens commented, "Our shelf registration has allowed us to more efficiently manage our balance sheet and raise capital at a lower cost. With the completion of these offerings, Newcastle now has over \$600 million of equity capital supporting its assets. We expect to be fully invested by the end of the first quarter."

Fourth Quarter Investment Activity

During the fourth quarter, we purchased or committed to purchase approximately \$873 million in face amount of real estate securities, real estate related loans and residential mortgage loans. In addition, we sold approximately \$50 million of securities with an average credit rating of A-.

Real estate securities. Approximately \$558 million of total purchases were real estate securities and have an average credit rating of BBB. Approximately \$226 million of these securities were asset backed securities collateralized by loans on manufactured homes with an average rating of BBB+ and weighted average principal credit support of 20.4%.

Real estate related loans. Approximately \$144 million of total purchases was real estate related loans, of which \$100 million was a BB rated participation in a \$525 million term loan facility to an entity which owns interests in a diverse portfolio of credit leased operating real estate.

Residential mortgage loans. Residential mortgage loans represent \$171 million of total purchases. These loans are adjustable rate LIBOR mortgage loans to high quality borrowers with strong credit scores.

Real Estate Securities

As of December 31, 2003, our aggregate \$2.3 billion real estate securities portfolio was well diversified with 304 securities, of which 79% were fixed rate securities with a weighted average life of 7.3 years and the remaining 21% were floating rate securities with a weighted average life of 2.4 years. The portfolio consisted of 59% commercial mortgage backed securities, 24% senior unsecured REIT debt and 17% asset backed securities. As of December 31, 2003, the average credit quality of our aggregate real estate securities portfolio was BBB and 79% of the real estate securities were rated investment grade. Our average investment size was \$7.4 million and our largest investment in a single security was \$62 million. The weighted average credit spread was 3.23% as of December 31, 2003, up from 2.89% at September 30, 2003. The weighted average credit spread represents the yield premium on our securities

over the comparable US Treasury rate or LIBOR.

To date, we have committed to purchase approximately \$300 million of real estate securities for our next real estate securities portfolio. Kenneth Riis, Newcastle's President, noted that "We expect to term finance this portfolio to lock in our net spread through the issuance of our fifth CDO. With credit spreads at historic lows, we are focused on pricing our debt within the next 30 days."

The Company's business strategy is to invest in a diverse portfolio of moderately credit sensitive real estate debt investments. Our business model is to lock in the difference between the yield on our assets and the cost of our liabilities and optimize this difference, which we refer to as "net spread." Newcastle seeks to match fund these investments with respect to interest rates and maturities in order to minimize the impact of interest rate fluctuations on earnings, and to reduce the risk of refinancing our liabilities prior to the maturity of our assets. As of December 31, 2003, a 100 basis point change in short term interest rates would affect our earnings by no more than \$0.7 million per annum.

Our real estate securities portfolio continues to perform as expected. As of December 31, 2003, none of our owned securities had defaulted, and there have been no principal losses in our real estate securities portfolio to date. We continue to seek investments that will generate superior risk adjusted returns with a long-term objective of capital preservation and earnings stability in varying interest rate and credit cycles.

Conference Call

Management will conduct a conference call on February 12, 2004 to review the Company's fourth quarter financial results for the period ended December 31, 2003. The conference call is scheduled for 4:30 P.M. eastern time. All interested parties are welcome to participate on the live call. You can access the conference call by dialing (800) 230-1092 ten minutes prior to the scheduled start of the call; please reference "Newcastle Fourth Quarter 2003 Earnings Call." International callers should dial (612) 332-0226.

For those who are not available to listen to the live call, a replay will be available until 11:59 P.M. eastern time on Thursday, February 19, 2004 by dialing (800) 475-6701; please reference access code "720514." International callers should dial (320) 365-3844 to access the replay.

About Newcastle

Newcastle Investment Corp. invests in real estate securities 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. For more information on Newcastle Investment Corp. and to be added to our email distribution list, please visit www.newcastleinv.com.

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including statements relating to our ability to finance our portfolios of real estate securities. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements; Newcastle can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Newcastle's expectations include, but are not limited to, continued ability to source new investments which we deem suitable for this portfolio and changes in the capital markets, including changes in interest rates and/or credit spreads; and other risks detailed from time to time in Newcastle's SEC reports. Such forward-looking statements speak only as of the date of this press release. Newcastle expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Newcastle Investment Corp.
Consolidated Statement of Operations
(In thousands, except per share amounts)

<TABLE>
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	Three Months Ended December 31, 2003	Year December
Ended Revenues 31, 2003	(Unaudited)	December

<S>	<C>	<C>
Interest income	\$ 44,916	\$
134,669		
Rental and escalation income	5,514	
21,330		
Gain on settlement of investments	4,132	
13,179		
---	-----	-----
	54,562	
169,178		
Expenses		
Interest expense	27,661	
81,561		
Property operating expense	2,288	
9,015		
Loan and security servicing expense	566	
2,154		
General and administrative expense	1,761	
4,030		
Management fee to affiliate	1,931	
6,468		
Incentive compensation to affiliate	1,834	
6,226		
Depreciation and amortization	609	
2,260		
---	-----	-----
	36,650	
111,714		

Income before equity in earnings of unconsolidated subsidiaries	17,912	
57,464		
Equity in earnings of unconsolidated subsidiaries	862	
862		
---	-----	-----
Income from continuing operations	18,774	
58,326		
Income (loss) from discontinued operations	(1,882)	
(2,208)		
---	-----	-----
Net income	16,892	
56,118		
Preferred dividends	(1,523)	
(4,773)		
----	-----	-----
Income available for common stockholders	\$ 15,369	\$
51,345		
=====	=====	
Net income per share of common stock		
Basic	\$ 0.53	\$
1.98		
Diluted	\$ 0.52	\$
1.96		
Income from continuing operations, after preferred dividends, per share of common stock		
Basic	\$ 0.59	\$
2.07		
Diluted	\$ 0.58	\$
2.05		
Income (loss) from discontinued operations per share of common stock		
Basic	\$ (0.06)	\$
(0.09)		
Diluted	\$ (0.06)	\$
(0.09)		
Weighted average number shares of common stock outstanding		
Basic	29,197,346	
25,898,288		
Diluted	29,562,752	
26,140,777		

</TABLE>

(In thousands)

	As of December 31, 2003 (Unaudited)	As of December 31,
Assets 2002		
-----	-----	-----
<S>	<C>	<C>
Real estate securities, available for sale	\$ 2,089,712	\$ 1,069,892
Real estate securities portfolio deposit	19,541	37,777
Other securities, available for sale	221,577	11,209
Real estate related loans, net	341,193	-
Investments in unconsolidated subsidiaries	30,640	-
Residential mortgage loans, net	586,237	258,198
Operating real estate, net	102,995	113,652
Real estate held for sale	29,404	3,471
Cash and cash equivalents	60,403	45,463
Restricted cash	13,132	10,380
Deferred costs, net	10,304	6,489
Receivables and other assets	27,943	16,036
	-----	-----
	\$ 3,533,081	\$ 1,572,567
	=====	=====
Liabilities and Stockholders' Equity		
CBO bonds payable	\$ 1,793,533	\$ 868,497
Other bonds payable	260,674	37,389
Notes payable	154,562	62,952
Repurchase agreements	715,783	248,169
Derivative liabilities	32,457	54,095
Dividends payable	16,703	9,161
Due to affiliates	2,445	1,335
Accrued expenses and other liabilities	17,561	6,728
	-----	-----
	2,993,718	1,288,326
	-----	-----
Stockholders' Equity		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized, 2,500,000 shares of Series B Cumulative Redeemable Preferred Stock, liquidation preference \$25.00 per share, issued and outstanding at December 31, 2003	62,500	-
Common stock, \$0.01 par value, 500,000,000 shares authorized, 31,374,833 and 23,488,517 shares issued and outstanding at December 31, 2003 and December 31, 2002, respectively	314	235
Additional paid-in capital	451,806	290,935
Dividends in excess of earnings	(14,670)	(13,966)
Accumulated other comprehensive income	39,413	7,037
	-----	-----
	539,363	284,241
	-----	-----
	\$ 3,533,081	\$ 1,572,567
	=====	=====

</TABLE>

Newcastle Investment Corp.
Reconciliation of GAAP Net Income to FFO
(In thousands)
(Unaudited)

	Three Months Ended December 31, 2003	Year Ended December 31, 2003
<S>	<C>	<C>
Net income available for common stockholders	\$ 15,369	\$ 51,345
Operating real estate depreciation	810	3,035
Funds from operations ("FFO")	\$ 16,179	\$ 54,380

</TABLE>

We believe FFO is one appropriate measure of the operating performance of real estate companies because it provides investors with information regarding our ability to service debt and make capital expenditures. We also believe that

FFO is an appropriate supplemental disclosure of operating performance for a REIT due to its widespread acceptance and use within the REIT and analyst communities. Furthermore, FFO is used to compute our incentive compensation to our manager. FFO, for our purposes, represents net income available for common stockholders (computed in accordance with GAAP), excluding extraordinary items, plus real estate depreciation, and after adjustments for unconsolidated subsidiaries, if any. We consider gains and losses on resolution of our investments to be a normal part of our recurring operations and therefore do not exclude such gains and losses when arriving at FFO. Adjustments for unconsolidated subsidiaries, if any, are calculated to reflect FFO on the same basis. FFO does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative to net income as an indicator of our operating performance or as an alternative to cash flow as a measure of liquidity and is not necessarily indicative of cash available to fund cash needs. Our calculation of FFO may be different from the calculation used by other companies and, therefore, comparability may be limited.

Newcastle Investment Corp.

Reconciliation of GAAP Book Equity to Invested Common Equity
(In thousands)
(Unaudited)

	December 31, 2003

Book equity	\$ 539,363
Preferred stock	(62,500)
Accumulated depreciation on operating real estate	11,302
Accumulated other comprehensive income	(39,413)
Invested common equity	\$ 448,752