

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): July 30, 2004 (July 28, 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 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 28, 2004, Newcastle Investment Corp. (the "Company") announced its results of operations for the quarter ended June 30, 2004. A copy of the related press release is attached hereto as Exhibit 99.1.

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: July 30, 2004

By: /s/ Randal A. Nardone

Name: Randal A. Nardone
Title: Secretary

EXHIBIT INDEX

Exhibit No.	Description
-----	-----
99.1	Press Release, dated July 28, 2004, issued by Newcastle Investment Corp.

[GRAPHIC OMITTED]

NEWCASTLE INVESTMENT CORP.

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

FOR IMMEDIATE RELEASE

Newcastle Announces Second Quarter 2004 Results

Second Quarter Highlights

- Income available for common stockholders of \$21.7 million, or \$0.59 per diluted common share, up 18% from the second quarter 2003 on a per diluted common share basis.
- Declared dividend of \$0.60 per share of common stock.
- Issued 3.45 million shares of common stock in May 2004, raising net proceeds of approximately \$87.1 million.

New York, NY. July 28, 2004 - Newcastle Investment Corp. (NYSE: NCT) reported that for the quarter ended June 30, 2004, Funds from Operations ("FFO") were \$18.7 million, or \$0.51 per diluted common share, as compared to \$12.6 million, or \$0.53 per diluted common share for the quarter ended June 30, 2003. FFO excluding the effect of the sale of certain real estate properties held for sale was \$22.4 million, or \$0.61 per diluted share. Approximately \$3.5 million or \$0.09 per diluted share of the difference relates to the reversal of accumulated depreciation from this sale. The Company generated a FFO return on average invested common equity of 12.8% for the second quarter 2004 and 16.1% excluding the sale of such real estate.

For the three months ended June 30, 2004, income available for common stockholders was \$21.7 million, or \$0.59 per diluted common share compared with \$11.9 million, or \$0.50 per diluted common share, in the second quarter 2003. Second quarter 2004 results include a \$0.01 per diluted share net loss from the sale of certain real estate properties held for sale.

For the quarter ended June 30, 2004, Newcastle declared a dividend of \$0.60 per share of common stock.

Our common equity book value per share decreased to \$16.71 at June 30, 2004 from \$16.74 at March 31, 2004. GAAP common equity book value was \$638.8 million at June 30, 2004 compared with \$581.0 million at March 31, 2004.

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>
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	Three Months Ended June 30, 2004 -----	Three Months Ended June 30, 2003 -----
Operating Data (Unaudited):		
<S>	<C>	<C>
Funds from operations	\$ 18,699	\$ 12,649
Income available for common stockholders	\$ 21,651	\$ 11,893
	As of June 30, 2004 (Unaudited) -----	As of December 31, 2003 -----
Balance Sheet Data:		
Total real estate and other securities	\$ 2,768,192	\$ 2,330,830
Total assets	\$ 4,163,437	\$ 3,533,081
CBO bond obligations	\$ 2,205,404	\$ 1,793,533
Preferred stock	\$ 62,500	\$ 62,500
Common stockholders' equity	\$ 638,758	\$ 476,863

Supplemental Total Real Estate and Other
 Securities Data as of June 30, 2004 (Unaudited):

Weighted average asset yield	6.35%
Weighted average liability cost	4.38%
Weighted average net spread	1.97%
Weighted average credit rating	BBB-
Weighted average asset credit spread	3.01%
Percentage investment grade	71.3%
Number of securities	372

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Capital Markets Activity

In May 2004, Newcastle issued 3.45 million shares of common stock for net proceeds of approximately \$87 million through an underwritten public offering. The Company will use these proceeds to acquire real estate debt securities and other real estate related investments. Wesley R. Edens, Chairman and Chief Executive Officer, commented, "We are pleased with the second quarter results and our continued ability to access the capital markets. In a rising interest rate environment, we expect to be well positioned to opportunistically put capital to work and currently anticipate being fully invested by the end of the third quarter."

In July 2004, we refinanced \$342.5 million of the AAA and AA bonds in our first collateralized debt obligation which was issued in 1999, and will result in approximately \$1 million of interest cost savings for the next 12 months. \$322.5 million of AAA bonds were refinanced at LIBOR + 30 basis points from LIBOR + 65 basis points and \$20.0 million of AA bonds were refinanced at LIBOR + 50 basis points from LIBOR + 80 basis points.

Second Quarter Investment Activity

Kenneth Riis, Newcastle's President, noted that "We continue to find attractive opportunities to invest our capital. Today, we believe low investment grade real estate securities offer the best risk return profile. Credit spreads in the quarter remained relatively tight despite a 100 basis point increase in interest rates and strong CMBS issuance activity. BBB CMBS widened 10 basis points while below investment grade securities tightened 25 basis points."

During the second quarter, we purchased or committed to purchase approximately \$416 million in face amount of real estate securities and mortgage loans.

Real estate securities. Purchased approximately \$278 million of real estate securities with an average credit rating of BBB-. Approximately \$153 million of these securities were commercial mortgage backed securities, \$82 million of REIT debt and \$43 million of asset backed securities. In addition, we sold approximately \$49 million of real estate securities with an average credit rating of A-.

Mortgage loans. Residential mortgage loans represent \$138 million of total purchases. These loans are adjustable rate LIBOR mortgage loans to high quality borrowers with strong credit scores.

Operating real estate. We completed the sale of five real estate properties located in Belgium, previously classified as held for sale, for \$29 million. Upon sale of real estate, accumulated depreciation is reversed for purposes of calculating FFO. As a result of this sale, we recorded a net FFO loss of \$3.7 million, or \$0.10 per diluted share, comprised of \$0.09 per diluted share (\$3.5 million) relating to the reversal of accumulated depreciation and a net realized loss of \$0.01 per diluted share (\$0.2 million).

The Company entered into an agreement with a major investment bank in May that gives us the ability to purchase commercial mortgage backed securities, REIT debt, real estate loans and asset backed securities for our sixth real estate securities portfolio which is targeted to be \$500 million. As of July 28, 2004, we have accumulated approximately \$300 million face amount of securities and we expect to permanently finance this portfolio in the third quarter.

Real Estate Securities

As of June 30, 2004, our aggregate \$2.8 billion real estate securities portfolio was well diversified with 372 securities, of which 75% were fixed rate securities with a weighted average maturity of 7.27 years and the remaining 25% were floating rate securities with a weighted average maturity of 2.54 years. The portfolio consisted of 59% commercial mortgage backed securities, 24% senior unsecured REIT debt and 17% asset backed securities. As of June 30, 2004, the average credit quality of our aggregate real estate securities portfolio was BBB- and 71% of the real estate securities were rated investment grade. Our average investment size was \$7 million and our largest investment in a single security was \$59 million. The weighted average credit spread was 3.01% as of June 30, 2004. The weighted average credit spread represents the yield premium on our securities over the comparable US Treasury rate or LIBOR.

The Company's core 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. The weighted average maturity of our real estate securities and their related liabilities was 6.07 years and 6.44 years. Mr. Riis noted that "Our business is built on the foundation of generating stable cash flows to support our dividends to stockholders. As of June 30, 2004, an immediate 100 basis point increase in interest rates would affect our earnings by less than a penny per share or \$350,000 per annum."

Our real estate securities portfolio continues to perform as expected. As of June 30, 2004, 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 July 29, 2004 to review the Company's second quarter financial results for the period ended June 30, 2004. The conference call is scheduled for 3:00 P.M. eastern time. All interested parties are welcome to participate on the live call. You can access the conference call by dialing (800) 230-1093 ten minutes prior to the scheduled start of the call; please reference "Newcastle Second Quarter 2004 Earnings Call." International callers should dial (612) 332-0228.

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 Friday, August 6, 2004 by dialing (800) 475-6701; please reference access code "739884." 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. or 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 invest existing cash balances, our ability to finance our next portfolio of real estate securities and the performance of our real estate securities portfolio. 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, our continued ability to source new investments, including securities which we deem suitable for our securities portfolios; changes in the capital markets, including changes in interest rates and/or credit spreads; changes in particular sectors of the economy which might adversely affect the credit quality of our securities portfolios and thereby their performance; 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.

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Newcastle Investment Corp.
Consolidated Statements of Income
(dollars in thousands, except share data)
(Unaudited)

Ended	Three Months Ended		Six Months
	June 30,		June 30,
	-----		-----
-			
Revenues	2004	2003	2004
2003	----	----	----

<S>	<C>	<C>	<C>	
<C>				
Interest income	\$ 56,142	\$ 30,805	\$ 105,172	\$
55,834				
Rental and escalation income	3,727	5,312	9,524	
10,225				

Gain on settlement of investments	4,446	3,628	9,582	
6,119				

	64,315	39,745	124,278	
72,178				

Expenses				
Interest expense	33,620	19,324	63,039	
33,681				
Property operating expense	1,806	2,203	4,197	
4,555				
Loan and security servicing expense	861	521	1,643	
923				
General and administrative expense	1,257	767	2,455	
1,597				
Management fee to affiliate	2,563	1,449	4,960	
2,754				
Incentive compensation to affiliate	1,236	1,626	3,610	
2,956				
Depreciation and amortization	519	496	1,072	
952				

	41,862	26,386	80,976	
47,418				

Income before equity in earnings of unconsolidated subsidiaries	22,453	13,359	43,302	
24,760				
Equity in earnings of unconsolidated subsidiaries	2,218	-	3,441	
-				

Income from continuing operations	24,671	13,359	46,743	
24,760				
Income (loss) from discontinued operations	(1,496)	58	(1,717)	
(240)				

Net income	23,175	13,417	45,026	
24,520				
Preferred dividends	(1,524)	(1,524)	(3,047)	
(1,727)				

Income Available For Common Stockholders	\$ 21,651	\$ 11,893	\$ 41,979	\$
22,793				
=====				
Net Income Per Share of Common Stock				
Basic	\$ 0.60	\$ 0.51	\$ 1.19	
\$ 0.97				
=====				
Diluted	\$ 0.59	\$ 0.50	\$ 1.17	
\$ 0.96				
=====				
Income from continuing operations, after preferred dividends, per share of common stock				
Basic	\$ 0.64	\$ 0.51	\$ 1.24	
\$ 0.98				
=====				
Diluted	\$ 0.63	\$ 0.50	\$ 1.22	
\$ 0.97				
=====				
Income (loss) from discontinued operations per share of common stock				
Basic	\$ (0.04)	\$ 0.00	\$ (0.05)	\$
(0.01)				

Diluted (0.01)	\$ (0.04)	\$ 0.00	\$ (0.05)	\$
Weighted average number shares of common stock outstanding				
Basic	36,160,778	23,488,652	35,281,696	
23,488,585				
Diluted	36,670,603	23,678,807	35,828,575	
23,649,521				
Dividends Declared per Common Share	\$ 0.60	\$ 0.50	\$ 1.20	\$
0.95				

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Newcastle Investment Corp.
Consolidated Balance Sheets
(dollars in thousands, except share data)

Assets	As of June 30, 2004 (Unaudited)	As of December 31, 2003
	-----	-----
<S>	<C>	<C>
Real estate securities, available for sale	\$ 2,510,159	\$ 2,089,712
Real estate securities portfolio deposit	18,741	19,541
Other securities, available for sale	239,292	221,577
Real estate related loans, net	378,377	341,193
Investments in unconsolidated subsidiaries	52,358	30,640
Operating real estate, net	88,008	102,995
Real estate held for sale	11,119	29,404
Residential mortgage loans, net	674,149	586,237
Cash and cash equivalents	131,435	60,403
Restricted cash	14,422	13,132
Deferred costs, net	7,751	10,304
Derivative assets	9,488	-
Receivables and other assets	28,138	27,943
	-----	-----
	\$ 4,163,437	\$ 3,533,081
	-----	-----
Liabilities and Stockholders' Equity		
Liabilities		
CBO bonds payable	\$ 2,205,404	\$ 1,793,533
Other bonds payable	248,339	260,674
Notes payable	162,660	154,562
Repurchase agreements	806,102	715,783
Derivative liabilities	-	32,457
Dividends payable	23,956	16,703
Due to affiliates	4,550	2,445
Accrued expenses and other liabilities	11,168	17,561
	-----	-----
	3,462,179	2,993,718
	-----	-----
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	62,500	62,500
Common stock, \$0.01 par value, 500,000,000 shares authorized, 38,234,481 and 31,374,833 shares issued and outstanding at June 30, 2004 and December 31, 2003, respectively	382	314
Additional paid-in capital	626,112	451,806
Dividends in excess of earnings	(16,458)	(14,670)
Accumulated other comprehensive income	28,722	39,413
	-----	-----
	701,258	539,363
	-----	-----
	\$ 4,163,437	\$ 3,533,081
	=====	=====

</TABLE>

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

	Three Months Ended June 30, 2004 -----	Three Months Ended June 30, 2003 -----
<S>	<C>	<C>
Net income available for common stockholders	\$ 21,651	\$ 11,893
Operating real estate depreciation	517	756
Accumulated depreciation on operating real estate sold	(3,469)	-
	-----	-----
Funds from operations ("FFO")	\$ 18,699	\$ 12,649
	=====	=====
 Add back net FFO loss on sale of operating real estate	 3,721	

FFO excluding the effect of the sale of certain real estate properties held for sale	\$ 22,420	
	=====	

</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)

	June 30, 2004 -----
Book equity	\$ 701,258
Preferred stock	(62,500)
Accumulated depreciation on operating real estate	10,946
Accumulated other comprehensive income	(28,722)

Invested common equity	\$ 620,982
	=====