

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) April 28, 2005 (April 27, 2005)

Newcastle Investment Corp.

(Exact Name of Registrant as Specified in Charter)

Maryland ----- (State or other jurisdiction of incorporation)	001-31458 ----- (Commission File Number)	81-0559116 ----- (IRS Employer Identification No.)
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1251 Avenue of the Americas, 16th Floor, New York, NY ----- (Address of Principal Executive Offices)	10020 ----- (Zip Code)
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Registrant's telephone number, including area code (212) 798-6100

Not Applicable

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On April 27, 2005, Newcastle Investment Corp. (the "Company") announced its results of operations for the quarter ended March 31, 2005. 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.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release, dated April 27, 2005, issued by
Newcastle Investment Corp.

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: April 28, 2005

By: /s/ Randal A. Nardone

Name: Randal A. Nardone
Title: Secretary

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press Release, dated April 27, 2005, issued by Newcastle Investment Corp.

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

FOR IMMEDIATE RELEASE

Newcastle Announces First Quarter 2005 Results

First Quarter Highlights

- o Income available for common stockholders of \$27.2 million, or \$0.62 per diluted common share, up 6.9% from the first quarter 2004 on a per diluted common share basis.
- o \$749 million investment activity in the first quarter, a 66% increase over first quarter 2004.
- o Declared dividend of \$0.625 per share of common stock.
- o Issued 3.3 million shares of common stock, for net proceeds of approximately \$97 million.

New York, NY. April 27, 2005 - Newcastle Investment Corp. (NYSE: NCT) reported that for the quarter ended March 31, 2005, Funds from Operations ("FFO") were \$25.6 million, or \$0.59 per diluted common share, as compared to \$20.9 million, or \$0.60 per diluted common share for the quarter ended March 31, 2004. The FFO excluding the effect of the reversal of accumulated depreciation from the sale of a real estate property was \$27.4 million or \$0.63 per share. The Company generated an FFO return on average invested common equity of 13.52% for the first quarter 2005 and 14.50% excluding the reversal of accumulated depreciation.

For the three months ended March 31, 2005, income available for common stockholders was \$27.2 million, or \$0.62 per diluted common share compared with \$20.3 million, or \$0.58 per diluted common share, in the first quarter 2004.

For the quarter ended March 31, 2005, Newcastle declared a dividend of \$0.625 per share of common stock. The Board also declared a dividend on the Series B preferred stock of \$0.609 per share.

Our GAAP common equity book value per share increased to \$19.17 at March 31, 2005 from \$18.42 at December 31, 2004. GAAP common equity book value was \$839.0 million at March 31, 2005 compared with \$734.2 million at December 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)

Operating Data (Unaudited):	Three Months Ended March 31, 2005 -----	Three Months Ended March 31, 2004 -----
Funds from operations	\$25,623	\$ 20,910
Income available for common stockholders	27,161	20,328
Balance Sheet Data:	As of March 31, 2005 (Unaudited) -----	As of December 31, 2004 -----
Real estate securities	\$3,429,088	\$ 3,369,496
Real estate related loans	567,489	591,890
Total assets	5,274,335	4,932,720
CBO bond obligations	2,656,427	2,656,510
Common stockholders' equity	838,981	734,215
Preferred stock	62,500	62,500

Supplemental Real Estate Securities and Real Estate Related Loans Data (Unaudited)*:

	March 31, 2005 -----
Real estate securities and real estate related loans	\$ 3,798,608
Percentage of total assets	72%
Weighted average asset yield	6.35%
Weighted average liability cost	4.64%
Weighted average net spread	1.71%
Weighted average credit rating	BBB-
Weighted average asset credit spread	266

Percentage investment grade	70%
Number of securities and loans	456

* Current face amount excluding ICH loans (as disclosed in our SEC filings).

Capital Markets Activity

In January 2005, Newcastle issued 3.3 million shares of common stock, raising net proceeds of approximately \$97 million. The proceeds were used to acquire real estate securities and other real estate-related assets.

Wesley R. Edens, our Chairman and Chief Executive Officer, commented, "Newcastle continues to successfully access the equity and debt capital markets. Since our IPO in October 2002, we have raised a total of \$543 million in equity and issued approximately \$2.4 billion in term debt. Our latest CBO financing was priced at the tightest spread level to date, illustrating the success and market acceptance of Newcastle as a manager and issuer."

In April, we priced \$447 million of non-recourse investment grade debt to finance our seventh real estate securities and real estate related loan portfolio. Approximately 85%, or \$382 million, of the issued debt is rated AAA, which includes \$323 million of money market eligible notes. The CBO has an expected weighted average life of approximately 8.9 years. The average initial funding spread is 32 basis points over swaps or LIBOR which is 13 basis points lower than our prior CBO financing. The final portfolio is expected to total approximately \$500 million. To date, we have acquired, or entered into agreements to acquire, approximately 94% of the assets.

First Quarter Investment Activity

During the first quarter, we purchased or committed to purchase approximately \$749 million in face amount of investments, of which \$476 million was acquired on balance sheet. In addition, \$146 million was acquired for CBO VII through its warehouse agreement, \$100 million represented a bank loan (financed through a total rate of return swap) and \$27 million was acquired within our existing consolidated CBOs.

Real estate securities and real estate related loans. We purchased approximately \$421 million of real estate securities and real estate related loans with an average credit rating of BBB-. Approximately \$120 million of these securities were bank loans, \$115 million agency RMBS, \$100 million commercial mortgage backed securities and REIT debt, \$61 million asset backed securities and \$25 million B-Notes and mezzanine loans. In addition, we sold approximately \$28 million of real estate securities with an average credit rating of BBB-.

Residential mortgage loans. Manufactured housing loans represent \$328 million of total purchases. At the time of purchase, the weighted average coupon was 9.06%, the loans were approximately 47 months seasoned with an average remaining term of 256 months and the weighted average FICO score of the borrowers was over 700. All of the loans were current at the time of purchase.

Operating real estate. In the quarter, we closed on the sale of Fieldway, a Canadian property, for C\$14.3 million. As a result of this sale, we recorded a net income gain of \$0.5 million, or \$0.01 per diluted share and a net FFO loss of \$1.4 million, or \$0.03 per diluted share because upon sale of the real estate, accumulated depreciation is reversed for purposes of calculating FFO.

Kenneth Riis, our President, commented, "We continued to grow and diversify our investment portfolio in the first quarter. We successfully purchased a portfolio of manufactured housing loans that is generating attractive risk adjusted returns. In an environment where spreads are tight, we continue to source attractive investments to grow. Our total purchase commitments this quarter reflect a 66% increase over the first quarter in 2004."

Real Estate Securities and Real Estate Related Loans

As of March 31, 2005, our aggregate \$3.8 billion real estate securities and real estate related loan portfolio was well diversified with 456 securities and loans. Of such amount, 68% were fixed rate investments and the remaining 32% were floating rate. The portfolio consisted of 61% CMBS and REIT debt, 17% ABS, 10% B-Notes and mezzanine loans, 8% agency RMBS and 4% real estate loans and bank loans.

As of March 31, 2005, the average credit quality of our aggregate real estate securities and real estate related loan portfolio was BBB- and 70% of these investments were rated investment grade. Our average investment size was \$8.3 million and our largest single investment was \$85.3 million. The weighted average credit spread was 266 basis points as of March 31, 2005. The weighted average credit spread represents the yield premium on our investments over the comparable US Treasury rate or LIBOR.

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. The Company's real estate securities and real estate related loan portfolio and the respective liabilities have a weighted average life of 5.22 years and 5.36 years. As of March 31, 2005, a 100 basis point increase in short term interest rates would increase our earnings by \$871,000 per annum, or \$0.020 per share.

Our real estate securities and real estate related loan portfolio continues to perform as expected. 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 April 27, 2005 to review the Company's first quarter financial results for the period ended March 31, 2005. 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) 762-6568 ten minutes prior to the scheduled start of the call; please reference "Newcastle First Quarter 2005 Earnings." International callers should dial (480) 629-9037.

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 Wednesday, May 4, 2005 by dialing (800) 475-6701; please reference access code "779903." 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 source attractive investments 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, changes in investment opportunities present in the markets we operate in or our ability to access or finance such investment opportunities and 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.

<TABLE>

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

<CAPTION>

	Three Months Ended March 31,	
	----- 2005	2004 -----
Revenues		
<S>	<C>	<C>
Interest income	\$ 79,711	\$ 49,026
Rental and escalation income	1,264	1,147
	-----	-----
Gain on settlement of investments , net	1,976	5,136
	-----	-----
	82,951	55,309
	-----	-----
Expenses		
Interest expense	48,766	28,091

Property operating expense	693	640
Loan and security servicing expense	1,583	782
General and administrative expense	891	1,140
Management fee to affiliate	3,263	2,397
Incentive compensation to affiliate	1,972	2,374
Depreciation and amortization	136	113
	-----	-----
	57,304	35,537
	-----	-----
Income before equity in earnings of unconsolidated subsidiaries	25,647	19,772
Equity in earnings of unconsolidated subsidiaries	2,086	1,223
Income taxes on related taxable subsidiaries	(233)	-
	-----	-----
Income from continuing operations	27,500	20,995
Income from discontinued operations	1,184	856
	-----	-----
Net income	28,684	21,851
Preferred dividends	(1,523)	(1,523)
	-----	-----
Income Available For Common Stockholders	\$ 27,161	\$ 20,328
	=====	=====
Net Income Per Share of Common Stock		
Basic	\$ 0.63	\$ 0.59
	=====	=====
Diluted	\$ 0.62	\$ 0.58
	=====	=====
Income from continuing operations per share of common stock, after preferred dividends		
Basic	\$ 0.60	\$ 0.57
	=====	=====
Diluted	\$ 0.59	\$ 0.56
	=====	=====
Income from discontinued operations per share of common stock		
Basic	\$ 0.03	\$ 0.02
	=====	=====
Diluted	\$ 0.03	\$ 0.02
	=====	=====
Weighted Average Number Shares of Common Stock Outstanding		
Basic	43,221,792	34,401,800
	=====	=====
Diluted	43,629,078	34,976,378
	=====	=====
Dividends Declared per Share of Common Share	\$ 0.625	\$ 0.600
	=====	=====

</TABLE>

<TABLE>

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

<CAPTION>

of	As of	As
Assets	March 31, 2005	December
31, 2004	(Unaudited)	
	-----	-----
<S>	<C>	<C>
Real estate securities, available for sale	\$ 3,429,088	\$
3,369,496		
Real estate securities portfolio deposit	41,793	
25,411		
Real estate related loans, net	567,489	
591,890		
Investments in unconsolidated subsidiaries	37,264	
41,230		
Operating real estate, net	16,533	
57,193		
Real estate held for sale	41,365	
12,376		
Residential mortgage loans, net	888,979	
654,784		
Cash and cash equivalents	28,789	
37,911		
Restricted cash	128,763	
77,974		
Derivative assets	57,321	
27,122		
Receivables and other assets	36,951	
37,333	-----	-----

-----		\$ 5,274,335	\$
4,932,720		=====	
=====			
Liabilities and Stockholders' Equity			
Liabilities			
CBO bonds payable		\$ 2,656,427	\$
2,656,510			
Other bonds payable		436,509	
222,266			
Notes payable		586,680	
652,000			
Repurchase agreements		597,270	
490,620			
Derivative liabilities		23,718	
39,661			
Dividends payable		28,365	
25,928			
Due to affiliates		3,080	
8,963			
Accrued expenses and other liabilities		40,805	
40,057			
-----		-----	-----
		4,372,854	
4,136,005		-----	-----

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, 43,758,911 and 39,859,481 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively		438	
399			
Additional paid-in capital		781,659	
676,015			
Dividends in excess of earnings		(14,158)	
(13,969)			
Accumulated other comprehensive income		71,042	
71,770			
-----		-----	-----
		901,481	
796,715		-----	-----

		\$ 5,274,335	\$
4,932,720		=====	

</TABLE>

<TABLE>

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

<CAPTION>

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
	-----	-----
	<C>	<C>
Net income available for common stockholders	\$ 27,161	\$ 20,328
Operating real estate depreciation	291	582
Accumulated depreciation on operating real estate sold	(1,829)	-
	-----	-----
Funds from operations ("FFO")	\$ 25,623	\$ 20,910
	=====	=====

</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)

	March 31, 2005

Book equity	\$901,481
Preferred stock	(62,500)
Accumulated depreciation on operating real estate	2,986
Accumulated other comprehensive income	(71,042)

Invested common equity	\$770,925
	=====