

**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): May 17, 2013 (May 15, 2013)

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
(I.R.S. Employer
Identification Number)

1345 Avenue of the Americas, 46th Floor
New York, New York
(Address of principal executive offices)

10105
(Zip code)

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

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

Item 2.01. Completion of Acquisition or Disposition of Assets.

On May 16, 2013, Newcastle Investment Corp. (“Newcastle”) issued a press release announcing that its previously announced spin-off of New Residential Investment Corp. (“New Residential”) had been completed (the “Spin-off Transaction”). The Spin-off Transaction was effected as a taxable pro rata distribution by Newcastle of all of the outstanding shares of common stock of New Residential to the stockholders of record of Newcastle as of May 6, 2013. The stockholders of Newcastle received one share of New Residential common stock for each share of Newcastle common stock held. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) In connection with the Spin-off Transaction, equitable adjustments were made to Newcastle’s options. As of May 15, 2013 (the “Distribution Date”), each Newcastle option that was held by FIG LLC, Newcastle’s manager (the “Manager”), or by the directors, officers, employees, service providers, consultants and advisors of the Manager, was converted into an adjusted Newcastle option and a new New Residential option. The exercise price of each adjusted Newcastle option and New Residential option is being set to collectively maintain the intrinsic value of the Newcastle option immediately prior to the distribution and to maintain the ratio of the exercise price of the adjusted Newcastle option and the New Residential option, respectively, to the fair market value of the underlying shares as of the Distribution Date, in each case based on the five day average closing price subsequent to the Distribution Date. The remaining terms of the Newcastle options were unchanged.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information

The pro forma financial information specified in Article II of Regulation S-K is filed as Exhibit 99.2 hereto.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated May 16, 2013, announcing completion of the Spin-off Transaction.
99.2	Newcastle Investment Corp. Unaudited Pro Forma Financial Information.

SIGNATURE

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 thereunto duly authorized.

NEWCASTLE INVESTMENT CORP.

Date: May 17, 2013

By: /s/ Brian Sigman
Brian Sigman
President, Chief Financial Officer

EXHIBIT INDEX

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Investor Relations
(212) 479-3195

Newcastle Announces Completion of Spin-Off of New Residential

NEW YORK – (BUSINESS WIRE) – May 16, 2013 – Newcastle Investment Corp. (“Newcastle” or the “Company”) today announced that the spin-off of New Residential Investment Corp. (“New Residential”) was successfully completed on May 15, 2013. Starting today, New Residential will begin trading on the New York Stock Exchange under the symbol “NRZ.”

Holders of Newcastle common stock as of the record date, May 6, 2013, have been electronically issued one share of New Residential common stock for each share of Newcastle common stock held as of the record date.

ABOUT NEWCASTLE

Newcastle Investment Corp. focuses on opportunistically investing in, and actively managing, real estate related assets. The Company primarily invests in two distinct areas: (1) Real Estate Debt and (2) Senior Housing Assets. The Company is organized and 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.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial information was derived from the application of pro forma adjustments to the consolidated financial statements of Newcastle Investment Corp. and its subsidiaries (collectively, "Newcastle"). These unaudited pro forma condensed consolidated financial statements should be read in conjunction with the related notes to these financial statements and with Newcastle's historical consolidated financial statements and the related notes included in Newcastle's previous filings with the Securities and Exchange Commission.

The unaudited pro forma information set forth below reflects the historical information of Newcastle, as adjusted to give effect to the following transaction:

- A spin-off in which Newcastle would separate certain of its investments from the rest of its assets by distributing shares of common stock of New Residential Investment Corp. ("New Residential"), which is currently a wholly-owned subsidiary of Newcastle.

The unaudited pro forma condensed consolidated statements of operations give effect to the spin-off of New Residential as if the spin-off had occurred on January 1, 2012 based on New Residential's historical consolidated statement of operations. The unaudited pro forma condensed consolidated balance sheet assumes that the spin-off of New Residential occurred on March 31, 2013.

In the opinion of management, all adjustments necessary to reflect the effects of the potential transaction described above have been included and are based upon available information and assumptions that Newcastle believes are reasonable.

Further, the historical financial information presented herein has been adjusted to give pro forma effect to events that Newcastle believes are factually supportable and which are expected to have a continuing impact on Newcastle's results. However, such adjustments are estimates and may not prove to be accurate. Information regarding these adjustments is subject to risks and uncertainties that could cause actual results to differ materially from those anticipated.

These unaudited pro forma condensed consolidated financial statements are provided for information purposes only. The unaudited pro forma condensed consolidated statements of operations and the unaudited pro forma condensed consolidated balance sheet do not purport to represent what Newcastle's results of operations would have been had such transactions been consummated on the dates indicated, nor do they represent the financial position or results of operations of either Newcastle or New Residential for any future date or period.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
At March 31, 2013

	Newcastle Consolidated Historical (A)	Pro Forma Adjustments New Residential	Newcastle Consolidated Pro Forma
Assets			
Real estate securities, available-for-sale	\$2,495,473	\$ (1,598,868)(B)	\$ 896,605
Real estate related loans, held-for-sale, net	851,525	—	851,525
Residential mortgage loans, held-for-investment, net	317,708	(35,484)(C)	282,224
Residential mortgage loans, held-for-sale, net	2,380	—	2,380
Investments in excess mortgage servicing rights at fair value	236,555	(236,555)(C)	—
Investments in equity method investees at fair value	102,588	(102,588)(C)	—
Subprime mortgage loans subject to call option	406,115	—	406,115
Investments in real estate, net of accumulated depreciation	168,515	—	168,515
Intangibles, net of accumulated amortization	16,218	—	16,218
Other investments	24,907	—	24,907
Cash and cash equivalents	534,772	(429,553)(D)	105,219(H)
Restricted cash	11,494	—	11,494
Derivative assets	176	—	176
Receivables and other assets	27,577	(450)(C)	27,127
	<u>\$5,196,003</u>	<u>\$ (2,403,498)</u>	<u>\$ 2,792,505</u>
Liabilities and Stockholders' Equity			
Liabilities			
CDO bonds payable	\$1,015,560	\$ —	\$ 1,015,560
Other bonds and notes payable	173,723	—	173,723
Repurchase agreements	1,473,586	(1,182,212)(E)	291,374
Mortgage notes payable	120,525	—	120,525
Financing of subprime mortgage loans subject to call option	406,115	—	406,115
Junior subordinated notes payable	51,242	—	51,242
Derivative liabilities	26,612	—	26,612
Dividends payable	56,596	—	56,596
Due to affiliates	4,611	(938)(F)	3,673
Purchase price payable on investments in excess mortgage servicing rights	59	(59)(C)	—
Accrued expenses and other liabilities	17,875	(2,780)(C)	15,095
	<u>\$3,346,504</u>	<u>\$ (1,185,989)</u>	<u>\$ 2,160,515</u>
Stockholders' Equity			
Preferred stock	\$ 61,583	\$ —	\$ 61,583
Common stock	2,530	—	2,530
Additional paid-in capital	2,472,931	—	2,472,931
Accumulated deficit	(790,143)	(1,185,800)(G)	(1,975,943)
Accumulated other comprehensive income (loss)	102,598	(31,709)(C)	70,889
	<u>\$1,849,499</u>	<u>\$ (1,217,509)</u>	<u>\$ 631,990</u>
	<u>\$5,196,003</u>	<u>\$ (2,403,498)</u>	<u>\$ 2,792,505</u>

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

- (A) Represents Newcastle's historical consolidated balance sheet at March 31, 2013.
- (B) Represents the fair value of New Residential's real estate securities at March 31, 2013 adjusted to include securities owned by Newcastle at March 31, 2013 and contributed by Newcastle to New Residential subsequent to March 31, 2013.
- (C) Represents New Residential's assets, liabilities and accumulated other comprehensive income at March 31, 2013.
- (D) Represents New Residential's cash and cash equivalents at May 15, 2013 and the cash used to purchase a consumer loan portfolio, which was a part of New Residential's initial holdings, subsequent to March 31, 2013.
- (E) Represents New Residential's repurchase agreements at March 31, 2013 adjusted for the additional repurchase agreements to finance the real estate securities described in (B) above.
- (F) Represents a reduction of Newcastle's due to affiliates for the allocation of one month of accrued and unpaid management fees from Newcastle to New Residential.
- (G) Represents the distribution of New Residential common stock to Newcastle shareholders.
- (H) Represents Newcastle's cash and cash equivalents at March 31, 2013 adjusted to subtract New Residential's cash and cash equivalents at May 15, 2013 and the cash used to purchase a consumer loan portfolio, which was a part of New Residential's initial holdings, subsequent to March 31, 2013.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
Three Months Ended March 31, 2013

	Newcastle Consolidated Historical (A)	Pro Forma Adjustments New Residential (B)	Newcastle Consolidated Pro Forma
Interest income	\$ 71,367	\$ (16,191)	\$ 55,176
Interest expense	22,710	(899)	21,811
Net interest income	48,657	(15,292)	33,365
Impairment/(Reversal)			
Valuation allowance (reversal) on loans	2,234	—	2,234
Other-than-temporary impairment on securities	422	—	422
Portion of other-than-temporary impairment on securities recognized in other comprehensive income (loss), net of the reversal of other comprehensive loss into net income (loss)	117	—	117
	2,773	—	2,773
Net interest income after impairment/reversal	45,884	(15,292)	30,592
Other Revenues			
Rental income	12,887	—	12,887
Care and ancillary income	613	—	613
Total other revenues	13,500	—	13,500
Other Income (Loss)			
Gain (loss) on settlement of investments, net	(3)	—	(3)
Gain on extinguishment of debt	1,206	—	1,206
Change in fair value of investments in excess mortgage servicing rights	1,858	(1,858)	—
Change in fair value of investments in equity method investees	969	(969)	—
Other income (loss), net	4,567	—	4,567
	8,597	(2,827)	5,770
Expenses			
Loan and security servicing expense	1,034	—	1,034
Property operating expenses	8,363	—	8,363
General and administrative expense	6,911	(2,719)	4,192
Management fee to affiliate	9,565	(2,325)	7,240
Depreciation and amortization	4,079	—	4,079
	29,952	(5,044)	24,908
Income from continuing operations	38,029	(13,075)	24,954
Preferred dividends	(1,395)	—	(1,395)
Income from continuing operations after preferred dividends	\$ 36,634	\$ (13,075)	\$ 23,559
Income from continuing operations per share of common stock, after preferred dividends			
Basic	\$ 0.16		\$ 0.10
Diluted	\$ 0.15		\$ 0.10(C)
Weighted Average Number of Shares of Common Stock Outstanding			
Basic	235,136,756		235,136,756
Diluted	240,079,144		240,079,144(C)

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
12 Months Ended December 31, 2012

	Newcastle Consolidated Historical (A)	Pro Forma Adjustments New Residential (B)	Newcastle Consolidated Pro Forma
Interest income	\$ 310,459	\$ (33,759)	\$ 276,700
Interest expense	109,924	(704)	109,220
Net interest income	<u>200,535</u>	<u>(33,055)</u>	<u>167,480</u>
Impairment/(Reversal)			
Valuation allowance (reversal) on loans	(24,587)	—	(24,587)
Other-than-temporary impairment on securities	19,359	—	19,359
Portion of other-than-temporary impairment on securities recognized in other comprehensive income (loss), net of the reversal of other comprehensive loss into net income (loss)	(436)	—	(436)
	<u>(5,664)</u>	<u>—</u>	<u>(5,664)</u>
Net interest income after impairment/reversal	206,199	(33,055)	173,144
Other Revenues			
Rental income	17,081	—	17,081
Care and ancillary income	2,994	—	2,994
Total other revenues	<u>20,075</u>	<u>—</u>	<u>20,075</u>
Other Income (Loss)			
Gain (loss) on settlement of investments, net	232,897	—	232,897
Gain on extinguishment of debt	24,085	—	24,085
Change in fair value of investments in excess mortgage servicing rights	9,023	(9,023)	—
Other income (loss), net	13,712	(8,400)	5,312
	<u>279,717</u>	<u>(17,423)</u>	<u>262,294</u>
Expenses			
Loan and security servicing expense	4,260	—	4,260
Property operating expenses	12,943	—	12,943
General and administrative expense	22,942	(5,878)	17,064
Management fee to affiliate	24,693	(3,353)	21,340
Depreciation and amortization	6,975	—	6,975
	<u>71,813</u>	<u>(9,231)</u>	<u>62,582</u>
Income from continuing operations	434,178	(41,247)	392,931
Preferred dividends	(5,580)	—	(5,580)
Income from continuing operations after preferred dividends	<u>\$ 428,598</u>	<u>\$ (41,247)</u>	<u>\$ 387,351</u>
Income from continuing operations per share of common stock, after preferred dividends			
Basic	<u>\$ 2.97</u>		<u>\$ 2.69</u>
Diluted	<u>\$ 2.94</u>		<u>\$ 2.66(C)</u>
Weighted Average Number of Shares of Common Stock Outstanding			
Basic	<u>144,146,370</u>		<u>144,146,370</u>
Diluted	<u>145,766,413</u>		<u>145,766,413(C)</u>

**NOTES TO UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED STATEMENT OF OPERATIONS**

- (A) Represents Newcastle's historical consolidated statement of operations for the three months ended March 31, 2013 and the year ended December 31, 2012.
- (B) Represents New Residential's historical consolidated statement of operations for the three months ended March 31, 2013 and the year ended December 31, 2012.
- (C) Does not include potential additional diluted shares as a result of changes to outstanding Newcastle options from the spin-off. The number of additional diluted shares will depend on various factors, including the share prices of Newcastle and New Residential subsequent to the spin-off.