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): November 5, 2013 (November 1, 2013)

Newcastle Investment Corp.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

001-31458	**81-0559116**
(Commission File Number)	**(IRS Employer Identification No.)**
1345 Avenue of the Americas, 46th Floor **New York, New York**	**10105**
(Address of principal executive offices)	**(Zip Code)**

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

N/A
(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 Operation and Financial Condition.

On November 1, 2013, Newcastle Investment Corp. (the "Company") issued a press release announcing the Company's results for its fiscal quarter ended September 30, 2013. A copy of the Company's press release and a copy of the transcript of the related conference call are attached to this Current Report on Form 8-K (the "Current Report") as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein solely for purposes of this Item 2.02 disclosure.

This Current Report, including the exhibits attached hereto, is being furnished and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Exchange Act, unless expressly set forth as being incorporated by reference into such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press release, dated November 1, 2013, issued by Newcastle Investment Corp.
99.2	Transcript of conference call, dated November 1, 2013

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 hereunto duly authorized.

NEWCASTLE INVESTMENT CORP.
(Registrant)

/s/ Jonathan R. Brown

Jonathan R. Brown
Interim Chief Financial Officer and Principal Accounting Officer

Date: November 5, 2013

EXHIBIT INDEX

Exhibit Number	Description
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Exhibit 99.1

Contact:
Investor Relations
212-479-3195

NEWCASTLE ANNOUNCES THIRD QUARTER 2013 RESULTS

NEW YORK—(BUSINESS WIRE)—November 1, 2013—Newcastle Investment Corp. (NYSE:NCT; the "Company") today reported the following information for the quarter ended September 30, 2013:

- GAAP Income of $0.09 per diluted share
- Core Earnings of $0.08 per diluted share
- Declared common dividend of $0.10 per share, or $29 million
- GAAP book value of $2.74

The Company's third quarter GAAP Income was $27.8 million, or $0.09 per diluted share, and Core Earnings was $23.9 million, or $0.08 per diluted share.

	Q3 2013	Q2 2013 *(Pro forma excluding 45 days of New Residential earnings*)*
Summary Operating Results:		
GAAP Income	$27.8 million	$27.8 million
GAAP Income per Diluted Share	$0.09	$0.11
Non-GAAP Results:		
Core Earnings**	$23.9 million	$29.0 million
Core Earnings per Diluted Share**	$0.08	$0.11
GAAP Book Value:	$2.74	$2.73

For a reconciliation of GAAP Income to Core Earnings, please refer to the Reconciliation of Core Earnings and Pro forma Core Earnings table below.

* *"Newcastle excluding 45 days of New Residential earnings" excludes the 45 days of earnings in the three months ended June 30, 2013 generated by New Residential prior to New Residential's spin-off from Newcastle on May 15, 2013.*

** *The Company amended its definition of Core Earnings to exclude acquisition and spin-off related expenses in the third quarter of 2013. The calculation of Core Earnings has been retroactively adjusted for all periods presented.*

Had Newcastle's average uninvested cash balance of $120 million been invested at management's expected returns since the beginning of the quarter, and if GateHouse debt had converted to equity and GateHouse obtained the anticipated debt facility, the full quarter earnings would have increased by $11 million, or $0.04 per share.

Highlights for the quarter ended September 30, 2013:

- ***Senior Housing*** – Invested $101 million of equity to acquire $301 million of senior housing assets. For each investment, Newcastle is targeting a stabilized year three return of over 20%
- ***Media Assets***
  - Local Media Group – Invested $54 million to purchase Local Media Group from News Corp for $87 million – financed with $33 million of non-recourse debt

- *GateHouse Debt* – Invested $33 million to purchase $85 million face amount of debt – average price of 39% of par

- ***Spin Off of New Media*** – In September, announced intention to spin off all of our media assets to form a separate publicly traded company, New Media Investment Group Inc.
- ***CDO IX Repurchase*** – Invested $6 million to repurchase $25 million of NCT CDO IX Class A-2 at a price of 86% of par, or $21 million; financed using $15 million of repurchase agreements at L+1.65%
- ***Dividend*** **–** In September, declared a third quarter dividend of $0.10 per common share, or $29 million

Highlights subsequent to September 30, 2013:

- ***CDO VI Resecuritization*** – Newcastle owns $110 million, or 100%, of CDO VI Class I-MM on balance sheet and in its managed CDOs. On October 31, Newcastle agreed to restructure the $110 million class into a $99 million senior tranche and an $11 million junior tranche. Newcastle agreed to issue the senior tranche to a third party for approximately $88 million of proceeds, will retain the $11 million junior tranche on balance sheet and will continue to manage the CDO. The issuance results in $47 million of unrestricted cash for Newcastle to reinvest and the remaining $41 million will be paid to CDO VIII and CDO IX. Following the issuance, total CDO VI cash flow received to date will be $238 million on a $170 million investment, with $12 million of future cash flows expected to come from the retained junior tranche

ADDITIONAL INFORMATION

For additional information that management believes to be useful for investors, please refer to the presentation posted on the Investor Relations section of Newcastle's website, www.newcastleinv.com. For consolidated investment portfolio information, please refer to the Company's Quarterly Report on Form 10-Q which is also available on the Company's website, www.newcastleinv.com.

EARNINGS CONFERENCE CALL

Newcastle's management will host a conference call on Friday, November 1, 2013 at 8:30 A.M. Eastern Time. A copy of the earnings release will be posted to the Investor Relations section of Newcastle's website, www.newcastleinv.com.

All interested parties are welcome to participate on the live call. The conference call may be accessed by dialing 1-888-243-2046 (from within the U.S.) or 1-706-679-1533 (from outside of the U.S.) ten minutes prior to the scheduled start of the call; please reference "Newcastle Third Quarter 2013 Earnings Call."

A simultaneous webcast of the conference call will be available to the public at www.newcastleinv.com. Please allow extra time prior to the call to visit the website and download any necessary software required to listen to the internet broadcast.

A telephonic replay of the conference call will also be available two hours following the completion of the call through 11:59 P.M. Eastern Time on Friday, November 8, 2013 by dialing 1-855-859-2056 (from within the U.S.) or 1-404-537-3406 (from outside of the U.S.); please reference access code "75872614."

Investment Portfolio as of September 30, 2013

($ in millions, except where otherwise noted)

Investment	Outstanding Face Amount	Amortized Cost Basis (1)	% of Total Amortized Cost Basis	Carrying Value	Number of Investments	Credit (2)	Weighted Average Life (years) (3)
Commercial Real Estate Debt & Other Assets							
Commercial Assets							
CMBS	$ 344	$ 229	9.7%	$ 286	51	BB-	3.0
Mezzanine Loans	338	269	11.3%	269	12	84%	1.8
B-Notes	110	95	4.0%	95	4	76%	0.7
Whole Loans	30	30	1.3%	30	2	49%	0.2
CDO Securities (4)	80	61	2.6%	63	3	BB+	3.0
Other Investments (5)	68	68	2.9%	68	3	—	—
Total Commercial Assets	970	752	31.8%	811			2.2
Residential Assets							
MH and Residential Loans	291	258	10.9%	258	8,014	705	5.5
Non-Agency RMBS	101	41	1.7%	58	34	CCC	5.0
Real Estate ABS	8	—	0.0%	—	1	C	—
	400	299	12.6%	316			5.3
FNMA/FHLMC securities	362	382	16.2%	383	46	AAA	3.7
Total Residential Assets	762	681	28.8%	699			4.5
Corporate Assets							
REIT Debt	29	29	1.2%	31	5	BB+	1.8
Corporate Bank Loans	875	402	17.0%	402	7	CC	1.2
Total Corporate Assets	904	431	18.2%	433			1.2
Total Real Estate Debt & Other Assets	2,636	1,864	78.8%	1,943			2.6
Equity Method Investment in Local Media Group(6)	57	57	2.4%	57	—	—	—
Senior Housing Investments (7)	465	444	18.8%	444	31	—	—
Total Portfolio/Weighted Average	$ 3,158	$ 2,365	100.0%	$ 2,444			2.6

WA – Weighted average, in all tables

1) *Net of impairment.*
2) *Credit represents the weighted average of minimum rating for rated assets, the loan-to-value ratio (based on the appraised value at the time of purchase or refinancing) for non-rated commercial assets, or the FICO score for non-rated residential assets and an implied AAA rating for FNMA/FHLMC securities. Ratings provided above were determined by third party rating agencies, represent the most recent credit ratings available as of the reporting date and may not be current.*
3) *Weighted average life is based on the expected timing of expected principal reduction on the asset.*
4) *Represents non-consolidated CDO securities, excluding nine securities with a zero value, which had an aggregate face amount of $113.7 million.*
5) *Represents a $25 million equity investment in a real estate owned property and $43 million related to a linked transaction.*
6) *Face amount of the investment in Local Media Group represents the gross carrying value.*
7) *Face amount of Senior Housing Investments represents the gross carrying amount, including intangibles, which excludes accumulated depreciation and amortization.*

Unaudited Consolidated Statements of Income

($ in thousands, except per share data)

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Interest income	$ 47,486	$ 72,947	$ 171,642	$ 223,765
Interest expense	20,555	28,411	65,263	88,038
Net interest income	26,931	44,536	106,379	135,727
Impairment/(Reversal)				
Valuation allowance (reversal) on loans	(12,998)	4,094	(11,473)	(8,160)
Other-than-temporary impairment on securities	—	(236)	4,405	16,506
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)	—	1,156	44	(1,913)
Total impairment (reversal)	(12,998)	5,014	(7,024)	6,433
Net interest income after impairment/reversal	39,929	39,522	113,403	129,294
Other Revenues				
Rental income	21,149	6,660	44,344	7,684
Care and ancillary income	3,763	1,411	8,081	1,411
Total other revenues	24,912	8,071	52,425	9,095
Other Income				
Gain on settlement of investments, net	1,388	229,239	6,451	232,885
Gain on extinguishment of debt	3,359	2,345	4,565	23,127
Equity in earnings of Local Media Group	1,045	—	1,045	—
Other income, net	1,963	2,424	9,554	1,650
Total other income	7,755	234,008	21,615	257,662
Expenses				
Loan and security servicing expense	908	1,054	2,963	3,256
Property operating expenses	15,804	5,043	32,576	5,500
General and administrative expense	9,356	4,020	23,507	11,023
Management fee to affiliate	7,166	6,852	24,879	17,459
Depreciation and amortization	7,732	2,385	15,881	2,389
Total expenses	40,966	19,354	99,806	39,627
Income from continuing operations	31,630	262,247	87,637	356,424
Income (loss) from discontinued operations	(2,386)	10,974	33,343	20,707
Net Income	29,244	273,221	120,980	377,131
Preferred dividends	(1,395)	(1,395)	(4,185)	(4,185)
Income Available for Common Stockholders	$ 27,849	$ 271,826	$ 116,795	$ 372,946
Income Per Share of Common Stock				
Basic	$ 0.09	$ 1.65	$ 0.44	$ 2.77
Diluted	$ 0.09	$ 1.63	$ 0.43	$ 2.74
Income from continuing operations per share of common stock, after preferred dividends				
Basic	$ 0.10	$ 1.59	$ 0.32	$ 2.62
Diluted	$ 0.10	$ 1.57	$ 0.31	$ 2.59
Income (loss) from discontinued operations per share of common stock				
Basic	$ (0.01)	$ 0.06	$ 0.12	$ 0.15
Diluted	$ (0.01)	$ 0.06	$ 0.12	$ 0.15
Weighted Average Number of Shares of Common Stock Outstanding				
Basic	293,373,891	164,237,757	262,792,986	134,619,858
Diluted	301,027,917	166,429,120	269,057,682	135,869,332
Dividends Declared per Share of Common Stock	$ 0.10	$ 0.22	$ 0.49	$ 0.62

Consolidated Balance Sheet

($ in thousands)

	September 30, 2013 (Unaudited)	December 31, 2012
Assets		
Real estate securities, available-for-sale	$ 825,499	$ 1,691,575
Real estate related and other loans, held-for-sale, net	795,297	843,132
Residential mortgage loans, held-for-investment, net	260,463	292,461
Residential mortgage loans, held-for-sale, net	2,236	2,471
Subprime mortgage loans subject to call option	406,217	405,814
Investments in real estate, net of accumulated depreciation	409,041	169,473
Intangibles, net of accumulated amortization	41,371	19,086
Equity method investment in Local Media Group	57,384	—
Other investments	25,133	24,907
Cash and cash equivalents	92,134	231,898
Restricted cash	1,827	2,064
Derivative assets	43,172	165
Receivables and other assets	27,003	17,197
Assets of discontinued operations	—	245,069
Total Assets	$ 2,986,777	$ 3,945,312
Liabilities and Stockholders' Equity		
Liabilities		
CDO bonds payable	$ 718,473	$ 1,091,354
Other bonds and notes payable	153,798	183,390
Repurchase agreements	376,886	929,435
Mortgage notes payable	335,238	120,525
Financing of subprime mortgage loans subject to call option	406,217	405,814
Junior subordinated notes payable	51,239	51,243
Derivative liabilities	17,115	31,576
Dividends Payable	30,279	38,884
Due to affiliates	4,911	3,620
Accrued expenses and other liabilities	25,266	15,931
Liabilities of discontinued operations	2,380	480
Total Liabilities	$ 2,121,802	$ 2,872,252
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, $0.01 par value, 100,000,000 shares authorized, 1,347,321 shares of 9.75% Series B Cumulative Redeemable Preferred Stock, 496,000 shares of 8.05% Series C Cumulative Redeemable Preferred Stock, and 620,000 shares of 8.375% Series D Cumulative Redeemable Preferred Stock, liquidation preference $25.00 per share, issued and outstanding as of September 30, 2013 and December 31, 2012	$ 61,583	$ 61,583
Common stock, $0.01 par value, 1,000,000,000 and 500,000,000 shares authorized, 293,488,981 and 172,525,645 shares issued and outstanding, at September 30, 2013 and December 31, 2012, respectively	2,935	1,725
Additional paid-in capital	2,670,442	1,710,083
Accumulated deficit	(1,941,805)	(771,095)
Accumulated other comprehensive income	71,820	70,764
Total Stockholders' Equity	$ 864,975	$ 1,073,060
Total Liabilities and Stockholders' Equity	$ 2,986,777	$ 3,945,312

Reconciliation of Core Earnings and Pro forma Core Earnings*

($ in thousands)

	Three Months Ended September 30,		Three Months Ended June 30,
	2013	2012	2013
Income available for common stockholders	$ 27,849	$ 271,826	$ 52,328
Add (Deduct):			
Impairment (reversal)	(12,998)	5,014	3,201
Other (income) loss	(7,168)	(234,008)	(8,090)
Impairment (reversal), other (income) loss and other adjustments from discontinued operations	2,386	(1,772)	(8,534)
Depreciation and amortization	8,677	2,385	4,070
Acquisition and spin-off related expenses	5,168	1,697	6,192
Core Earnings	$ 23,914	$ 45,142	$ 49,167

	Three Months Ended June 30, 2013
Pro forma income (loss) from continuing operations after preferred dividends	$ 27,785
Add (Deduct):	
Impairment (reversal)	(555)
Other (income) loss	(8,032)
Depreciation and amortization	4,070
Acquisition and spin-off related expenses	5,726
Pro forma Core Earnings	$ 28,994

* *Pro forma core earnings excludes the 45 days of earnings in the three months ended June 30, 2013 generated by New Residential prior to New Residential's spin-off from Newcastle on May 15, 2013.*

CORE EARNINGS

Newcastle has the following primary variables that impact its operating performance: (i) the current yield earned on its investments that are not included in non-recourse financing structures (i.e., unlevered investments, including investments in equity method investees and investments subject to recourse debt), (ii) the net yield it earns from its non-recourse financing structures, (iii) the interest expense and dividends incurred under its recourse debt and preferred stock, (iv) the net operating income on its real estate investments, (v) its operating expenses and (vi) its realized and unrealized gains or losses, including any impairment, on its investments, derivatives and debt obligations. Core Earnings is a non-GAAP measure of the operating performance of Newcastle excluding the sixth variable listed above and adjusting the consumer loans portfolio accounting to a level yield methodology. It also excludes depreciation and amortization charges and acquisition and spin-off related expenses.

Core Earnings is used by management to gauge the current performance of Newcastle without taking into account gains and losses, which, although they represent a part of our recurring operations, are subject to significant variability and are only a potential indicator of future economic performance. It is the judgment of management that depreciation and amortization charges are not indicative of operating performance and that acquisition and spin-off related expenses are not part of our core operations. Management believes that the exclusion from Core Earnings of the items specified above allows investors and analysts to readily identify the operating performance of the assets that form the core of our activity, assists in comparing the core operating results between periods, and enables investors to evaluate Newcastle's current performance using the same measure that management uses to operate the business, which is among the factors considered when determining the amount of distributions to our shareholders.

Newcastle changed its definition of Core Earnings to exclude acquisition and spin-off related expenses in the third quarter of 2013. The calculation of Core Earnings has been retroactively adjusted for all periods presented.

Management believes that this measure provides investors with useful information regarding Newcastle's "core" current earnings, and it enables investors to evaluate Newcastle's current performance using the same measure that management uses to operate the business. Core Earnings 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 its liquidity and is not necessarily indicative of cash available to fund cash needs. The Company's calculation of Core Earnings may be different from the calculation used by other companies and, therefore, comparability may be limited.

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 ("REIT") for federal income tax purposes. The Company is managed by an affiliate of Fortress Investment Group LLC, a global investment management firm.

FORWARD-LOOKING STATEMENTS

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements relating to the planned spin-off of New Media Investment Group Inc. ("New Media") and expected cash flows from the resecuritization of CDO VI. 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, many of which are beyond our control. For example, the spin-off of New Media is subject to certain conditions, such as GateHouse Media, Inc.'s emergence from bankruptcy, the declaration of New Media's registration statement effective by the SEC, the filing and approval of an application to list New Media's common stock on the NYSE and the formal declaration of the distribution by the Board of Directors. The Company can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could cause actual results to differ from such forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" in the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for the Company or GateHouse to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. The Company 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.

Exhibit 99.2

Newcastle Investment Corp.

Moderator: Sarah Watterson
November 1, 2013
8:30 a.m. ET

Operator: Ladies and gentlemen, thank you for standing by, and welcome to the Newcastle Investment Corp. Third Quarter 2013 Earnings conference call.

All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question and answer session. If you would like to ask a question during this time, simply press star and the number one on your telephone keypad. If you would like to withdraw your question, press the pound key. Thank you.

I will now turn the call over to Sarah Watterson, Investor Relations. Please go ahead.

Sarah Watterson: Thank you, (Lori). Good morning. I'd like to welcome you to Newcastle's Third Quarter 2013 Earnings call. Joining us today are Wes Edens, Chairman of the Board; Ken Riis, the CEO and President; John Brown, CFO; Andrew White, Head of Newcastle Senior Housing Strategy; and Mike Reid.

Before I turn the call over to Wes, I would like to point out certain statements made today may be forward-looking statements. Forward-looking statements are not statements of fact. Instead, these statements describe the company's current beliefs regarding events that by their nature are uncertain and outside the company's control.

The company's actual results may differ materially from estimates or expectations expressed in any forward-looking statements. We caution you do not place undue reliance on any of the forward-looking statements. I also encourage you to review the disclaimers in our earnings release regarding forward-looking statements and expected returns.

I'd now like to turn the call over to Wes Edens.

Wes Edens: OK. Thanks, Sarah. Welcome, everyone. So, real briefly, we had a very busy and very productive quarter at Newcastle; lots of moving parts. We have a supplement, which Sarah had referenced that's been posted that I think will help give a lot of clarity to the different segments of the business, but there's a lot of emerging trends that are coming through in the business and we'll walk through them in a second.

First, in terms of financial performance, GAAP income, $28 million, 9 cents per diluted share. Core earnings of $24 million, 8 cents per diluted share. Had a dividend of 10 cents a share. And as we show you the first part of the presentation, we had a lot of cash on-hand in anticipation of the restructuring and spinoff of the media transaction.

If you had invested that cash through the entire quarter and had converted the gatehouse debt into equity, both of which are in the process of happening as we speak, earnings would've been $11 million higher, 4 cents per share.

So financially, a very, very good quarter. Highlights as you look through each one of the segments all, I'll turn it over to Jon Brown to walk through the segments in a minute and then have the folks walk through each one of the business components.

But each one of the segments we had were very busy. Senior housing, the amount of invested capital at the end of the quarter was about the same as it was at the end of the second quarter, but that understates the level of activity with the strategic pipeline and committed to closing.

So at the end of the second quarter, we had $157 million in capital invested and the third quarter $163 because it actually returned a little bit of capital to get us forward to the end of the year based on what is already committed in closing right now. That jumps up to $255 million and both the quality of the investments are made in the quarter, as well as, the performance of the existing stuff on balance sheets have been terrific. Andrew will talk about that in a second.

You know, the debt business, which is both the CDO – Legacy CDO businesses, as well as, a handful of other on-balance sheet assets also had good quarters. The credit markets have been supportive and have been very good, and actually over the period of the quarter. But Ken will walk through that, but there's been a lot of activity both in terms of some of the underlined investments and then also some of the financing and restructuring stuff that he's done.

And then lastly, on the new media side, we announced, you know, during the quarter the restructuring of the spin of that, just a sector on that. So invested capital we show at the end of Q3 $263 million. That is a rough guess for what the amount of capital will be spun out here in the very near term in the form of equity of New Media.

The New Media company is in bankruptcy being restructured right now and is expected to emerge very soon. We think that the timeline for that is next Wednesday, the 6th. We'll have a confirmation hearing to confirm that the company will come out and we expect it to actually be spun back out to us in the form of equity on about the 12th of November.

We have filed with the SEC to then spin that company out to shareholders. Every shareholder of Newcastle will also get a share of New Media. We've gotten one set of comments expect to refile in the next day or so.

I think we're on-track through the SEC hopefully in the month of December and have that share of stock in your hands around the first of the year. So with that, I will pause and turn it over to John Brown to walk through the (inaudible). John?

John Brown: Hi, everyone. And thanks, Wes. I'm going to provide a quick overview of our results. In the third quarter, we generated GAAP income of $28 million or 9 cents per diluted share. This included core earnings of $24 million or 8 cents per diluted share.

On September 20th, we declared a common dividend of 10 cents per share or $29 million. If we invested our $120 million of average uninvested cash at management's expected returns in the beginning of the quarter and it's the GateHouse debt that had converted to equity and we obtained our anticipated GateHouse debt facility the full quarter earnings with an increase by $11 million or 4 cents per share.

Although, this does not serve as a proxy for our expectations of next quarter, we hope our results will become more normalized once the intended spinoff of New Media is complete. To provide more information on our third quarter, we posted our third quarter supplemental disclosures on our Web site and you'll notice we included detailed asset performance data for each of our primary business lines in the appendices as well.

We look forward to updating you on our progress in the coming quarters. I will now hand the call to Andrew White to discuss our senior living investments.

Andrew White: Thanks, John. So this morning I'm going to share a few comments on the health care market generally, and I'll talk about the operating performance of our existing portfolio, our recent acquisition activity, and our pipeline.

Starting first with the overall market. We continue to feel very good about our strategy in the context of the overall market. This continue to be a large and highly fragmented space, and so we feel very good about our prospects for continuing to source secretive deals.

The industry continues to be supported by favorable supply demand dynamics and so we also feel very good about our prospects for continued NOI growth. There's been a fair bit of conversation around new construction nationwide, but I think it's worth commenting on the fact that this is really something that needs to be evaluated market by market.

The reality is that the majority of construction activity is concentrated in a handful of markets like New York and Boston and Houston and in our existing portfolio, we have very little exposure to the markets that are heating up with new construction.

We’re also being very selective about the markets where we’re making new investments. The other macro issue we’re commenting on is the overall rate environment. There’s obviously been a fair bit of volatility over the last quarter, but rates and our debt financing costs are more or less unchanged since the end of last quarter.

Turning now to the operating performance of our existing portfolio, for Q3, our same-store portfolio generated 19 percent levered yields versus 17 percent last quarter and weighted average, we’ve owned this portfolio about 7 months.

We’re on-track to stabilize north of 20 percent well ahead of our original guidance. For Q3, our total portfolio, which includes the investments we made in Q3 generated 16 percent levered yields.

For the quarter, we closed on 5 acquisitions, 19 properties, 300 million of asset value, about 100 million of equity invested. The targeted returns for those acquisitions are consistent with our existing portfolio, which means 12 percent levered yield initially and stabilized levered yields in access of 20 percent.

Looking forward, we continue to build our pipeline. We have invested a little under 200 million of equity thus far, 163 million net of refinancings, and we had 300 million of assets in contract now, which represents an incremental 100 billion of equity investments, which would take our total equity invested to a little under 300 million and 255 million net of refinancings.

We also have a near-term pipeline of over a billion dollars in transactions, and as we previously stated, this includes a mix of both large deals and single asset deals, so it’s a bit hard to predict the timing, but we feel good about the progress.

With that, I’ll turn the call back over to Wes.

Wes Edens: Great. Thanks. Hey, Ken, do you want to walk through the debt investment side?

Ken Riis: Sure. Thanks, Wes. Yes, I'm going to review the debt business. As of September 30th, we own 2.1 billion of assets, 1.7 billion of Legacy securities and loans, and 360 million of Fannie Mae and Freddie Mac ARMs.

The 1.7 billion Legacy portfolio continues to perform very well and create good opportunities for us. We ended the quarter with an overall price of 78 percent of par, an increase of 1 point or $20 million in the quarter, and the overall credit risk continues to improve.

In the quarter, we repurchased 25 million CDO9 debt back at a price of 86 percent of par. So again, sourced 25 million at a good discount. Assuming no collapse of CDO9 and held to maturity, we expect this investment will generate a 21 percent leveraged return for Newcastle.

Another thing I wanted to highlight, which happened subsequent to quarter end is in October, we sold a $90 million Mezzanine loan. The borrower wanted certain concessions in a restructuring that we weren't comfortable giving.

So we negotiated the sale of the debt at par and received a $3 and a half million of fees in the sale. So as an example of the upside in the portfolio and Legacy book, that's just one example. There's more of that to come.

Finally, I want to go over our CDO6 sale. About 2 years ago, we repurchased the whole $257 million senior class at 66 percent of par investing $170 million. Today, that class size is paid down to $110 million. We restructured that class and sold a new senior $99 million class to a third-party generating $88 million, or approximately $88 million of proceeds.

So to date, on $170 million investment, we will have generated $238 million of cash flow for the company and we will also retain a junior piece of $11 million on our balance sheet. So the overall economic gain in this transaction will end up being $80 million and generated 24 percent IRR for Newcastle.

The other great thing about it is in this transaction, we'll have received $47 million of cash on our balance sheet to reinvest and if we invest at our expected returns, it'll be 2 cents accretive per year, per share for shareholders. So a half a penny, a quarter or 2 cents for the overall year.

I'll hand it over to Wes,

Wes Edens: Yes, just a few other words on the media investments. So the New Media company that will spun out here at the beginning of the year, there's really two discrete investments. There was a portfolio of newspapers that was bought from Dow Jones called Local Media Group – I'm referring to page 15 if you're in the supplement– that was a total purchase of $87 million. We took out a loan of $33 million. So the net investment equity is about $54 million.

And then GateHouse itself, which is a little bit of a moving target, the total amount of debt at GateHouse as $1.2 billion. The conversion of that into equity was at 40 cents, so $480 million.

We intend to finance – put our financing in place at the time of emergence of bankruptcy of $150 million, which is largely done at this point, so the net equity investment between the two in the company on Day 1 will be about $339 for the GateHouse properties, about $50 million for the Dow Jones. The total equity footings will be about $384 million.

The performance of those assets collectively over the quarter was actually very consistent and quite good with our projections and we think that the net investment return on an as converted basis into equity and earnings will be about 19 percent.

So about $76 million on $104 million in total equities. So that's what the economic profile of the company will look like on Day 1. We think there's lots of exciting stuff around that. And once we finish the bankruptcy and have our investment completed, we'll probably host an investor call sometime in the next couple weeks on that.

The last thing I would say is that the bigger picture, which is the strategy of rotating out the capital that's in the debt business into the senior housing business that Andrew talked about, has been proceeding with kind of great pace. We're excited about, you know, capital deployed in the sector right now. We're more excited about the results that had been generated on a recurrent return basis.

As Andrew said, there's a pipeline of the same kind of one by one or smaller portfolio of assets we've bought that is very robust. There also are a handful of larger transactions, one in particular that would really be catalytic if we were able to get this sorted out.

And if that came in the short-term, that would probably give us the heft of the business that would be a standalone business one way or the other. So that's exciting when you think of the returns on our portfolio and the returns of those companies on a standalone basis in the sector in the low to mid single digits.

So we're very excited about where that stands and there could be some – there could be some good news about that we hope sooner rather than later

So with that, why don't we pause, operator, and take questions.

Operator: At this time, I would like to remind everyone if you'd like to ask a question, please press star, then the number one on your telephone keypad.

Your first question comes from the line of Douglas Harter of Credit Suisse.

Douglas Harter: …the rationale to restructure CDO6 as opposed to try to collapse it?

Ken Riis: Yes, if you look at the capital structure of CDO6, there are some holders of debt that really don't have any asset value to them anymore. So there's $170 million of assets and there's about $270 million of sort of outstanding liabilities.

So when you go back to some of those holders, they're unwilling to sell at massive discounts. So really, we expect recovery really only up through the one B class and we owned all the senior class.

So for us, there's not a lot of upside in collapsing unless we can buy back sort of the underwater debt at very, very low dollar prices or a price of one cent or something because there is no recovery to those.

So anyway, for us, this was a quicker way to sort of execute and raise capital, but also we're not really leaving a lot of optionality on the table in terms of collapsing; although, as a collateral manager, we will continue to manage the transaction and still have the right to collapse in the future if it – if the opportunity presents itself.

Douglas Harter: Great. And just, I guess, staying on the CDOs, it looks like the cash flow from the net investment spread declined in both 8 and 9, you know? Can you just tell us what's behind that?

Ken Riis: Basically, that's from some of the paydowns of the assets within the deals.

Douglas Harter: OK. Great. Thank you.

Operator: Your next question comes from the line of Matthew Howlett of UBS.

Matthew Howlett: Question – Can you just walk us through the capital deployment, you know, with the cash on-hand versus the pipeline? I mean, you have, you know, 92 million in contract, you know, that's all presumably funded with the 120 million add-in cash.

Does that cash include what you freed up in CDO6? And then walk us through once you get that deployed to fund the 150 million, 300 million, what you're calling near-term pipeline what would you look towards the, you know, 8 and 9 to collapse? Would you go to the other debt or could you get proceeds from the GateHouse debt?

Could you just kind of walk through a little bit of how you see it shaping out?

Wes Edens: Well, we expect to fund the ordinary course investments out on the senior housing business through cash on-hand, as well as from incremental capital coming out of the debt business, and it's not a precise walk forward, but when we run our numbers up the next couple of quarters, we've got sufficient capital to fund everything that we've got in the pipeline right now, and I expect that that will continue.

What will change that a little bit is if we were able to buy one of these larger portfolios. We'd probably have to go and raise capital if that was was something that came to pass. If it did, it'd be a happy day because it would be a chunk of capital at very, very attractive prices.

But we have done a good job, I think. The company's done a good job of managing both the flow of capital out of the debt business and into the deployment of it in the senior housing side and, maybe you can walk through with Jon at some point if you'd like, but those numbers look like they're going to be fine to us.

Matthew Howlett: Great. And then, you know, we talked about the, you know, CDO8, 9 de-leveraging, you know, the debt business, those are still generating still terrific returns. Ken, you mentioned a mezz loan that you – that you refinanced. Was that outside of the CDOs and, I mean, how do we flip between the other investments you have here on page 22 and then the CDO 8 and 9? I mean, what would you look to get rid of first?

Ken Riis: Well, first of all, the $90 billion Mezzanine loan that I highlighted, that was in our CDOs.

Matthew Howlett: OK.

Ken Riis: You know, that was a good result for us even though we know we're getting capital cap. It deleverages the CDO, but, you know, we extracted a good pound of flesh in the restructuring and in the sale of the loan.

Matthew Howlett: Got you. I mean, do you – do you feel like the CDO8 and CDO9 could be monetized as easy as you did CDO6? Is it trickier than that or, you know, you have some M.H. securitizations. Are those just as easy to be consolidated and sell?

Ken Riis: Well, the CDOs 8 and 9, you're right. They are still generating good returns and good cash flows for us, so it's all about the timing. I think as assets pay off and deleverage, the transactions then, you know, will look to potentially harvest the capital out of those transactions, but right now, they're generating good returns and good cash flows to us.

So it's all about timing of prepayments of the assets in the CDOs and then the redeployment into other investments that generate similar returns, but in senior housing even if it's a slightly lower return initially, it's a positive thing for us because that capital will trade at a higher return than our CDO assets would.

Matthew Howlett: Right. OK, guys. Thanks.

Operator: Once again, if you would like to ask a question, please press star then the number one on your telephone keypad.

Your next question comes from the line of Bose George of KBW.

Bose George: Good morning. Actually, when you think about the earnings power of X, the New Media spin, where do you think that kind of comes out?

Wes Edens: I'm sorry. Could you be a little more precise on the question? Are you saying what do we think the run rate earnings are going to be, post the New Media?

Bose George: Yes. Yes, exactly.

Wes Edens: Go ahead.

Wes Edens: Yes.

Jon Brown: I think, you know, as we said, the New Media we expect to be about two to a little bit more cents per share per quarter. So if you look at our current run rate, that's not in our current run rate. So you throw that in there and, you think about where we're talking about being after that's in there, then you just back that out.

You know, we should be in that range. We don't typically give guidance on specific numbers, but...

Bose George: That makes sense. So if I had background of the 4 cents gets you fully normalized and then, pull out the remainder. OK, that does make sense.

And then actually switching to that large transaction, can you give us any sort of ballpark of how big it is or...

Wes Edens: Well, there are two different things that we're looking at. The one that I think is most actionable would be a capital deployment of $150 to $200 million. So it's quite large and that's the equity component of it, but it's a little bit hard to know exactly how it's all going to shake out.

Although, there's something that we think could happen sooner rather than later, but it's very much a work in progress right now.

Bose George: OK. Great. Thanks.

Operator: At this time, there are no further questions. I will now return the call to Wes Edens for any additional or closing remarks.

Wes Edens: Great. Well, thanks, everyone, for calling in with the continued evolution with the changing of the balance sheet there. We tried to be clear about it and if you have further questions, please follow-up with all of us. Thanks much.

Operator: Thank you. That does conclude today's Newcastle Investment Corp. Third Quarter 2013 Earnings conference call. You may now disconnect.

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