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

FORM 8-K

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

Date of report (Date of earliest event reported): February 20, 2014 (February 13, 2014)

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
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Item 2.01. Completion of Acquisition or Disposition of Assets.

On February 13, 2014, Newcastle Investment Corp. (“Newcastle”) completed the spin-off of New Media Investment Group Inc. (“New Media”). On February 14, 2014, Newcastle issued a press release announcing the completion of the spin-off, which is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

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 February 14, 2014
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: February 20, 2014

By: /s/ Jonathan Brown
Jonathan Brown
Interim Chief Financial Officer

EXHIBIT INDEX

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Investor Relations

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(212) 479-3195

Newcastle Announces Completion of Spin-Off of New Media

NEW YORK – (BUSINESS WIRE) – February 14, 2014 – Newcastle Investment Corp. (“Newcastle” or the “Company”; NYSE: NCT) announced today that the spin-off of New Media Investment Group Inc. (“New Media”) was successfully completed on February 13, 2014. Starting today, New Media will begin trading on the New York Stock Exchange under the symbol “NEWM.”

Holders of Newcastle common stock as of the record date, February 6, 2014, have been electronically issued 0.07219481485 shares of New Media common stock for each share of Newcastle common stock held as of the record date. Fractional shares were not issued in the spin-off. Instead, as soon as practicable after the spin-off, American Stock Transfer & Trust Company, LLC, the distribution agent, will aggregate fractional shares and sell these shares in the open market at prevailing market prices and distribute the applicable portion of the aggregate net cash proceeds of these sales to each holder who otherwise would have been entitled to receive a fractional share in the spin-off.

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

Source: Newcastle Investment Corp.

Newcastle Investment Corp. Investor Relations
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212-479-3195

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"). The unaudited pro forma condensed consolidated statement of operations and unaudited pro forma condensed consolidated balance sheet 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 transactions:

- The New Media Investment Group Inc. ("New Media") February 2014 spin-off transaction from Newcastle.

The unaudited pro forma condensed consolidated statement of operations gives effect to the above transaction as if it occurred on January 1, 2012. The unaudited pro forma condensed consolidated balance sheet assumes that the Media spin-off occurred on September 30, 2013.

In the opinion of management, all adjustments necessary to reflect the effects of the 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 statement of operations does not purport to represent what Newcastle's results of operations would have been had such transactions been consummated on the date indicated, nor does it represent the results of operations of either Newcastle or New Media for any future date or period.

NEWCASTLE INVESTMENT CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
At September 30, 2013

	Newcastle Consolidated Historical (A)	New Media Spin-Off	Newcastle Consolidated Pro Forma
Assets			
Real estate securities, available-for-sale	\$ 825,499	\$ —	\$ 825,499
Real estate related and other loans, held-for-sale, net	795,297	(243,006)(B)	552,291
Residential mortgage loans, held-for-investment, net	260,463	—	260,463
Residential mortgage loans, held-for-sale, net	2,236	—	2,236
Subprime mortgage loans subject to call option	406,217	—	406,217
Investments in real estate, net of accumulated depreciation	409,041	—	409,041
Intangibles, net of accumulated amortization	41,371	—	41,371
Equity method investment in Local Media Group	57,384	(57,384)(C)	—
Other investments	25,133	—	25,133
Cash and cash equivalents	92,134	—	92,134
Restricted cash	1,827	—	1,827
Derivative assets	43,172	—	43,172
Receivables and other assets	27,003	—	27,003
Total Assets	<u>\$ 2,986,777</u>	<u>\$ (300,390)</u>	<u>\$ 2,686,387</u>
Liabilities and Stockholders' Equity			
Liabilities			
CDO bonds payable	\$ 718,473	\$ (32,337)(D)	686,136
Other bonds and notes payable	153,798	—	153,798
Repurchase agreements	376,886	—	376,886
Mortgage notes payable	335,238	—	335,238
Financing of subprime mortgage loans subject to call option	406,217	—	406,217
Junior subordinated notes payable	51,239	—	51,239
Derivative liabilities	17,115	—	17,115
Dividends payable	30,279	—	30,279
Due to affiliates	4,911	—	4,911
Accrued expenses and other liabilities	25,266	—	25,266
Liabilities of discontinued operations	2,380	—	2,380
Total Liabilities	<u>\$ 2,121,802</u>	<u>\$ (32,337)</u>	<u>\$ 2,089,465</u>
Stockholders' Equity			
Preferred stock	\$ 61,583	\$ —	61,583
Common stock	2,935	—	2,935
Additional paid-in capital	2,670,442	(268,053)(E)	2,402,389
Accumulated deficit	(1,941,805)	—	(1,941,805)
Accumulated other comprehensive income (loss)	71,820	—	71,820
Total Equity	<u>\$ 864,975</u>	<u>\$ (268,053)</u>	<u>\$ 596,922</u>
Total Liabilities and Stockholders' Equity	<u>\$ 2,986,777</u>	<u>\$ (300,390)</u>	<u>\$ 2,686,387</u>

(A) Represents Newcastle's historical consolidated balance sheet at September 30, 2013.

(B) Represents the carrying value of the outstanding GateHouse debt held by Newcastle at September 30, 2013.

(C) Represents the carrying value of the equity method investment in Local Media Group at September 30, 2013.

(D) Represents a reduction of CDO bonds payable by the carrying value of Gatehouse debt held in CDOs.

(E) Represents a reduction in Newcastle's equity as a result of the distribution of New Residential stock to Newcastle shareholders.

NEWCASTLE INVESTMENT CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
Nine Months ended September 30, 2013

	Newcastle Consolidated Historical (A)	Pro Forma Adjustment		Newcastle Consolidated Pro Forma
		New Media Spin-Off		
Interest income	\$ 171,642	\$ (7,369) (B)		\$ 164,273
Interest expense	65,263	(398) (C)		64,865
Net interest income	106,379	(6,971)		99,408
Impairment (Reversal)				
Valuation allowance (reversal) on loans	(11,473)	12,027 (D)		554
Other-than-temporary impairment on securities	4,405	—		4,405
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)	44	—		44
Total Impairment (reversal)	(7,024)	12,027		5,003
Net interest income (loss) after impairment/reversal	113,403	(18,998)		94,405
Other Revenues				
Rental income	44,344	—		44,344
Care and ancillary income	8,081	—		8,081
Total other revenues	52,425	—		52,425
Other Income (Loss)				
Gain (loss) on settlement of investments, net	6,451	—		6,451
Gain on extinguishment of debt	4,565	—		4,565
Equity in earnings of Local Media Group	1,045	(1,045) (E)		—
Other income, net	9,554	(1,541) (F)		8,013
Total other income	21,615	(2,586)		19,029
Expenses				
Loan and security servicing expense	2,963	—		2,963
Property operating expenses	32,576	—		32,576
General and administrative expense	23,507	—		23,507
Management fee to affiliate	24,879	—		24,879
Depreciation and amortization	15,881	—		15,881
Total expenses	99,806	—		99,806
Income (loss) from continuing operations	87,637	(21,584)		66,053
Preferred dividends	(4,185)	—		(4,185)
Income (loss) from continuing operations after preferred dividends	\$ 83,452	\$ (21,584)		\$ 61,868
Income (loss) from continuing operations per share of commonstock, after preferred dividends				
Basic	\$ 0.32			\$ 0.24
Diluted	\$ 0.31			\$ 0.23 (G)
Weighted Average Number of Shares of Common Stock Outstanding				
Basic	262,792,986			262,792,986
Diluted	269,057,682			269,057,682 (G)

NEWCASTLE INVESTMENT CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
Year ended December 31, 2012

	Newcastle Consolidated Historical (A)	Pro Forma Adjustment New Media Spin-Off	Newcastle Consolidated Pro Forma
Interest income	\$ 282,951	\$ (2,712)(B)	\$ 280,239
Interest expense	109,924	(531)(C)	109,393
Net interest income	<u>173,027</u>	<u>(2,181)</u>	<u>170,846</u>
Impairment (Reversal)			
Valuation allowance (reversal) on loans	(24,587)	17,414(D)	(7,173)
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)
Total Impairment (reversal)	<u>(5,664)</u>	<u>17,414</u>	<u>11,750</u>
Net interest income (loss) after impairment/reversal	178,691	(19,595)	159,096
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
Other income, net	5,312	(59)(F)	5,253
Total other income	<u>262,294</u>	<u>(59)</u>	<u>262,235</u>
Expenses			
Loan and security servicing expense	4,260	—	4,260
Property operating expenses	12,943	—	12,943
General and administrative expense	17,247	—	17,247
Management fee to affiliate	24,693	—	24,693
Depreciation and amortization	6,975	—	6,975
Total expenses	<u>66,118</u>	<u>—</u>	<u>66,118</u>
Income (loss) from continuing operations	394,942	(19,654)	375,288
Preferred dividends	(5,580)	—	(5,580)
Income (loss) from continuing operations after preferred dividends	<u>\$ 389,362</u>	<u>\$ (19,654)</u>	<u>\$ 369,708</u>
Income (loss) from continuing operations per share of common stock, after preferred dividends			
Basic	<u>\$ 2.70</u>		<u>\$ 2.56</u>
Diluted	<u>\$ 2.67</u>		<u>\$ 2.54(G)</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(G)</u>

- (A) Represents Newcastle's historical consolidated statement of operations for the nine months ended September 30, 2013 and the year ended December 31, 2012.
- (B) Represents the interest income recognized by Newcastle related to GateHouse debt.
- (C) Represents a reduction in interest expense as a result of the pro forma paydown of debt related to GateHouse debt held in CDOs. This interest expense was calculated based on a weighted average cost of debt of 1.64%. A 1/8% increase (decrease) in the benchmark interest rate would result in an increase (decrease) in interest expense of approximately \$40 thousand for the year ended December 31, 2012.
- (D) Represents the valuation allowance (reversal) recognized by Newcastle related to GateHouse debt.
- (E) Represents the equity in earnings of Local Media Group recognized by Newcastle.
- (F) Represents the other income recognized by Newcastle related to GateHouse debt.
- (G) 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 Media subsequent to the spin-off.