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): March 6, 2014 (February 28, 2014)

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 February 28, 2014, Newcastle Investment Corp. (the “Company”) issued a press release announcing the Company’s results for its fiscal quarter and full year ended December 31, 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 February 28, 2014, issued by Newcastle Investment Corp.
99.2	Transcript of conference call, dated February 28, 2014

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
Principal Accounting Officer

Date: March 6, 2014

EXHIBIT INDEX

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Exhibit 99.1

Contact:
Investor Relations
212-479-3195

NEWCASTLE ANNOUNCES FOURTH QUARTER AND FULL YEAR 2013 RESULTS

NEW YORK—(BUSINESS WIRE)—February 28, 2014—Newcastle Investment Corp. (NYSE:NCT; “Newcastle”, the “Company”) today reported the following information for the quarter and full year ended December 31, 2013:

FOURTH QUARTER FINANCIAL HIGHLIGHTS:

- GAAP Income of $29.0 million, or $0.09 per diluted share
- Core Earnings of $26.8 million, or $0.08 per diluted share
- GAAP book value of $3.14 per share
- Average uninvested capital of $150 million throughout the quarter

FULL YEAR 2013 FINANCIAL HIGHLIGHTS:

- GAAP Income of $145.8 million, or $0.51 per diluted share
- Core Earnings of $140.9 million, or $0.50 per diluted share
- Spun off New Residential Investment Corp. (NYSE:NRZ) on May 15, 2013

	Q4 2013	Q3 2013	12M Ended Q4 2013
Summary Operating Results:			
GAAP Income	$29.0 million	$27.8 million	$145.8 million
GAAP Income per Diluted Share	$0.09	$0.09	$0.51
Non-GAAP Results:			
Core Earnings*	$26.8 million	$23.9 million	$140.9 million
Core Earnings per Diluted Share*	$0.08	$0.08	$0.50
GAAP Book Value:	$3.14	$2.74	$3.14

* *For a reconciliation of GAAP Income to Core Earnings, please refer to the Reconciliation of Core Earnings below.*

Highlights for the quarter ended December 31, 2013:

Newcastle invested approximately $434 million of capital throughout the quarter and the Company raised a total of $351 million of gross proceeds through the issuance of common stock and the resecuritization of CDO VI.

- ***Senior Housing*** – Invested $331 million of equity to acquire $1.1 billion of senior housing assets.
    - *Triple Net Lease Properties* – In December, Newcastle invested $321 million of equity to acquire 51 independent living senior housing properties from Holiday Retirement. The total purchase price, including transaction costs, was $1.04 billion. This investment marks Newcastle’s first triple net lease acquisition.

- *Managed Properties* – During the fourth quarter, Newcastle invested $10 million of equity to acquire 2 senior housing properties for a total purchase price of $30 million.

- ***CDOs & Other***
  - *CDO VI Resecuritization* – In October, Newcastle restructured the $110 million CDO VI Class I-MM into a $99 million senior tranche and an $11 million junior tranche. Newcastle issued the senior tranche to a third party for approximately $88 million of proceeds, retained the $11 million junior tranche on balance sheet and continues to manage the CDO. The issuance resulted in $47 million of unrestricted cash for Newcastle, and the remaining $41 million was paid to CDO VIII and CDO IX bondholders.
  - *Media Assets* – During the fourth quarter, Newcastle invested $54 million of equity and $122 million of proceeds received from the new GateHouse debt facility to buy $440 million face of GateHouse term loan at 40% of par. On November 26, Newcastle exchanged its interest in the GateHouse term loan for equity of New Media at 40% of par.
  - *Golf* – On December 30, Newcastle completed the restructuring of an existing debt investment in National Golf Properties. In the transaction, Newcastle acquired the equity of National Golf Properties and its affiliate, American Golf Corporation (together the "Golf Business"), and Newcastle invested $49 million, which consisted of an approximately $47 million senior loan and $2 million of equity. The Golf Business owns, leases or manages a portfolio of 92 golf courses located throughout 15 U.S. states.
- ***Capital Raise*** – In November, Newcastle generated gross proceeds of approximately $304 million through the sale of approximately 58 million shares of common stock.
- ***Dividend –*** In December, Newcastle declared a fourth quarter dividend of $0.10 per common share, or $35 million.

Highlights subsequent to December 31, 2013:

- ***Senior Housing*** – In January, Newcastle invested $9 million of equity to acquire 2 managed senior housing properties for a total purchase price of $26 million. Newcastle is also in-contract to acquire 11 properties for a total purchase price of $273 million, which we would expect to require an equity investment of $92 million. There can be no assurance that we will complete investments under contract, which are subject to closing conditions.
- ***CDOs & Other***
  - *Intrawest Resort Holdings Third Lien Pay Down* – In February, Newcastle received $83 million of proceeds from Intrawest Resort Holdings. The proceeds were used to partially pay down a third-lien loan held in CDO VIII & CDO IX. As a result of Newcastle's direct holdings in CDO VIII, the Company received approximately $22 million of cash from this pay down.
  - *Sold 100% of Agency RMBS Portfolio* – In January, Newcastle sold $503 million face amount of Agency RMBS at an average price of 105.8%, or $532 million. After paying off the related financing, the Company generated $28 million of net proceeds and a $2 million gain on sale.
  - *New Media Investment Group* – On February 13, Newcastle completed the spin-off of the Company's 85% ownership in New Media Investment Group. Holders of Newcastle common stock as of the record date, February 6, 2014, have been electronically issued 0.07219 shares of New Media Investment Group per common share of Newcastle.

Appointment of New Chief Financial Officer, Treasurer & Chief Operating Officer:

On February 27, 2014, Newcastle's Board of Directors appointed Justine Cheng as Chief Financial Officer, Treasurer and Chief Operating Officer, effective as of March 4, 2014.

Ms. Cheng joins Newcastle with over 16 years of finance and banking experience. Most recently, Ms. Cheng served as a Managing Director in Fortress's Private Equity group, where she was responsible for various financial services, infrastructure and lodging, leisure & gaming investments. Prior to joining Fortress 10 years ago, Ms. Cheng held various investment banking and private equity roles at UBS, Credit Suisse and Donaldson, Lufkin & Jenrette. Ms. Cheng received a BA in Economics and a Masters in International and Public Affairs from Columbia University.

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 Annual Report on Form 10-K, which will be available on the Company's website, www.newcastleinv.com.

EARNINGS CONFERENCE CALL

Newcastle's management will host a conference call on Friday, February 28, 2014 at 10:00 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 Fourth Quarter and Full Year 2013 Earnings Call."

A simultaneous webcast of the conference call will be available to the public on a listen-only basis 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 call's completion through 11:59 P.M. Eastern Time on Friday, March 14, 2014 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 "81330471."

Investment Portfolio as of December 31, 2013
($ in millions, except where otherwise noted)

	Outstanding Face Amount	Amortized Cost Basis (1)	Percentage of Total Amortized Cost Basis	Carrying Value	Number of Investments	Credit (2)	Weighted Average Life (years) (3)
Debt Investments							
Commercial Assets							
CM BS	$ 333	$ 228	5.7%	$ 284	50	BB-	2.6
Mezzanine Loans	172	140	3.5%	140	9	85%	1.3
B-Notes	109	101	2.6%	101	4	75%	1.5
Whole Loans	30	30	0.7%	30	2	49%	0.0
CDO Securities (4)	74	57	1.4%	60	2	BB+	3.1
Other Investments (5)	69	69	1.7%	69	2	—	—
Total Commercial Assets	787	625	15.5%	684			2.1
Residential Assets							
M H and Residential Loans	281	253	6.3%	253	7,756	706	5.5
Non-Agency RM BS	97	41	1.0%	58	34	CCC+	4.4
Real Estate ABS	8	—	0.0%	—	1	C	—
	386	294	7.3%	311			5.1
FNM A/FHLM C securities	515	543	13.5%	546	64	AAA	3.6
Total Residential Assets	901	837	20.8%	857			4.2
Corporate Assets							
REIT Debt	29	29	0.7%	31	5	BB+	1.8
Corporate Bank Loans	257	167	4.2%	167	5	C	0.9
Total Corporate Assets	286	196	4.9%	198			1.0
Total Debt Investments	1,974	1,658	41.2%	1,739			3.0
Other Investments							
Senior Housing Investments(6)	1,496	1,464	36.4%	1,464			
Media Investments (6)	546	542	13.5%	542			
Golf Investment (6)	358	358	8.9%	358			
Total Portfolio / WA	$ 4,374	$ 4,022	100.0%	$ 4,103			
Reconciliation to GAAP total assets:							
Subprime mortgage loans subject to call option (7)				406			
Other commercial real estate				7			
Cash and restricted cash				118			
Other				219			
GAAP total assets				$ 4,853			

WA – Weighted average, in all tables.

1) *Net of impairment.*
2) *Credit represents the weighted average of minimum ratings 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 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 $114.5 million.*
5) *Represents $25.0 million of equity investment in a real estate owned property and $44.0 million in a linked transaction.*
6) *Face amount of senior housing, media and golf investments represents the gross carrying amount, including intangibles and, for media, goodwill, and excludes accumulated depreciation and amortization.*
7) *Our subprime mortgage loans subject to call option are excluded from the statistics because they result from an option, not an obligation, to repurchase such loans, are noneconomic until such option is exercised, and are offset by an equal liability on the consolidated balance sheet.*

Unaudited Consolidated Statements of Income
($ in thousands, except per share data)

	Three Months Ending December 31, 2013	Three Months Ending December 31, 2012	Year Ended December 31, 2013
Interest income	42,073	59,186	213,715
Interest expense	25,710	21,886	90,973
Net interest income	16,363	37,300	122,742
Impairment (Reversal)			
Valuation allowance (reversal) on loans	(13,562)	(16,427)	(25,035)
Other-than-temporary impairment on securities	817	2,853	5,222
Portion of other-than-temporary impairment on securities recognized in other comprehensive income (loss), net of reversal of other comprehensive loss into net income	—	1,477	44
	(12,745)	(12,097)	(19,769)
Net interest income after impairment	29,108	49,397	142,511
Other Revenues			
Rental income	30,592	9,397	74,936
Care and ancillary income - senior housing	4,306	1,583	12,387
Advertising income - media	38,757	—	38,757
Circulation income - media	16,649	—	16,649
Commercial printing and other income - media	6,231	—	6,231
Total other revenues	96,535	10,980	148,960
Other Income			
Gain on settlement of investments, net	10,918	12	17,369
Gain on extinguishment of debt	—	958	4,565
Equity in earnings of Local Media Group	825	—	1,870
Other income, net	3,786	3,662	13,340
	15,529	4,632	37,144
Expenses			
Loan and security servicing expense	894	1,004	3,857
Property operating expenses	21,142	7,443	53,718
Media operating expenses	49,092	—	49,092
General and administrative expense	14,481	6,224	36,775
Management fee to affiliate	8,212	7,234	33,091
Depreciation and amortization	15,092	4,586	30,973
	108,913	26,491	207,506
Income from continuing operations before income tax	32,259	38,518	121,109
Income tax expense	887	—	2,100
Income from continuing operations	31,372	38,518	119,009
Income (loss) from discontinued operations	(11)	18,461	33,332
Net Income	31,361	56,979	152,341
Preferred dividends	(1,395)	(1,395)	(5,580)
Net Income attributable to noncontrolling interest	(928)	—	(928)
Income Applicable to Common Stockholders	$ 29,038	$ 55,584	$ 145,833
Income Per Share of Common Stock			
Basic	$ 0.09	$ 0.32	$ 0.53
Diluted	$ 0.09	$ 0.32	$ 0.51
Income from continuing operations per share of common stock, after preferred dividends and noncontrolling interest			
Basic	$ 0.09	$ 0.22	$ 0.41
Diluted	$ 0.09	$ 0.21	$ 0.40
Income (loss) from discontinued operations per share of common stock			
Basic	$ —	$ 0.11	$ 0.12
Diluted	$ —	$ 0.11	$ 0.11
Weighted Average Number of Shares of Common Stock Outstanding			
Basic	318,686,816	172,518,808	276,881,294
Diluted	325,601,359	175,413,251	283,309,645
Dividends Declared per Share of Common Stock	$ 0.10	$ 0.22	$ 0.59

Consolidated Balance Sheet
($ in thousands)

	December 31, 2013 (Unaudited)	December 31, 2012
Assets		
Real estate securities, available-for-sale	$ 984,263	$1,691,575
Real estate related and other loans, held-for-sale, net	437,530	843,132
Residential mortgage loans, held-for-investment, net	255,450	292,461
Residential mortgage loans, held-for-sale, net	2,185	2,471
Subprime mortgage loans subject to call option	406,217	405,814
Investments in senior housing real estate, net of accumulated depreciation	1,362,900	162,801
Investments in other real estate, net of accumulated depreciation	266,170	6,672
Property, plant and equipment, net of accumulated depreciation	270,188	—
Intangibles, net of accumulated amortization	345,125	19,086
Goodwill	126,686	—
Other investments	25,468	24,907
Cash and cash equivalents	105,944	231,898
Restricted cash	12,366	2,064
Receivables and other assets	252,071	17,362
Assets of discontinued operations	—	245,069
Total Assets	$ 4,852,563	$3,945,312
Liabilities and Stockholders' Equity		
Liabilities		
CDO bonds payable	$ 544,525	$1,091,354
Other bonds and notes payable	230,279	183,390
Repurchase agreements	556,347	929,435
Mortgage notes payable	1,076,828	120,525
Credit facilities, media and golf	334,514	—
Financing of subprime mortgage loans subject to call option	406,217	405,814
Junior subordinated notes payable	51,237	51,243
Dividends payable	36,075	38,884
Accounts payable, accrued expenses and other liabilities	390,417	51,127
Liabilities of discontinued operations	—	480
Total Liabilities	$ 3,626,439	$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 December 31, 2013 and 2012	$ 61,583	$ 61,583
Common stock, $0.01 par value, 1,000,000,000 and 500,000 shares authorized, 351,453,495 and 172,525,645 shares issued and outstanding at December 31, 2013 and 2012, respectively	3,515	1,725
Additional paid-in capital	2,970,786	1,710,083
Accumulated deficit	(1,947,913)	(771,095)
Accumulated other comprehensive income	76,874	70,764
Total Newcastle Stockholders' Equity	1,164,845	1,073,060
Noncontrolling interests	61,279	—
Total Equity	$ 1,226,124	$1,073,060
Total Liabilities and Stockholders' Equity	$ 4,852,563	$3,945,312

Reconciliation of Core Earnings
($ in thousands)

	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012	Year Ended December 31, 2013
Income applicable to common stockholders	$ 29,038	$ 55,584	$ 145,833
Add (Deduct):			
Impairment (reversal)	(12,745)	(12,097)	(19,769)
Other income	(14,373)	(4,632)	(35,401)
Impairment (reversal), other (income) loss and other adjustments from discontinued operations	—	(10,909)	(6,429)
Depreciation and amortization (A)	16,267	4,586	33,093
Acquisition and spin-off related expenses	8,598	6,324	23,576
Core earnings	$ 26,785	$ 38,856	$ 140,903

(A) Includes 1.8 million and 2.7 million of depreciation and amortization expense in equity method investments for the three months and year ended December 31, 2013, respectively.

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 in the third quarter of 2013 to exclude acquisition and spin-off related expenses. The calculation of Core Earnings has been 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

The Company 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. 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. 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 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.

Fortress Investment Group, LLC

Moderator: Sarah Watterson
February 28, 2014
10:00 a.m. ET

Operator:	Ladies and gentlemen, thank you for standing by and welcome to the Newcastle Investment Corporation fourth quarter and full year earnings call. All lines have been placed on mute to prevent any background noise. After the speaker's remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press star then the number one on your telephone keypad. If you would like to withdraw your question, press the pound key. Thank you. I would now like to turn the call over to Sarah Watterson from Investor Relations. You may begin.
Sarah Watterson:	Thank you, (Victoria), and good morning everyone. This is Newcastle's fourth quarter and full year earnings call. With me today from management, I have Wes Edens, Chairman of Newcastle; Ken Riis, the CEO of Newcastle; Jon Brown, CFO of Newcastle; and Andrew White, the Head of Newcastle's Senior Housing business. Throughout the call we will reference the earnings supplement that was posted to the Newcastle website this morning. If you have not already done so, I would suggest that you download it now. And briefly before we begin, please let me remind you that statements made today are not historical facts but maybe forward-looking statements. These statements by their nature are uncertain and may differ materially from actual results. We encourage you to read the forward-looking statements disclaimer in the presentation as well as the risk factors described in Newcastle's filings made with the SEC.

I would like to also remind you that nothing on this call constitutes an offer to sell or solicitation of an offer of purchase of any interest in Newcastle. The webcast and audio cast is copyrighted material of Newcastle and may not be copied, duplicated, reproduced, or rebroadcast without our consent.

With that, I'd like to turn the call over to Wes.

Wesley Edens: Great. Thanks, Sarah. Welcome, everyone. So I will refer to the supplement to put through here and then I will give the overview before I turn it over to Andrew, Ken, and Jon.

On page two, we show the results for the year. And we've broken it out. On the left hand side, the third and fourth quarter for Newcastle because the resulted Newcastle, that was it's only kind of clean part of the year with the spins of the earlier company. So I tried to make it abundantly clear as to the performance and results of Newcastle today.

As you can see, GAAP income $0.09, core earnings $0.08, dividend $0.10. In each of those cases there was a considerable amount of uninvested capital and we also had a bunch of GateHouse debt that was held as debt and not converted into equity which would have changed earnings.

The net impact if that had that all actually been in place is about another $0.04 or so. So there was a bit of a drag for the uninvested stuff, but we obviously took that into account when we set the dividend policy for it. So for the year though this shows the full results.

If you look at page three, 2013 by really every measure was an extraordinary year for the company. First and foremost is the performance of the company in the public markets. On the first day of 2013 stock price was $8.68. Just a few days after that, we announced we were going to spin the company that became New Residential and all the subsequent activity. So $8.68 on day one. One year later, $ 12.28 when you add up all the different components plus dividends total of $13.36. So a 54 percent total return in a market that did not have terrific investment opportunities and we were able to find good things to do, recapitalize the company well and we think we've created a ton of value for shareholders. And most importantly today, we think that there is the prospect for doing similar things in the coming year.

So just strictly from a return standpoint, we feel terrific about what we were able to accomplish for all the shareholders. In addition to the companies that were spun out, we have created a very significant senior housing platform that we think is the next significant event for the company. Andrew will walk through it in detail but from a standing start, less than two years ago, we created a top ten senior housing platform.

At the end of 2012 we had invested $81 million in capital for 12 properties. At the end of 2013 that had grown very substantially to $494 million, 84 properties. There has been a lot of activity since the end of the year and the pipeline is incredibly robust. So there are a lot of good things to talk about there.

And lastly the core business, kind of the original DNA of the company as an owner and manager of commercial real estate related debt, Ken has done a terrific job over the last number of years and last year was no exception. We had a significant amount of harvesting. We collapsed a deal. We bought in a bunch of our debt at a discount to par, generating incremental money, $115 million more in proceeds due to the collapse of two of the transactions.

So a lot of activity and very productive on that side as well. Again, more of that to come. Page four, the following page, this is a very, very overly simplified snapshot of what the company is today. You can see that just in terms of capital or value on balance sheet right now, we are just under 50 percent senior housing to CDOs. Actually if you roll these numbers forward through activity today, the $494 increases another $70 million or so. So it gets basically very, very close to a 50/50 proposition. And that is terrific both in the nature of the investments we have made and also the performance of them, but again, I will leave that to Andrew to talk about.

I think our target as we've said over time is to gradually take capital that comes out of the CDO business and redeploy it into the senior housing business unless there are other things that come up that we think are opportunistic. And that's exactly what we have done. Given the scale of what we have achieved as a company, it is now a very serious topic for us and our Board to consider whether or not this would be the kind of thing that we would spin out and give it it's own separate identity as we've done with other companies thus far.

We haven't made a conclusive decision about that but I think given the scale of the business I now think it is very viable and we would get the trading and valuation metrics for this on a standalone basis, give people kind of the clarity that they're looking for into that. But again we have not made a definitive decision about that, but that is something that is clearly under consideration.

On page five, we tried to perform a simplistic sum of the parts valuation to give you some sense of what it could be one versus the other. It's a little opaque in that we don't have all of the numbers broken out clearly as we would if we were to actually go ahead with this. But in round terms we think if you look at the senior housing portfolio capitalized such as it is, comparable companies trade at mid single digit yields. So we've used what we think are actually fairly generous metrics to try to describe what that would look like.

The CDO business we think is going to generate a mid-teens return. So we've looked at those two together. I think that without being specific as to what my own views about this, I think it's fair to say that we think that there is a material amount of upside in the valuation of the company if we are successful in actually getting this to the right place.

So given the size of it, I feel great about it. I think that if and when we do go ahead with this thing, we will give you lots of clarity about how to think about it. One thing I have talked to Andrew about a lot is when we do look at the senior housing on a standalone basis; right now we've got all secured debt against that. The right capital structure for those kind of companies to give them the proper flexibility, to introduce other forms of debt, in particular non-secured, or unsecured debt.

So there is a lot of work going on behind the scenes as we're trying to sort this out but we will give you a very sense of that if and when that's the right time to do so. But this page I think just helps in terms of rounding what the valuation could be if you split the two parts around it.

So with that, let me pause and turn it over to Andrew.

Andrew White: Thanks Wes. So given that we are discussing our year-end results I thought it might make sense to spend a few minutes reflecting on the evolution of the senior housing portfolio inside Newcastle over the last 18 months.

We now have one of the largest portfolios of independent living and assisted living properties in the U.S. but again we really only started this path 18 months ago. Our first transaction was in July 2012 when we bough an eight property portfolio on the West Coast, and we completed two more transactions shortly thereafter.

Based in part on the success we had with the first few transactions we decided to commit significant resources to the senior housing business. So we opened a Dallas office in the second quarter of last year and we now have a team dedicated exclusively to senior living at Newcastle.

We started to see results from that team almost immediately as we closed $300 million of deals in the third quarter of 2013 and we've had a strong pipeline ever since. In the fourth quarter we completed our first triple net lease deal and that one was obviously transformational for the Newcastle senior living business.

Looking forward we have a strong pipeline of $300 million of assets that either already closed in Q1 or closing shortly. So now about 18 months into the life of this business, we have nearly $2 billion of assets that are closed or in contract. That accounts for 97 properties with nearly 12,000 beds. Again we really only had the team in place for less than a year, so we're excited about what we think we can do going forward.

If you had the chance to print out the supplement materials we posted you will note we shared some information on the overall market. This continues to be a market with huge supply and demand imbalance. Our target demographic is the fastest growing cohort in the U.S. population, which provides tailwind on the operating side of the business.

This continues to be a market dominated by smaller players which creates an opportunity to build value through consolidation. In the supplemental, we've also shared information on our portfolio as of Q4. As I already mentioned we assembled one of the largest senior housing portfolios in the U.S. We're also happy to report we have one of the best product mixes in the industry. 100% of our beds are independent living or assisted living and we're 95% private pay.

In the supplemental we've shared some information on our performance to date. Our seasoned portfolio which is the assets that we've owned for at least a year is generating 20% cash on cash returns versus 19% in the third quarter. Our newer investments are delivering 12% cash on cash returns which is consist with the targets we've previously discussed. And we've only had about a month and a half of weighted average hold periods for those newer investments.

Looking forward we continue to build our pipeline. As I said we had $300 million of assets that have either already closed in the first quarter or will close in the next handful of weeks. And we continue to have a very strong visible pipeline beyond that.

With that, I will turn the call over to Ken.

Kenneth Riis: Thanks Andrew. For those of you who can follow along, I'm going to talk about the legacy portfolio starting on page 13 of the supplement. So as it relates to our legacy portfolio we had a very productive fourth quarter and full year.

For the year we generated $240 million of cash. We bought back $153 million of our CDO liabilities that are priced at 88% of par. And at the end of the fourth quarter, used a mezzanine investment held in our CDOs to structure an attractive new $50 million investment for the company.

And then finally, subsequent to quarter end, we sold 100 percent of our agency ARM portfolio at an average price of about 106% and as a result we paid off $500 million of repo debt and raised $28 million of net proceeds.

Going to page 14, it gives you a nice summary of our legacy portfolio capital structure. As of the fourth quarter, we owned $2.1 billion face of assets financed with $1.4 billion of debt. From this $765 million of direct holdings, we project to recover over $600 million of principal is held to maturity.

Today the majority of these assets are held in our CDOs and the collateral on those CDOs continues to perform well from a price and credit perspective. In the fourth quarter alone those assets increased in price by 2%.

So if you turn to page 15, we highlight CDO VIII and CDO IX which are the last two CDOs that are meaningful for the company. We had 1.1 billion face amount of assets, financed with 450 million of third-party debt.

On this page, the third-party debt is highlighted in blue and Newcastle's ownership is highlighted in green. These deals continue to generate good cash flow on a quarterly basis and over time will generate meaningful return of capital due to our approximately 60% ownership of the capital structures.

So skipping to page 16, just to summarize in the fourth quarter our legacy portfolio generated $73 million of cash, $16 million of net interest proceeds, and $57 million of return in capital.

I will hand the call back over to Wes to talk about a new investment we've made.

Wesley Edens: Great. We've got a couple of pages of disclosure on an investment that we had previously owned as a debt investment that Ken had made in the CDOs that we've been working on and were successful at the end of the year converting that into an equity investment.

The sector is the golf sector which I'm sure many of you will greet with skepticism given that there has not been a lot of great investment performance to come out of this. But I think from our standpoint, the characteristics of the marketplace and the opportunities that are afforded by some of the distress in the sector make it well worth looking at. We made this investment, converted it from debt into equity in a form that we are very comfortable that if we chose to not to pursue as an ongoing investment and simply look to liquidate it that it would be a very good economic return for us and that's kind of our base case for it right now.

It gives us a very substantial toehold in the industry and there is a lot of interesting things going on. So with that as a backdrop and not any real news other than that, let me give you a few thoughts about the investment and what we see in this sector.

So on page 17, its schematic, my favorite picture is to show what our investment was. We had made an investment originally, on the left hand side of the schematic, where you see the green from the mezzanine, basically did a conventional transaction with the equity. Took them out, converted our debt into both the debt and the equity and still held on a non-consolidated basis but effectively own the equity of it.

Today, we also made an incremental investment to the very senior most debt that I expect we will end up getting refinanced out of sooner rather than later. So the net investment ends up being a little over $50 million of original capital and it has now accreted up a little bit. So we show that value of $58 million.

If you look at the following page, it gives you just a little bit of a snapshot. There are 92 different properties. It's the old American Golf portfolio. They are in 15 states. They have significant concentrations in particular on the West Coast, in Texas and then the Southeast and the Northeast. So places where there are a lot of golf courses, 67 of them are public courses, 25 private courses. There is a bunch of leased properties that are in the sector.

The performance of these assets over the last number of years has been actually quite consistent. Basically the EBITDA of the assets over the last number of years has been basically flat. And it has actually improved a little bit as we come out the recession. This is not an asset class that we think is going to go through any kind of significant change in terms of positive income from course participation. But when you look at the sector there are roughly 14,000 golf courses in the United States. There has been a fair bit of over building.

Even this portfolio which is not significant as we measure investments, puts us something around the fourth largest owner/operator of golf courses. It gives us a real place at the table and much as it was the case in the ski industry where there was a lot of effort that were made to make the sport more successful, the sport easier, and that was really the advent of snowboarding. It didn’t actually hurt skiing. In fact it actually helped it a great deal in terms of participation.

We think that there are things that could happen that would make the overall dynamics of the business better. Although I’d say the core pieces and while we’re interested in this has less to do with that and growth of the business and more simply because we think there could be opportunities to buy assets at very good prices. So this is more akin I’d say to these New Media investments we’re making where we’re buying newspapers that we think are terrific values.

We are obviously looking at ways to create value on a long-term basis but the real value is made in the purchase of it. We haven’t made any subsequent investments. We have looked at a number of different things and I’m not sure that we will make those subsequent investments. It’s something that we’re closely evaluating, so I’m sure people look at the sector and say what you are doing with this. Why this? It’s just a matter of, once again, trying to be opportunistic.

It’s a big addressable sector that lacks institutional sponsorship at every level. That’s what makes it interesting. So that’s why we included the disclosure about it. So that’s what it is.

With that let me turn I over to Jon to walk through the financial results. Jon?

Jon Brown: Hi, everyone. Thank you Wes. I'm going to provide a quick overview of our results. In the fourth quarter we generated GAAP income of $29 million, or $0.09 per diluted share. This included core earnings of $27 million, or $0.08 per diluted share. For the full year we generated GAAP income of $146 million, or $0.51 per diluted share. This included core earnings of $141 million, or $0.50 per diluted share.

On December 18th we declared a common dividend of $0.10 per share, or $35 million. Throughout 2013 we declared common dividend of $0.59 per share, or $163 million. In addition, in May, we spun off New Residential Investment Corp in the form of a stock dividend at a fair value of $6.89 per share.

We would like to note that as a result of transactions we entered into in the fourth quarter of 2013 we now report our segments by business line rather than by financing type. To provide you with more information on our results we have posted our fourth quarter supplemental disclosures on our website. You will 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 turn the call over to the Operator for Q&A.

Operator: As a reminder, if you would like ask a question press star one. Your first question comes from the line of Douglas Harter with Credit Suisse.

Douglas Harter: Thanks. Can you update us as to where you're uninvested cash is today so we can get a sense as to when you might have a quarter where you don't have significant cash drag and sort of earn your potential?

Jon Brown: The uninvested cash is about $75 million today and we're now timing the investments from the CDOs and other debt into the senior housing pipeline in a fashion that we think we have a better match on the way we can take money out of the old investments and put them into senior housing. So we are hoping to decrease the drag in the coming year.

Douglas Harter: Great. And Wes you talked about the potential for spinning out the senior living. Obviously one of the attractive thingsis that as you free up capital from the old CDOs it’s a pretty nice cost of capital to be getting to grow the senior living business. Can you talk about why you might want to split that up and give up that sort of access to capital to grow the senior living business?

Wesley Edens: The capital we generate from the CDO portfolio in the ordinary course, we think that the delta between selling those and collapsing those deals today and harvesting them in due course in their expected maturity over the next two to three years to be something on the order of about $100 million. So we have done a good job I think and folks have done a good job at freeing up enough capital to provide the equity capital to be invested in the senior housing business.

I think the results show that very clearly. People ask this question in some form all the time, which is why don’t you simply just sell everything in the debt portfolio and put it all in senior housing today. My answer is that $100 million is a lot of money. It’s hard to make $100 million so let’s all agree that it is a lot of money. And we will do it in the ordinary course and where it makes sense we will do it.

I think that given the dimensions of the business that we’ve now constructed on the senior side, I do think it is viable as a stand-alone enterprise. And much as it was the case with both the NRZs as well as the New Media, I think that giving it it’s own stand-alone vitality could result in a significant amount of shareholder appreciation. And that’s why we were considering it in the first place but it is a balance between that and continuing to use the existing capital structure that sits inside of it. So that’s something we and our Board and the Advisors all consider. So as I said nothing is definitive at this time but those are the different aspects we’re trying to balance.

Douglas Harter: Great. Thank you.

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

Bose George: Hey, Good morning. Actually can you just give us the impact of the excess capital again. I thought it was around $0.02 but I thought in your prepared remarks you said $0.04.

Wesley Edens: It was really a combination of the excess capital plus we held a bunch of GateHouse debt that was paying a debt coupon and not going through the full economics as if it owns the equity of the company. The combination of those two are about $0.04.

Bose George: Oh, OK. Great. Thanks. And then actually when you look at modeling the earnings pro forma for the New Media spin, how much of the earnings gets pulled out? I mean after tax basis it looks like it was a little a penny of earnings for New Media. Does that seem right?

Jon Brown: For the short period that we had in the fourth quarter, that is about right.

Wesley Edens: Yes.

Bose George: OK, great. In terms of the dividend outlook, how should we think about that post the New Media spin. Is this dividend a reasonable number post spin?

Wesley Edens: It is. I think again dividend policy is set by the Board so I wouldn't give my two cents on it. But you can see that's why I broke out the results for the second half of the year of the core Newcastle business. You can see the results are actually quite stable and with the capital being invested actually we get fall through our kind of core earnings being greater than our dividend. But I think a stable dividend and obviously our goals are to grow over time, it's what our same intentions are.

Bose George: OK, great. Thank you.

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

Matthew Howlett: Hi, guys. Thanks for taking my question. I think the spin out of the healthcare, the potential spin out I think is interesting given clearly there is adisconnect here with the valuation. My first question is what would legacy NCT, I mean with the CDOs running off and would you try to restart an origination platform. What you could tell us about what that legacy company would look like going forward?

Wesley Edens: Yes. I think that's a good question. There are a number of things we're looking at. We're industrious folks and we're constantly trying to look at opportunities in the marketplace of things that we think we can create value in. There is a financial services, mortgage related financial services business that we have spent a lot of time on that I think is interesting. There is actually a multi-family situation we did spend a lot of time on that we think is interesting.

So there are really three or four things that we have looked at in various combinations. And there is nothing definitive yet. We do have actually a fair bit of time in that the cash flows from the debt portfolios are very solid and have been a terrific source of income for us. But it is clearly a topic that we're very focused on.

Matthew Howlett: Got you. Is there any indication how big the healthcare, how much more transitioning of capital. I know you have the uninvested cash and you continue to sell stuff inside CDOs and get cash back from the Class A bond, particularly of CDO VIII. I mean, how big would healthcare be in terms of equity invested before it's spun. Is there a reasonable target you would give us?

Wesley Edens: Well, just the kind of ballpark targets would be at the end of the year, less than 50 percent was in senior housing but let's called 40 percent to 45 percent senior housing in balance of debt. Today, on committed capital that number is closer to 50/50. If we were to proceed with this spin even in the short term it's likely you would end up with more than 50/50.

So I can't be precise with numbers because we don't know exactly where it all will end up but I think 40/60 at the end of the year, 60/40 by the time it was spun those might be you know good guesses but they're really just guesses because we don't have the precise numbers until we actually you know went ahead and did something.

Matthew Howlett: Got you. OK. Then Andrew this question is for you. Just on the senior housing you know you've done a great job with the 2012 investments and the managed investments. You look at 2013, and I know you have a big Holiday transaction in there which is a net lease, did 12 percent levered yield in 4Q'13, another 12 below your target. How long would it take to get to the target amount on that piece of the business?

Andrew White: Yes. We can probably do a better job disaggregating the 2013 investments to between the managed and the net lease.

Matthew Howlett: Right.

Andrew White: The net lease is obviously more predictable with fixed escalators and fixed rate debt…

Matthew Howlett: Right.

Andrew White: …where we think was actually a 13% in the first full year goes to a 17% over the first handful of years. That's obviously predictable with fixed rate debt and fixed escalators. On the managed side, I think there are a couple dozen new investments on the managed side there. And I think the guidance we've given is kind of two to three years from the 12% going in levered yields, to the 20% stabilized yields.

I think obviously we did a much quicker ramp up on the first vintage, the 2012 stuff. I'm optimistic that we can perform on the front end of that two to three year timeline but I think we're still in a handful of months into each of those investments. So I think we will see how it goes.

Matthew Howlett: Yes. You've done a fabulous job obviously on the stuff you've already put in place. On the pipeline do you still feel like you can get those types of returns with the leverage of the debt market still receptive? I mean, are those targets still in place if you look at new acquisitions?

Andrew White: Yes. I think the simple answer is yes. It's obviously an asset-by-asset story but I think the simple answer to your question is yes.

Matthew Howlett: And last question, entering into another net lease transaction with Holliday or someone else, are you still looking at possibly doing another big transaction or what can you tell us on that side?

Andrew White: I think the pipeline has been, to date and will continue to be, kind of a balance between the handful of single assets deals in each quarter and then kind of a larger, chunkier deal. Obviously the fourth quarter one was quite large, but transactions in the $150 million to $200 million range. We are definitely spending more time these days looking at net lease deals where we think we can have good going in year one lease rates with outsized escalators on the front end to capture kind of contractually what we think is upside in assets.

So I think we're definitely spending more time on that now.

Matthew Howlett: Great. Great. Thanks guys.

Operator: Your next question comes from the line of Amy Debone with CompassPoint.

Amy Debone: Hi, thanks for taking our questions. So I'm trying to get a better sense of the performance of the media investments. And on page five of the release the other revenue items that pertain to GateHouse advertising, circulation and commercial printing. Can you tell me if those numbers represent performance from November 26th to the end of the quarter?

Wesley Edens: Yes. I think with respect to the media investment, that company, New Media is in registration right now with the SEC. And I want to be very careful that we don't speak of things kind of out of term with that. We think that in the very near term we're going to be in a position to be very clear with what is going on other than what is stated in the numbers.

Bottom line is that we are very happy with the performance of the company. We think that the company, both from an operating standpoint and an acquisition standpoint, has a tremendous amount of potential. And I would love to give details about that but I don't want to do so out of order and out of filter with what we're doing with SEC because this is a brand new company we just got involved with honestly. So hopefully that will be something we can address in the very near term.

Operator: Again if you would like to ask a question, press star one on your telephone keypad. You do have a follow up question from the line of Bose George with KBW.

Bose George: Hi, I just wanted to get the equity that was contributed to New Media. I just want to figure out the pro forma equity after the spin.

Wesley Edens: I think $384 million. I'm looking to the accountants but I think that's the number that comes to mind. I think that's, $384 was the total capital contribution to New Media.

Bose George: So $384 million, that's the total amount of basically your equity that's now New Media equity.

Wesley Edens: No that's the total amount of equity at which we were 85% of that. So the equity footings from the New Media $384 million. I think that Newcastle has 85% of that.

Bose George: OK, so about 85% of that is the part of your equity that's now New Media equity? 85% of the $384 million.

Wesley Edens: Yes. That's correct and that was what was distributed to shareholders.

Bose George: OK great. Thanks much.

Wesley Edens: Yes.

Operator: Thank you. I'd now like to turn the call back to Wes for any closing remarks.

Wesley Edens: That's all. Thanks very much. Great year last year guys. We're hopeful for similar results this year. Thanks a lot.

Operator: Again thank you for your participation. This concludes today's conference call. You may now disconnect.

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