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): August 6, 2015 (August 5, 2015)

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

Maryland
(State or other jurisdiction of incorporation)

001-31458 **(Commission File Number)**	**81-0559116** **(IRS Employer Identification No.)**
1345 Avenue of the Americas, 46th Floor **New York, New York** **(Address of principal executive offices)**	**10105** **(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 August 5, 2015, Newcastle Investment Corp. (the "Company") issued a press release announcing the Company's results for its fiscal quarter ended June 30, 2015. A copy of the Company's press release is attached to this Current Report on Form 8-K (the "Current Report") as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

This Current Report, including the exhibit 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 August 5, 2015, issued by Newcastle Investment Corp.
99.2	Transcript of earnings conference call

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/ Justine A. Cheng
Justine A. Cheng
Chief Financial Officer, Chief Operating Officer & Treasurer

Date: August 6, 2015

EXHIBIT INDEX

Exhibit Number	Description
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Exhibit 99.1

NEWCASTLE
INVESTMENT CORP

Contact:
Investor Relations
212-479-3195

NEWCASTLE ANNOUNCES SECOND QUARTER 2015 RESULTS

2Q CORE EARNINGS PER SHARE OF $0.17

NEW YORK—(BUSINESS WIRE)—August 5, 2015—Newcastle Investment Corp. (NYSE: NCT; "Newcastle", the "Company") today reported the following information for the quarter ended June 30, 2015.

SECOND QUARTER FINANCIAL HIGHLIGHTS

- Core Earnings of $12 million, or $0.17 per WA basic share
- Adjusted Funds from Operations ("AFFO") of $27 million, or $0.40 per WA basic share
- GAAP Income of $17 million, or $0.26 per WA basic share
  - Depreciation and amortization of $10 million, or $0.14 per WA basic share*

SECOND QUARTER & SUBSEQUENT HIGHLIGHTS

- ***Real Estate Debt Portfolio*** – As of June 30, 2015, the Real Estate Debt Portfolio consisted of $373 million of non-agency assets and $202 million of agency securities. During the quarter, the Company:
  - Sold $203 million of non-agency assets at an average price of 96% of par and $7 million of real estate properties, and received $32 million of pay downs, which generated $73 million of proceeds to NCT and $30 million of gain on sale
  - Collapsed CDOs VIII and IX: Fully repaid $159 million of third party debt and retained $245 million of assets
  - Generated $12 million of net investment income, or a 15% annualized return
- ***Golf Business*** – Owned, leased, and managed 88 golf properties across 14 states, of which 76% were located in the top 20 Metropolitan Statistical Areas (MSAs).
  - On August 4, 2015, the Company agreed to repurchase its $157 million of third party golf debt at a price of 90.0% of par, or $141 million. The purchase is expected to close in the third quarter and be funded with cash and new debt financing
  - The golf business added 314 private club members to the same store portfolio year-over-year and increased public golf rounds played by approximately 55,000 during the first six months of 2015 compared to prior year
- ***Cash Dividends*** – In June, Newcastle declared a second quarter common cash dividend of $0.12 per share, or $8 million

	2Q 2015	1Q 2015
Summary Operating Results:		
GAAP Income/(Loss)	$17 million*	($2) million*
GAAP Income/(Loss) per WA Basic Share	$0.26	($0.03)
Non-GAAP Results:		
Core Earnings**	$12 million	$8 million
Core Earnings per WA Basic Share**	$0.17	$0.12
Adjusted Funds From Operations (AFFO)**	$27 million	$7 million
AFFO per WA Basic Share**	$0.40	$0.11

WA: Weighted Average

* 2Q 2015 GAAP Income/(Loss) includes $7 million of total depreciation and amortization charges, $1 million of amortization of favorable or unfavorable leasehold intangibles and $2 million of accretion on golf membership deposit liability. 1Q 2015 GAAP Income/(Loss) includes $7 million of total depreciation and amortization charges, $1 million of amortization of favorable or unfavorable leasehold intangibles, and $1 million of accretion on golf membership deposit liability. The accretion of membership deposit liability was recorded to interest expense and the amortization of favorable and unfavorable leasehold intangibles was recorded to operating expenses - golf.

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

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

EARNINGS CONFERENCE CALL

Newcastle's management will host a conference call on Wednesday, August 5, 2015 at 9:00 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 1-866-393-1506 (from within the U.S.) or 1-706-634-0623 (from outside of the U.S.) ten minutes prior to the scheduled start of the call; please reference "Newcastle Second Quarter 2015 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 Wednesday, August 19, 2015 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 "4388519."

Investment Portfolio

The following table summarizes Newcastle's consolidated investment portfolio at June 30, 2015 (dollars in millions):

	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 Investment							
Commercial Assets							
CMBS	$ 83	$ 27	3.8%	$ 45	17	B-	1.3
Mezzanine Loans	41	23	3.2%	23	3	85%	0.6
CDO Securities (4)	15	—	— %	10	2	C	6.5
Other Investments (5)	20	20	2.8%	20	1	—	—
Total Commercial Assets	159	70	9.8%	98			1.7
Residential Assets							
Residential Loans	4	4	0.6%	4	6	725	1.8
Non-Agency RMBS	17	3	0.4%	10	9	CC	12.1
Real Estate ABS	8	—	— %	—	1	C	—
	29	7	1.0%	14			7.4
FNMA/FHLMC	202	208	29.1%	208	4	AAA	8.8
Total Residential Assets	231	215	30.1%	222			8.6
Corporate Assets							
Corporate Bank Loans	185	119	16.6%	119	4	D	1.3
Total Corporate Assets	185	119	16.6%	119			1.3
Total Debt Investments	575	404	56.5%	439			4.5
Other Investments							
Golf Investment (6)	362	311	43.5%	311			
Total Portfolio/Weighted Average	$ 937	$ 715	100.0%	$ 750			

WA- Weighted average

(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. 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 8 securities with zero value, which had an aggregate face amount of $115.0 million.
(5) Represents an equity investment in a real estate owned property.
(6) Face amount of the golf investment represents the gross carrying amount, including intangibles and excludes accumulated depreciation and amortization.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Interest income	$ 24,265	$ 29,893	$ 51,343	$ 76,345
Interest expense	16,950	20,328	33,677	42,498
Net interest income	7,315	9,565	17,666	33,847
Impairment/(Reversal)				
Valuation allowance (reversal) on loans	4,317	1,526	4,674	2,772
Other-than-temporary impairment on securities	9,128	—	9,472	—
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)	234	—	(62)	—
Total impairment (reversal)	13,679	1,526	14,084	2,772
Net interest income after impairment/reversal	(6,364)	8,039	3,582	31,075
Operating Revenues				
Golf course operations	48,778	50,513	87,732	90,285
Sales of food and beverages - golf	20,944	19,923	33,956	33,462
Other golf revenue	13,081	12,301	21,941	21,622
Total operating revenues	82,803	82,737	143,629	145,369
Other Income (Loss)				
Gain on settlement of investments, net	26,776	40,435	27,791	42,769
Gain (loss) on extinguishment of debt	489	(3,410)	489	(3,410)
Other income (loss), net	2,108	4,682	1,594	18,156
Total other income	29,373	41,707	29,874	57,515
Expenses				
Loan and security servicing expense	118	408	214	1,265
Operating expenses - golf	65,438	66,482	120,375	126,129
Cost of sales - golf	9,108	8,807	15,161	14,763
General and administrative expense	3,487	4,767	5,200	8,331
Management fee to affiliate	2,674	5,296	5,342	11,189
Depreciation and amortization	7,119	6,317	13,872	12,180
Total expenses	87,944	92,077	160,164	173,857
Income from continuing operations before income tax	17,868	40,406	16,921	60,102
Income tax expense	27	4	73	144
Income from continuing operations	17,841	40,402	16,848	59,958
Income (loss) from discontinued operations, net of tax	524	(8,504)	639	(23,803)
Net Income	18,365	31,898	17,487	36,155
Preferred dividends	(1,395)	(1,395)	(2,790)	(2,790)
Net loss attributable to noncontrolling interests	49	29	230	690
Income Applicable to Common Stockholders	$ 17,019	$ 30,532	$ 14,927	$ 34,055
Income Applicable to Common Stock, per share (1)				
Basic	$ 0.26	$ 0.52	$ 0.22	$ 0.58
Diluted	$ 0.25	$ 0.50	$ 0.22	$ 0.56
Income from continuing operations per share of common stock, after preferred dividends and noncontrolling interests (1)				
Basic	$ 0.25	$ 0.67	$ 0.22	$ 0.99
Diluted	$ 0.24	$ 0.65	$ 0.21	$ 0.96
Income (Loss) from discontinued operations per share of common stock (1)				
Basic	$ 0.01	$ (0.15)	$ 0.01	$ (0.41)
Diluted	$ 0.01	$ (0.15)	$ 0.01	$ (0.41)
Weighted Average Number of Shares of Common Stock Outstanding (1)				
Basic	66,426,980	58,599,666	66,425,751	58,587,691
Diluted	69,204,717	60,477,084	69,055,495	60,493,844
Dividends Declared per Share of Common Stock (1)	$ 0.12	$ 0.60	$ 0.24	$ 1.20

(1) All per share amounts and shares outstanding for all periods reflect the 1-for-3 reverse stock split, which was effective after the close of trading on August 18, 2014 and the 1-for-2 reverse stock split, which was effective after the close of trading on October 22, 2014.

Consolidated Balance Sheets
($ in thousands, except per share data)

	June 30, 2015 (Unaudited)	December 31, 2014
Assets		
Real estate securities, available-for-sale	$ 65,499	$ 231,754
Real estate securities, pledged as collateral	208,041	407,689
Real estate related and other loans, held-for-sale, net	141,826	230,200
Residential mortgage loans, held-for-investment, net	—	—
Residential mortgage loans, held-for-sale, net	3,527	3,854
Subprime mortgage loans subject to call option	404,149	406,217
Investments in other real estate, net of accumulated depreciation	231,268	239,283
Intangibles, net of accumulated amortization	79,702	84,686
Other investments	19,925	26,788
Cash and cash equivalents	114,338	73,727
Restricted cash	3,385	15,714
Receivables from brokers, dealers and clearing organizations	392,289	—
Receivables and other assets	39,724	35,191
Assets of discontinued operations	53	6,803
Total Assets	$ 1,703,726	$ 1,761,906
Liabilities and Equity		
Liabilities		
CDO bonds payable	$ 92,693	$ 227,673
Other bonds and notes payable	9,871	27,069
Repurchase agreements	375,704	441,176
Credit facilities and obligations under capital leases	165,006	161,474
Financing of subprime mortgage loans subject to call option	404,149	406,217
Junior subordinated notes payable	51,228	51,231
Dividends payable	8,907	8,901
Payables to brokers, dealers and clearing organizations	207,732	—
Accounts payable, accrued expenses and other liabilities	160,692	179,390
Liabilities of discontinued operations	—	447
Total Liabilities	$ 1,475,982	$ 1,503,578
Commitments and contingencies		
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 June 30, 2015 and December 31, 2014	$ 61,583	$ 61,583
Common stock, $0.01 par value, 1,000,000,000 shares authorized, 66,476,285 and 66,424,508 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	665	664
Additional paid-in capital	3,172,297	3,172,060
Accumulated deficit	(3,042,901)	(3,041,880)
Accumulated other comprehensive income	36,294	65,865
Total Newcastle Stockholders' Equity	227,938	258,292
Noncontrolling interests	(194)	36
Total Equity	$ 227,744	$ 258,328
Total Liabilities and Equity	$ 1,703,726	$ 1,761,906

Reconciliation of Core Earnings
($ in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Income available for common stockholders	$ 17,019	$ 30,532	$ 14,927	$ 34,055
Add (Deduct):				
Impairment (reversal)	13,679	1,526	14,084	2,772
Other (income) loss(A)	(29,044)	(39,510)	(29,231)	(55,357)
Impairment (reversal), other (income) loss and other adjustments from discontinued operations	(317)	26,634	(306)	60,758
Depreciation and amortization(B)	9,837	8,952	19,309	17,757
Acquisition, restructuring and spin-off related expenses	333	1,115	371	2,277
Core earnings	$ 11,507	$ 29,249	$ 19,154	$ 62,262

(A) Net of $1.9 million of deal expenses relating to the sale of the manufactured housing portfolio which were recorded to general and administrative expense under GAAP during 2014.

(B) Including accretion of membership deposit liability of $1.5 million and $2.9 million and amortization of favorable and unfavorable leasehold intangibles of $1.2 million and $2.5 million in the three and six months ended June 30, 2015, respectively. Including accretion of membership deposit liability of $1.4 million and $3.1 million and amortization of favorable and unfavorable leasehold intangibles of $1.2 million and $2.5 million in the three and six months ended June 30, 2014, respectively. The accretion of membership deposit liability was recorded to interest expense and the amortization of favorable and unfavorable leasehold intangibles was recorded to operating expenses - golf.

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, media and golf 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. It also excludes depreciation and amortization charges, including the accretion of the membership deposit liability and the impact of the application of acquisition accounting, acquisition and spin-off related expenses and restructuring 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.

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 our liquidity, and is not necessarily indicative of cash available to fund cash needs. For a further description of the differences between cash flows provided by operations and net income, see "– Liquidity and Capital Resources" in the Company's Quarterly Report on Form 10-Q and Annual Report on Form 10-K**,** which are available on the Company's website, www.newcastleinv.com. Our calculation of core earnings may be different from the calculation used by other companies and, therefore, comparability may be limited.

Reconciliation of Adjusted Funds from Operations ("AFFO")
($ in thousands)

	Three Months Ended June 30, 2015	Three Months Ended March 31, 2015
Income available for common stockholders	$ 17,019	$ (2,092)
Add:		
Depreciation and amortization(A)	9,837	9,482
Adjusted Funds from Operations ("AFFO")	$ 26,856	$ 7,390

(A) Depreciation and amortization charges for the three months ended June 30, 2015 includes $7.1 million of depreciation and amortization, $1.2 million of amortization of favorable or unfavorable leasehold intangibles and $1.5 million of accretion on the golf membership deposit liability. Depreciation and amortization charges for March 31, 2015 includes total depreciation and amortization of $6.8 million, $1.3 million of amortization of favorable or unfavorable leasehold intangibles and $1.4 million of accretion on golf membership deposit liability. The accretion of membership deposit liability was recorded to interest expense and the amortization of favorable and unfavorable leasehold intangibles was recorded to operating expenses - golf.

ADJUSTED FUNDS FROM OPERATIONS

The Company defines Adjusted Funds from Operations ("AFFO") as net income available for common stockholders plus depreciation and amortization, including accretion of membership deposit liability and amortization of favorable and unfavorable leasehold intangibles. The Company believes AFFO provides useful information to investors regarding the performance of the Company, because it provides a measure of operating performance without regard to depreciation and amortization, which reduce the value of real estate assets over time even though actual real estate values may fluctuate with market conditions, accretion of membership deposit liability and amortization of favorable and unfavorable leasehold intangibles. AFFO does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative to net income (loss) as an indicator of Newcastle's operating performance or as an alternative to cash flow as a measure of Newcastle's liquidity, and it is not necessarily indicative of cash available to fund cash needs. Newcastle's calculation of AFFO may be different from the calculation used by other companies and, therefore, comparability may be limited. The Company's definition of AFFO differs from the definition of FFO established by the National Association of Real Estate Investment Trusts ("NAREIT"), which defines FFO as net income (or loss) (computed in accordance with GAAP) excluding losses or gains from sales of depreciable property, impairment of depreciable real estate, real estate-related depreciation and amortization and the portion of such items related to unconsolidated affiliates.

ABOUT NEWCASTLE

Newcastle focuses on investing in, and actively managing, real estate related assets. Newcastle conducts its operations to qualify as a REIT for federal income tax purposes. Newcastle 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 Newcastle's 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 Operations" 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.

Newcastle Investment Corp. NYSE:NCT

FQ2 2015 Earnings Call Transcripts
Wednesday, August 05, 2015 1:00 PM
Call Participants

EXECUTIVES

Cameron MacDougall

Justine A. Cheng
Chief Financial Officer, Chief Operating Officer and Treasurer

Kenneth M. Riis
Chief Executive Officer, President and Director

Wesley Robert Edens
Chairman

ANALYSTS

Matthew Howlett
UBS Investment Bank, Research Division

Sam Choe

Presentation

Operator

Good morning. My name is Robyn, and I will be your conference operator today. At this time, I would like to welcome everyone to the Newcastle Second Quarter 2015 Earnings Call. [Operator Instructions] I will now turn the conference over to our host, Mr. Cameron MacDougall. You may begin your conference.

Cameron MacDougall

Great. Thanks so much. Thank you, and good morning, everyone. I'd like to welcome you today to Newcastle's Second Quarter 2015 Earnings Call. Joining me here today are Wes Edens, our Chairman of Board of Directors; Ken Riis, our Chief Executive Officer; and Justine Cheng, our Chief Financial Officer.

We posted an investor presentation on our website, which we encourage you to download if you have not already done so.

Before I turn the call over to Wes, I'd like to point out that certain statements made today will be forward-looking statements, and these statements, by their nature, are uncertain and may differ materially from actual results. We encourage you to review the disclaimers and risk factors in our press release and investor presentation regarding forward-looking statements and review the risk factors contained in our annual and quarterly reports filed with the SEC.

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

Wesley Robert Edens

Chairman

Great. Thanks, Cameron. Thanks, everyone, for dialing in.

I'll start with a few of the highlights. Second quarter was a very good quarter for Newcastle, strong financial results; core earnings, $0.17, that compares to $0.12 in the first quarter. The highlights of that were the gains from some of the sale on the debt business we'll talk about in a second. We paid a cash dividend of $0.12, just as we did in the first quarter; GAAP income of $0.26 per share or $17 million.

If you look at Page #4 of our supplement, just to go through some of the highlights. The top of the list is on the debt side. We collapsed 2 of our last 2 CDOs, CDOs VIII and IX. We paid off $159 million in third-party debt, received $70 million in cash proceeds, generated $30 million gain on sale, greatly simplifying our balance sheet and kind of preparing us for our next stage of life; retained $245 million of the assets that are held in these CDOs that are basically unencumbered on our balance sheet. The current portfolio is $373 million of non-agency assets, $202 million in agency securities. And the current path for us, we believe, is — if things go as we planned, is that we expect to liquidate the bulk of those investments between now and year-end; no assurances to that, but that, at this point, is our plan. The core business in our Golf side had a very, very good first 6 months of the year; 5.6% year-over-year growth in June year-to-date compared to last year; same-store June portfolio operating metrics improving year-over-year. Private clubs grew 2.2%. Public golf rounds increased by 3.5%. We're on track to generate adjusted EBITDA of $30 million to $33 million in 2015. We think that the future in 2016 is even brighter than that.

On Page #5, a little bit more about the Golf business. The big news for the quarter is that we, just yesterday, signed definitive documents to buy back the existing first mortgage debt. If you look at the picture on the left-hand side of it, it gives you a depiction of what it looked like prior to this. There was a first mortgage of which we owned a portion of it, and that portion is owned by a third party; and then a second mortgage owned by another party. That debt was sold in an auction. We were the successful buyer of it. So we bought $157 million of third-party debt at a price at 90% of par or $141 million. The capital structure on the right side shows our new deleveraged balance sheet. So $70 million is all that we have left in short-term debt; equity value of $230 million, which compares to our equity investment of $154 million; so a big gain relative to what we paid for the portfolio originally. That's the focus on — our management side have done a terrific job in managing it thus far, and we're now well, well positioned in terms of putting the more long-term capital structure in plan.

If you look on Page #6, it gives you the picture on what the Golf business looks like post debt repurchase. You can see our balance sheet is actually quite simple now; a Real Estate Debt portfolio of non-agency assets of $373 million; agencies at $202 million. Those are short-duration portfolio with mid-teens returns. And then we have the Golf portfolio, 88 properties in prime locations, 14,840 private members; again, our targeted EBITDA for 2015, $30 million to $33 million, with a forecast of ranges substantially better than that down the road.

So with that, let me turn over to Ken Riis to go through some of the details on the debt side. Ken?

Kenneth M. Riis

Chief Executive Officer, President and Director

Thanks, Wes. We had a very active quarter. Going into the quarter, our strategy was to take advantage of low interest rates and tight credit spreads. So the time is right to sell. We sold lower yielding assets while retaining securities and loans with meaningful upside and principal recovery in our portfolio. In the quarter, we sold $203 million of securities at 96% of par and $7 million of real estate properties. Also, we received $32 million of paydowns. The sales generated $30 million of gains, and the $234 million of proceeds were used to pay our third-party debt, resulting in $73 million of net proceeds to NCT. Today, we own $373 million of non-agency assets and $200 million of agency securities. Our expected recovery from this portfolio is $270 million to $320 million.

I'm on Page 10 in the deck. I just wanted to highlight sort of the bulk of our activity related to the collapse of CDOs VIII and IX. Through the sale of assets at par and paydowns received, we paid off all third-party debt, terminating the CDOs and generating $70 million of cash to NCT. We also retained $245 million of assets that were held in the CDOs that are now unleveraged on our balance sheet and represent meaningful recovery of principal to NCT. So our timing was good. We sold assets at a low point in interest rates and maximized proceeds. We also raised cash, allowing us to take advantage of the opportunity to buy back our bulk debt at a discount. So I'm really happy with that.

I'll pass over to Wes.

Wesley Robert Edens

Chairman

Great. Just back on the kind of Golf business in short. Page 12 is a very good snapshot of what the portfolio looks like. We are the third largest owner-operator of golf courses in the United States. The Golf business is a big business, nearly 14,000 golf courses nationwide. As an owner-operator of 88, that makes us the third largest. So it demonstrates very clearly what the opportunity is, we think, on the consolidation of it. The portfolio is very well located. You would want to have golf in the places where the sun shines. You can see we've got big concentrations in California and Texas and the Northwest, in particular. We expect to generate EBITDA, we said, between $30 million and $33 million. The first half was very, very strong for us. It's a 50% growth in the EBITDA since we actually acquired the portfolio.

Page 13 gives a little bit more detail in terms of some of the underlying metrics in terms of number of rounds played, number of private club members added, et cetera. Again, you can see first half of the year versus second half of the year — or first half of the year. A year ago, we've had very substantial growth in [indiscernible], we think, on pace to have a very good next part of the year. If you refer back to the capital structure plan, what we've got right now is an underleveraged asset on our balance sheet in the Golf care [ph], of course. So $70 million, we think, is less than the business will comfortably fair, and that's something we'll look to put in place over the second half of the year. It's a capital structure which is a low-cost coupon but also long-dated in its maturity that, we think, again, takes advantage of our ability to buy back the debt at a discount. So that should be a good financial result for us in the short term and a good operating result in the long term so we can put the right debt in place to grow the business properly.

If you refer back to Page #7, which is the sum of the parts valuations. Just pull it up here as well, if you can. I have the copy of it, yes. This is a question we often get asked. So let me just walk through this page, and then I'll open it up for questions. So — excuse me, I'll give it over to Justine to go through the numbers, no other [ph] questions. So the illustrative sum of the parts, the current market capitalization of the company, $326 million or $4.91 a share, the way we look at the business is it's broken into the components listed below. The Real Estate Debt portfolio, which, again — now that it is unleveraged on our balance sheet, we think it is something that is readily salable. And we expect to harvest that in due course over the next 6 to 12 months. The golf course value, we give a range of valuations there. There's a lot of clarity now in that in terms of the positioning of that asset, the growth of it, and now the capital structure is there. Investable cash is likely to go up a fair bit because we're going to — as we liquidate our debt security, as we look to leverage the golf course and put more investable cash. We've got thoughts both in the golf course business as well as on a few other regards and things that we're looking at that we'll give you reports on in the future. So net of those, we add those all up. Now for the range of valuations between $6 and $7 a share, we think that's a good starting point of departure in terms of valuation discussions. That's obviously a substantial premium to the $4.91 we are right now. So we think the company represents really good value there.

Justine, do you want to go through the highlights?

Justine A. Cheng

Chief Financial Officer, Chief Operating Officer and Treasurer

Sure. To wrap up, we had a terrific second quarter. We monetized a good portion of our legacy real estate portfolio and generated $30 million gain and $73 million of net proceeds for reinvestment. We collapsed our 2 main CDO portfolios and retained the $245 million of assets, which we expect to continue to generate mid-teen returns. And on the Golf side, as we discussed, we agreed to acquire the debt back at an attractive discount, which will generate a $15 million gain. And that business, as we just heard, is well on track to hit our targeted EBITDA of $30 million to $33 million. As a result, our balance sheet is pretty simple right now. The debt portfolio ended in Q2 was $575 million of asset face value, of which $373 million are unencumbered assets and $202 million are agency securities. On the Golf side, in Q2, we had $83 million invested. And pro forma for the buyback, that will increase to $154 million invested. Post the Golf deal, we'll have cash balance of roughly $35 million.

To summarize our earnings quickly, which was on Page 3, our core earnings was $12 million this quarter or $0.17 per share. Roughly 60% of that, of the net investment income, came from our debt portfolio, and the balance came from the positive contribution of Golf during their high season. Our AFFO, with adjusted core [ph] to include net gains from sale, was $27 million this quarter or $0.40 per share. Our GAAP income was $17 million or $0.26 per share, which includes the impact of D&A of $10 million or $0.14 per share. And lastly, our dividend declared for Q2 was $8 million or $0.12 per share, which, annualized, represents a 10% yield on our current stock price. We are very pleased with the results this quarter, and we look forward to reporting our progress in Q3.

And with that, I'll turn the call back over to the operator.

Question and Answer

Operator

[Operator Instructions] And your first question is from Doug Harter from Credit Suisse.

Sam Choe

This is actually Sam Choe covering for Doug Harter. I just had a — I guess I just wanted to have a — kind of a big picture question. So you guys mentioned that you're liquidating the — I mean, you liquidated the CDO and the debt portfolio. You mentioned that it's going to happen throughout the course. So how are you thinking about utilizing the capital going forward? Is it safe to say that, well, all of that will be used for the Golf business?

Wesley Robert Edens

Chairman

The answer is [indiscernible] by the Golf business, and it could be all of these by the Golf business. We think there are opportunities there. There's a number of initiatives that we have got. So we are examining. We are happy with the results, I said. When we first made the investment in the Golf business, we thought for certain it was a good trade and we thought that prospectively, it was a good business. I think now that we see the results of the business, we are certainly more focused on the latter part of that. We do think it is a good business opportunity. And we're not in a rush to liquidate the debt investments. We want them to get harvested in their kind of natural course because we do think there's a substantial amount of discount to still be realized there. But as we make those realizations, as we generate incremental proceeds, we'll then evaluate what we should be doing in the investment side. But certainly, the Golf is a significant portion of it. We have thoughts in other related investments as well.

Sam Choe

I see. So I mean, you gave the time line for liquidating the next 6 to 12 months. So I mean — so is that — so could that change given a significant change in market conditions?

Wesley Robert Edens

Chairman

It could change in market conditions, of course. So we should be mindful of that. So we're not going to sell if the market got very bad. It's an interesting time in the world, right. There's a lot of uncertainty in different parts of the world, China and Greece, et cetera, that affect our market here, but we think if things stay kind of on their natural course that that's what you should expect.

Operator

[Operator Instructions] And the next question is from Matthew Howlett from UBS.

Matthew Howlett

UBS Investment Bank, Research Division

Congratulations. It's quite a surprise to see the Golf debt paid off and collapsed finally the 2 CDOs. And they're just going to go a long way to simplify the story in the balance sheet. My question is on the assets you took back from the CDOs, again, those were the lower — the bigger discounted securities, is one of the — is that the Intrawest preferred? Is that included in the securities you took back? And if so, are there any plans with that company or that asset? I know it's — I think it steps up in terms of the coupon at some point.

Wesley Robert Edens

Chairman

It was part of the asset. So it's a part of the balance sheet. It's been a great performing part of the balance sheet, and I really can't comment on Intrawest. They are separate public company. You can talk to those folks in terms of what they're doing, their prospects, et cetera. We're happy with our investment in the company. In another part of the firm, we're an equity holder, obviously, of the company. We're pleased with the results of that company as well, but there are — there's nothing really to talk about in terms of plans for that right now. That's really — and a question best directed to those folks.

Matthew Howlett

UBS Investment Bank, Research Division

Okay, got you. And then, I guess, just when you liquidate that, those legacy assets, it's just a — kind of dig a little bit deeper. I mean, are we talking redeploying those into more debt assets made possibly using a credit line? Or are we talking about equity investments along the way of other real estate that, I think, you guys have talked about sort of becoming this diversified real estate company, entertainment?

Wesley Robert Edens

Chairman

Yes. I don't have any plans to deploy the capital back into the debt business, of course. If there's something opportunistic that we thought made a lot sense, we would certainly evaluate that, but that's not our plan. We do think — the investors, I think, have been patient, and we've been consistent in what our message was, that as we saw opportunities to wind down the debt business, we would. We would find — seek to find other things to redeploy them in. We made the investment in the Golf business. That's actually been a lucrative one for us, and we think that there is more to go on that side. And so it's — very much, that's the plan. As always, we've got a good track record for this, I think. We look for other things that we think are opportunistic. And there are a couple of things on the horizon that, I think, are interesting and worthwhile in examining, but they're not we had fleshed out to the point where it's actually a good idea to talk about them publicly. Obviously, if we did something, then we would talk about it immediately, obviously. But right now, the plan is exactly as I laid out.

Matthew Howlett

UBS Investment Bank, Research Division

Let me fill up this, Wes, then. On the Golf, you've talked about — I mean, there's a nice growth in the EBITDA. You're hitting your targets. But what else can you do on those properties to increase the revenue? You talked about bringing in like driving ranges and other entertainment. Is there more to do just on the existing assets that you have?

Wesley Robert Edens

Chairman

I think there's a time to do it. I said there are 2 big areas of opportunity, and the Golf business would be one. We haven't talked about the top golf light [ph] experience, and we think that some of our courses would be suitable for conversion in all or in part of the assets, something that we're examining for sure. I haven't made a conclusion about that, but it's something we talked about because I think that, that is kind of a version 2.0 of the Golf business. There's been success of those businesses that have been well reported in the financial press, and so we definitely have spent some time on that and we're going to continue to look at that. I think also, within the Golf business itself, what you're going to see is there will be, from time to time, some substantial real estate opportunities. In some cases, you end up with underperforming golf course assets that are located in densely populated places, where the value of the real estate exceeds the value of the golf course. We've got a couple of locations that we think are stark examples of that, and so those are the kind of things. They're idiosyncratic. And again, it's hard to model around those, but those are the kind of things in a bigger portfolio. You'd certainly see some. And we think there are opportunities that exist like that across the country. So the core business is owning, managing, returning capital. That's the core business, the Golf business. We're very happy with our management on that front.

Matthew Howlett

UBS Investment Bank, Research Division

Great. And just a last question on dividend. I mean, in terms of getting that intrinsic value you laid out and reported doesn't make sense. Previously, it made sense. Or you guys have the ability to increase the return of capital via increasing the dividend.

Wesley Robert Edens

Chairman

Yes. So I mean, for the question on the dividend, I think it's a board matter, obviously. We talk about it with our board. I think given the state of conversion that we're going through right now, it's the kind of thing that we will examine at the end of the year. It's what I would expect in the ordinary course. And so we've been a consistent payer of the dividend. We certainly are well covered — more than well covered than where we are right now, but that's something we'll examine with our board as the year goes on.

Operator

And there are no further questions.

Wesley Robert Edens

Chairman

Great. Well, thanks, everyone, for dialing in. I look forward to updating you with our third quarter results this fall. Thank you.

Operator

This does conclude today's conference. You may now disconnect.