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

FORM 8-K

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

Date of Report (Date of earliest event reported) May 3, 2006 (May 3, 2006)

Newcastle Investment Corp.

(Exact Name of Registrant as Specified in Charter)

Maryland	001-31458	81-0559116
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1345 Avenue of the Americas, 46th Floor, New York, NY	10105
(Address of Principal Executive Offices)	(Zip Code)

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

Not Applicable

(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 Operations and Financial Condition

On May 3, 2006, Newcastle Investment Corp. (the "Company") announced its results of operations for the quarter ended March 31, 2006. A copy of the related press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release, dated May 3, 2006, issued by Newcastle Investment Corp.

SIGNATURES

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)

Date: May 3, 2006

By: /s/ Debra A. Hess
Name: Debra A. Hess
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated May 3, 2006, issued by Newcastle Investment Corp.

Exhibit 99.1

[GRAPHIC OMITTED] NEWCASTLE INVESTMENT CORP

FOR IMMEDIATE RELEASE

Contact:

Lilly H. Donohue
Director of Investor Relations
212-798-6118

Newcastle Announces First Quarter 2006 Results and Closing of a New Credit Facility

Highlights

- FFO and net income of $0.65 per diluted common share; FFO increased 10% and net income increased 5% from the first quarter 2005
- Record investment quarter - purchased $1.0 billion of assets, investing $127.4 million of capital
- Common equity book value per share increased $0.46 to $19.03 at March 31, 2006
- Issued $100 million of trust preferred securities
- On May 2, 2006, closed a new $200.0 million revolving credit facility

New York, NY. May 3, 2006 - Newcastle Investment Corp. (NYSE: NCT) reported that for the quarter ended March 31, 2006, Funds from Operations ("FFO") were $28.7 million, or $0.65 per diluted common share, compared to $0.59 per diluted common share for the quarter ended March 31, 2005. The Company generated an FFO return on average invested equity of 14.6% for the first quarter 2006.

For the three months ended March 31, 2006, income available for common stockholders was $28.6 million, or $0.65 per diluted common share, compared with $27.2 million, or $0.62 per diluted common share, in the first quarter 2005.

For the quarter ended March 31, 2006, Newcastle declared a dividend of $0.625 per share of common stock.

Our GAAP common equity book value per share increased $0.46 per share to $19.03 at March 31, 2006 from $18.57 at December 31, 2005. GAAP common equity book value was $836.8 million at March 31, 2006 compared with $815.5 million at December 31, 2005.

For a reconciliation and discussion of GAAP net income to FFO and GAAP book equity to invested common equity, please refer to the tables following the presentation of GAAP results.

Recent Event
On May 2, 2006, the Company closed a new $200.0 million revolving credit facility priced at 1 month LIBOR + 175 basis points. The new credit facility replaces the Company's prior $100.0 million revolving credit facility that had an interest rate of 1 month LIBOR + 250 basis points. The new credit facility matures in November 2007 and will be used to fund investments and for other working capital needs.

Kenneth Riis, Newcastle's President, commented, "Our new financing gives us $100 million more borrowing capacity at a lower cost including both a 75 basis point reduction in interest rate and lower fees. The more favorable economic terms and the increased financial flexibility of this credit facility are a result of the diversity and solid credit profile of our investment portfolio and the strength of our balance sheet."

The initial amount drawn under the new credit facility is approximately $60.0 million, and the proceeds were used to repay all of the outstanding indebtedness under the prior credit facility. The Company will record an expense of $0.7 million in the second quarter, representing the write-off of unamortized financing costs related to the prior credit facility.

<TABLE>
Selected Financial Data (Unaudited)
(amount in thousands)
<CAPTION>

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
<S>	<C>	<C>
Operating Data:		
Funds from operations	$ 28,722	$ 25,623
Income available for common stockholders	28,591	27,161

<CAPTION>

Balance Sheet Data:	As of March 31, 2006	As of December 31, 2005
<S>	<C>	<C>
Total assets	$ 7,885,774	$ 6,209,699
Total liabilities	6,946,497	5,291,696
Common stockholders' equity	836,777	815,503
Preferred stock	102,500	102,500
Total equity	939,277	918,003

</TABLE>

The following tables compare certain supplemental data relating to our investment portfolio at March 31, 2006 versus December 31, 2005:

<TABLE>
Supplemental Data - Total Investment Portfolio:

<CAPTION>

	Total Portfolio(1)		Core Investment Portfolio(2)	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
<S>	<C>	<C>	<C>	<C>
Total portfolio (face amount)	$ 7,754,510	$ 6,111,464	$ 6,977,785	$ 5,413,142
Percentage of total assets(3)(4)	93%	92%	82%	80%
Weighted average asset yield(3)	7.01%	6.59%	7.32%	6.85%
Weighted average liability cost(3)	5.52%	5.12%	5.67%	5.22%
Weighted average net spread(3)	1.49%	1.47%	1.65%	1.63%

</TABLE>

<TABLE>
Supplemental Data - Real Estate Securities and Real Estate Related Loans(2):

<CAPTION>

	March 31, 2006	December 31, 2005
<S>	<C>	<C>
Real estate securities and real estate related loans (face amount)	$ 4,927,803	$ 4,802,172
Percentage of total assets(3)(4)	68%	70%
Weighted average credit rating	BB+	BB+
Percentage investment grade	67%	67%
Number of securities and loans	538	534
Weighted average asset credit spread	260	261

</TABLE>

<TABLE>
Supplemental Data - Residential Mortgage Loans:

<CAPTION>

	March 31, 2006	December 31, 2005
<S>	<C>	<C>
Residential mortgage loans (unpaid principal amount)	$ 2,049,982	$ 610,970
Percentage of total assets(3)(4)	14%	10%
Weighted average FICO score	637	712

Number of residential mortgage loans	18,809
7,986	

</TABLE>

Notes:
(1) Excludes ICH of $145.4 million at March 31, 2006 and $165.5 million at December 31, 2005.
(2) Excludes investments that are not a part of our core strategies: ICH of $145.4 million and agency RMBS of $776.7 million at March 31, 2006 and ICH of $165.5 million and agency RMBS of $698.3 million at December 31, 2005.
(3) March 31, 2006 is proforma for our investment in subprime mortgage loans post our April 2006 securitization.
(4) Unamortized cost basis as percentage of total assets.

Capital Markets Activity

In January 2006, we entered into a three year term financing on our manufactured housing loan portfolio. The interest rate on the $237.1 million of issued debt adjusts monthly at LIBOR + 125 basis points. At the time of the closing, we entered into an interest rate swap to hedge against changes in interest rates.

In March 2006, Newcastle issued $100 million of trust preferred securities. The securities have a fixed rate coupon of 7.574% for 10 years and a floating rate of three-month LIBOR + 225 basis points thereafter. The securities mature in 30 years and are callable at par beginning in April 2011.

Subsequent to quarter-end, we securitized our $1.5 billion subprime mortgage loan portfolio which we acquired in March 2006. Newcastle, through the securitization trust, issued $1.45 billion of investment grade debt to term finance the portfolio. Post securitization, Newcastle retained three classes of investment grade bonds rated BBB- to BBB+ with a face amount of $37.6 million as well as the equity in the trust. In the aggregate, Newcastle has approximately $70 million of capital invested in this portfolio with a projected loss adjusted return of approximately 20%.

Wesley R. Edens, Chairman and Chief Executive Officer, commented, "We had a strong first quarter. The results of our recent investment and capital markets activities are beginning to add to our core earnings. The full accretive impact of these activities will be realized in future quarters and position us to achieve our targeted dividend growth in 2006."

First Quarter Investment Activity

In the first quarter 2006, we purchased a total of $2.1 billion of assets. Adjusted for the sale of the subprime assets in April, the total assets purchased is $1.0 billion.

Real Estate Securities and Real Estate Related Loans. We purchased $634.0 million in face amount of real estate securities and real estate related loans, representing 35 securities and loans: $597.0 million on balance sheet; and the remaining $37.0 million of a bank loan financed through a total rate of return swap. With respect to the total rate of return swap in the quarter, we recorded a deposit of $15.5 million on our balance sheet.

Our purchases during the first quarter had an average credit rating of BB-. The investments were comprised of: $258.5 of real estate related loans (including $221.5 million of mezzanine loans and $37.0 million of bank loans); $218.1 million of commercial mortgage backed securities (CMBS); $110.3 million of agency RMBS; $32.1 million of real estate related asset backed securities (ABS); and $15.0 million of real estate investment trust (REIT) debt. In addition, we sold $58.4 million of real estate securities with an average credit rating of BBB-.

Residential Mortgage Loans. We purchased a portfolio of approximately 11,300 subprime residential mortgage loans for approximately $1.5 billion. The loans are secured by residential homes located throughout the U.S. Approximately 92% of the portfolio is secured by first liens, substantially all the assets are owner occupied and the borrowers have a weighted average FICO score of 612. The loans have a weighted average gross coupon of 7.6% and an average loan to value of 81.0%. Substantially all of the loans are current.

Kenneth Riis commented, "We had a record first quarter in both the amount of assets purchased and capital deployed. To date, we have already invested approximately $225 million of capital at a high teens return and we continue to see a strong pipeline of investment opportunities."

Core Investment Portfolio

At March 31, 2006, our $7.0 billion core investment portfolio (excluding the ICH loans and agency RMBS) represented 82% of our total assets on a proforma basis and consisted of $4.9 billion of real estate securities and real estate related loans and $2.1 billion of residential mortgage loans.

Real Estate Securities and Real Estate Related Loans. Our core portfolio was well diversified with 538 securities and loans. Of these investments, 62% were fixed rate investments and the remaining 38% were floating rate. The portfolio consisted of 42% CMBS, 19% REIT debt, 16% ABS, 15% B-Notes and mezzanine loans and 8% real estate loans and bank loans.

The average credit quality was BB+, and 67% of these investments were rated investment grade. Our average investment size was $9.2 million, with our largest single investment being $110.0 million, at quarter end. The weighted average credit spread was unchanged (i.e., the yield premium on our investments over the comparable U.S. Treasury rate or LIBOR) at 260 basis points as of March 31, 2006 versus 261 basis points as of December 31, 2005.

The credit profile of our real estate securities investment portfolio continued to improve during the first quarter. This can be demonstrated by the ratio of upgrades to downgrades in the quarter, where 29 securities ($233.5 million face amount) experienced credit rating upgrades versus one security ($2.4 million face amount) which experienced credit rating downgrades.

At quarter-end, we had $106.7 million of restricted cash to be invested in our eight CBO financings versus $173.4 million at December 31, 2005. Based on current commitments, we now have $51.1 million of unrestricted cash to invest.

With respect to $335.6 million face amount of real estate related loans that are financed via total rate of return swaps, we reported to other income a net unrealized mark to market loss of $0.2 million for the first quarter 2006.

Residential Mortgage Loans. Our portfolio is comprised of $276.4 million of residential mortgage loans, $271.4 million of manufactured housing loans and $1.5 billion of subprime mortgage loans. The residential, manufactured housing and subprime loan portfolios were well diversified with 785 loans, 6,752 loans, and 11,272 loans, respectively. The residential mortgage loans had an average maturity of 2.80 years, the manufactured housing loans had an average maturity of 5.77 years and the subprime mortgage loans had an average maturity of 2.49 years at quarter-end.

Our core business strategy is to "lock in" and optimize the difference between the yield on our assets and the cost of our liabilities (which we refer to as the "net spread"). We finance our investments in a manner that matches the interest rates and maturities of our assets and liabilities in an effort to minimize the impact of interest rate fluctuations on our earnings and to reduce the risk of having to refinance our liabilities prior to the maturities of our assets. As a result of this strategy, our earnings are relatively unaffected by a change in rates. As of March 31, 2006, excluding our investment in the subprime mortgage loan portfolio, an immediate 100 basis point increase in short-term interest rates would have increased our earnings by approximately $0.7 million per annum, or less than $0.02 per share.

Results of Operations

Our first quarter 2006 results include the effect of our acquisition of the $1.5 billion portfolio of subprime residential mortgage loans temporarily financed via a repurchase agreement. At the same time, we entered into an interest rate swap to hedge our exposure to changes in market interest rates. We intended to sell the loans through a securitization transaction, as such the loans were classified as held for sale on our balance sheet at quarter end. As a result, both the change in value of the loans and the swap were recorded through the income statement in the first quarter. We recorded a net gain of $1.4 million representing a gain on the swap of $5.5 million recorded to other income and a provision for losses on the loans held for sale of $4.1 million. The provision taken for the loan portfolio was primarily related to changes in interest rates.

Upon closing of the securitization on April 6, 2006, we sold the loans and the swap into the securitization trust. We retained all of the equity and the low investment grade bonds issued by the trust. In connection with our equity interest, we have the right to call the deal when the principal balance of the loans is equal to or less than 20% of the balance at the time of the securitization. Because 20%, or approximately $300.0 million, of the loans are subject to future repurchase by Newcastle, these loans were not treated as sold.

Following the securitization, Newcastle holds the following interests in the subprime loan portfolio (i) the equity of the trust representing $62.4 million (ii) the retained bonds of $37.6 million face amount ($33.7 million unamortized cost) financed with $28.0 million of repurchase agreements and (iii) loans subject to future repurchase of $286.3 million with a corresponding financing for 100% of the loans retained.

Conference Call

Newcastle's management will conduct a live conference call today at 4:00 P.M. Eastern Time to review the financial results for the quarter ended March 31, 2006. All interested parties are welcome to participate on the live call. You can access the conference call by dialing 866-323-3742 (from within the U.S.) or 706-643-0550 (from outside of the U.S.) ten minutes prior to the scheduled start of the call; please reference "Newcastle First Quarter 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 site and download the necessary software required to listen to the internet broadcast. An online replay of the webcast will be available until June 30, 2006.

A telephonic replay of the conference call will be available until 11:59 P.M. eastern time on Wednesday, May 10, 2006 by dialing 800-642-1687 (from within the U.S.) or 706-645-9291 (from outside of the U.S.); please reference access code "8456438."

About Newcastle

Newcastle Investment Corp. invests in real estate securities and other real estate related assets. Newcastle is organized and conducts its operations to qualify as a real estate investment trust (REIT) for federal income tax purposes. Newcastle is managed by Fortress Investment Group LLC. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit www.newcastleinv.com.

Safe Harbor

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to our ability to grow dividends and returns on equity, including returns on our subprime mortgage portfolio. 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; Newcastle can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Newcastle's expectations include, but are not limited to, our ability to take advantage of opportunities in additional asset classes at attractive risk-adjusted prices; our ability to deploy capital accretively; the risks that default and recovery rates on our loan portfolios exceed our underwriting estimates; the risk that investments made in the first quarter cannot be financed on the basis and for the term at which we expect; and other risks detailed from time to time in Newcastle's SEC reports. Such forward-looking statements speak only as of the date of this press release. Newcastle 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
Consolidated Statements of Income
(dollars in thousands, except share data)
(Unaudited)

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
Revenues		
Interest income	$ 113,907	$ 79,036
Rental and escalation income	2,008	1,264
Gain on sale of investments, net	1,928	1,714
Other income	5,705	1,649
	123,548	83,663
Expenses		
Interest expense	76,965	48,766
Property operating expense	818	693
Loan and security servicing expense	2,006	1,583
Provision for credit losses	2,007	712
Provision for losses, loans held for sale	4,127	-
General and administrative expense	1,630	891
Management fee to affiliate	3,471	3,263
Incentive compensation to affiliate	2,852	1,972
Depreciation and amortization	199	136
	94,075	58,016
Income before equity in earnings of unconsolidated subsidiaries	29,473	25,647
Equity in earnings of unconsolidated subsidiaries	1,195	2,086
Income taxes on related taxable subsidiaries	-	(233)
Income from continuing operations	30,668	27,500

Income from discontinued operations	251	1,184
Net Income	30,919	8,684
Preferred dividends	(2,328)	(1,523)
Income Available for Common Stockholders	$ 28,591	$ 27,161
Net Income Per Share of Common Stock		
Basic	$ 0.65	$ 0.63
Diluted	$ 0.65	$ 0.62
Income from continuing operations per share of common stock, after preferred dividends		
Basic	$ 0.64	$ 0.60
Diluted	$ 0.64	$ 0.59
Income from discontinued operations per share of common stock		
Basic	$ 0.01	$ 0.03
Diluted	$ 0.01	$ 0.03
Weighted Average Number of Shares of Common Stock Outstanding		
Basic	43,944,820	43,221,792
Diluted	44,063,940	43,629,078
Dividends Declared per Share of Common Stock	$ 0.625	$ 0.625

<TABLE>

Newcastle Investment Corp
Consolidated Balance Sheets
(dollars in thousands, except share data)

<CAPTION>

<S>	As of March 31, 2006 (Unaudited) <C>	As of December 31, 2005 <C>
Assets		
Real estate securities, available for sale	$ 4,732,563	$ 4,554,519
Real estate related loans, net	670,938	615,551
Residential mortgage loans, net	540,231	600,682
Subprime mortgage loans, held for sale	1,510,022	-
Investments in unconsolidated subsidiaries	28,946	29,953
Operating real estate, net	28,821	16,673
Cash and cash equivalents	38,475	21,275
Restricted cash	190,259	268,910
Derivative assets	109,944	63,834
Receivables and other assets	35,575	38,302
	$ 7,885,774	$ 6,209,699
Liabilities and Stockholders' Equity		
Liabilities		
CBO bonds payable	$ 3,521,395	$ 3,530,384
Other bonds payable	352,050	353,330
Notes payable	220,825	260,441
Repurchase agreements	2,674,127	1,048,203
Credit facility	-	20,000
Junior subordinated notes payable (security for trust preferred)	100,100	-
Derivative liabilities	9,108	18,392
Dividends payable	29,032	29,052
Due to affiliates	4,011	8,783
Accrued expenses and other liabilities	35,849	23,111
	6,946,497	5,291,696
Stockholders' Equity		
Preferred stock, $0.01 per value, 100,000,000 shares authorized, 2,500,000 shares of 9.75% Series B Cumulative Redeemable Preferred		

Stock and 1,600,000 shares of 8.05% Series C Cumulative Redeemable Preferred Stock, liquidation preference $25.00 per share, issued and outstanding	102,500	102,500
Common stock, $0.01 per value, 500,000,000 shares authorized, 43,967,409 and 43,913,409 shares issues and outstanding at March 31, 2006 and December 31, 2005, respectively	440	439
Additional paid-in capital	783,784	782,735
Dividends in excess of earnings	(12,124)	(13,235)
Accumulated other comprehensive income	64,677	45,564
	939,277	918,003
	$ 7,885,774	$ 6,209,699

</TABLE>

<TABLE>

Newcastle Investment Corp.
Reconciliation of GAAP Net Income to FFO
(dollars in thousands)
(Unaudited)

<CAPTION>

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
<S>	<C>	<C>
Net income available for common stockholders	$ 28,591	$ 27,161
Accumulated depreciation on operating real estate sold	-	(1,829)
Operating real estate depreciation	131	291
Funds from operations ("FFO")	$ 28,722	$ 25,623

</TABLE>

We believe FFO is one appropriate measure of the operating performance of real estate companies because it provides investors with information regarding our ability to service debt and make capital expenditures. We also believe that FFO is an appropriate supplemental disclosure of operating performance for a REIT due to its widespread acceptance and use within the REIT and analyst communities. Furthermore, FFO is used to compute our incentive compensation to our manager. FFO, for our purposes, represents net income available for common stockholders (computed in accordance with GAAP), excluding extraordinary items, plus real estate depreciation, and after adjustments for unconsolidated subsidiaries, if any. We consider gains and losses on resolution of our investments to be a normal part of our recurring operations and therefore do not exclude such gains and losses when arriving at FFO. Adjustments for unconsolidated subsidiaries, if any, are calculated to reflect FFO on the same basis. FFO 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 liquidity and is not necessarily indicative of cash available to fund cash needs. Our calculation of FFO may be different from the calculation used by other companies and, therefore, comparability may be limited.

Newcastle Investment Corp.
Reconciliation of GAAP Book Equity to Invested Common Equity
(dollars in thousands)
(Unaudited)

	March 31, 2006
Book equity	$ 939,277
Preferred stock	(102,500)
Accumulated depreciation on operating real estate	3,518
Accumulated other comprehensive income	(64,677)
Invested common equity	$ 775,618