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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported)
November 7, 2006 (November 7, 2006)

Newcastle Investment Corp.
(Exact Name of Registrant as Specified in Charter)

Maryland (State or other jurisdiction of incorporation)	001-31458 (Commission File Number)	81-0559116 (IRS Employer Identification No.)
1345 Avenue of the Americas, New York, NY (Address of Principal Executive Offices)		10105 (Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K 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))

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Item 2.02 Results of Operations and Financial Condition

On November 7, 2006, Newcastle Investment Corp. (the "Company") announced its
results of operations for the quarter ended September 30, 2006. A copy of the
related press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements And Exhibits

(d) Exhibits

99.1 Press Release, dated November 7, 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: November 7, 2006

By: /s/ Debra A. Hess

Name: Debra A. Hess
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press Release, dated November 7, 2006, issued by Newcastle Investment Corp.

Newcastle Announces Third Quarter 2006 Results

Third Quarter Highlights

- FFO of \$0.68 per diluted common share, an 8% increase from the third quarter 2005
- Net income of \$0.67 per diluted common share, a 6% increase from the third quarter 2005
- Declared dividend of \$0.65 per common share
- Record third quarter investment activity - closed \$1.1 billion of acquisitions and committed to purchase an additional \$361.6 million of assets that will close subsequent to quarter end

Subsequent Events to Third Quarter

- Issued 1.7 million common shares for net proceeds of \$49.5 million
- Priced our ninth collateralized debt obligation to finance \$950 million of assets

NEW YORK, Nov. 7 /PRNewswire-FirstCall/ -- Newcastle Investment Corp. (NYSE: NCT) reported that for the quarter ended September 30, 2006, Funds from Operations ("FFO") were \$29.9 million, or \$0.68 per diluted common share, compared to \$0.63 per diluted common share for the quarter ended September 30, 2005. The Company generated an FFO return on average invested equity of 15.3% for the third quarter 2006.

For the three months ended September 30, 2006, income available for common stockholders was \$29.7 million, or \$0.67 per diluted common share, compared to \$0.63 per diluted common share for the third quarter 2005. For the quarter ended September 30, 2006, we declared a dividend of \$0.65 per share of common stock. We also declared a dividend of \$0.609 per share and \$0.503 per share on our 9.75% Series B and 8.05% Series C Cumulative Redeemable Preferred Stock, respectively.

Our GAAP common equity book value per share was \$19.42 per share at September 30, 2006, up from \$19.04 at June 30, 2006. GAAP common equity book value was \$854.7 million at September 30, 2006 compared with \$837.8 million at June 30, 2006.

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.

Kenneth Riis, Newcastle's President, commented, "We are pleased with our third quarter results and expect to achieve our targeted dividend growth for 2006. Our four year public company track record demonstrates the stability of our business model. We have consistently generated mid-teens returns on equity and grown earnings through the accretive deployment of new capital."

Selected Financial Data (Unaudited)

Operating Data:	Three Months Ended September 30, 2006		Three Months Ended September 30, 2005	
	(\$ in 000s)	(\$ per share)	(\$ in 000s)	(\$ per share)
Funds from operations	\$ 29,920	\$ 0.68	\$ 27,795	\$ 0.63
Income available for common stockholders	\$ 29,699	\$ 0.67	\$ 27,677	\$ 0.63

Balance Sheet Data (\$ in 000s):

	As of September 30, 2006	As of December 31, 2005
Total assets	\$ 8,126,081	\$ 6,209,699
Total liabilities	7,168,915	5,291,696
Common stockholders' equity	854,666	815,503
Preferred stock	102,500	102,500
Total equity	957,166	918,003

The following tables compare certain supplemental data relating to our investment portfolio at September 30, 2006 versus June 30, 2006:

Supplemental Data:

	Total Portfolio(1)		Core Investment Portfolio(2)	
	September 30, 2006	June 30, 2006	September 30, 2006	June 30, 2006
Total portfolio				

(face amount)	\$ 8,087,848	\$ 7,299,582	\$ 6,494,616(3)	\$ 5,865,445(3)
Percentage of				
total portfolio	100%	100%	80%	80%
Weighted average				
asset yield	7.24%	7.18%	7.59%	7.52%
Weighted average				
liability cost	5.83%	5.74%	5.97%	5.88%
Weighted average				
net spread	1.41%	1.44%	1.62%	1.64%

Notes:

- (1) Statistics exclude ICH and operating real estate.
- (2) Excludes non-core investments: ICH, agency RMBS and operating real estate of \$1,294.0 million at September 30, 2006 and \$1,135.0 million at June 30, 2006.
- (3) Face amount excludes \$299.2 million of subprime loans subject to future repurchase.

Third Quarter Investment Activity

We purchased or have committed to purchase \$1.5 billion of assets; acquisitions of \$1.1 billion of assets closed in the third quarter while the remaining \$361.6 million has either closed or is expected to close in the fourth quarter.

Of the third quarter closings, \$50.1 million was financed off balance sheet through a total rate of return swap. We recorded a deposit of \$8.2 million towards the total rate of return swap.

The following table details our funded acquisitions in the quarter:

Real Estate Securities and Loans	Face Amount (\$ in mm)	Number	Credit	WA Credit Spread(1)
Mezzanine Loans	\$137.8	3	66% LTV	251
Bank Loans	128.1	3	B	280
Real Estate Related Asset Backed Securities (ABS)	117.0	18	BBB-	396
Real Estate Loans	74.8	2	71% LTV	714
REIT Debt	34.0	3	BB+	162
Commercial Mortgage Backed Securities (CMBS)	10.0	1	BBB-	174
Total Real Estate Securities and Loans	\$501.7	30		354
Residential Mortgage Loans				
Manufactured Home Loans	\$434.7	13,285	705	319
Agency RMBS				
Agency RMBS	\$201.7	5	AAA	70
TOTAL	\$ 1,138.1			

- (1) Average spread based on applicable benchmark (US Treasury for fixed and LIBOR for floating).

Kenneth Riis noted, "Credit spreads on CMBS continued to tighten to historic lows, resulting in minimal CMBS investment activity in the quarter. Our most recent activity has been focused on commercial real estate mezzanine loan and bank loan investments, as well as opportunistic acquisitions in the residential credit market. The purchase of the \$435 million manufactured home loan portfolio demonstrates our broad investment capabilities. We continue to maintain flexibility in our asset allocations and are focused on deploying capital in assets offering attractive risk adjusted returns."

Mr. Riis added, "I am excited about the growth of our business and our ability to source new investments. In the first nine months of 2006, we already acquired more assets than any prior year and I anticipate an active fourth quarter on the investment side."

Capital Markets Activity

Since the second quarter, we entered into \$1.2 billion of term financing and raised \$49.5 million of equity capital.

Third quarter activities include:

- In August 2006, we financed the acquisition of a \$434.7 million portfolio of manufactured housing loans with \$391.3 million of 5 year term debt that adjusts monthly at an interest rate equal to one-month LIBOR + 125 basis points. Net of the financing, we have \$37.1 million of invested equity with an expected ROE of 17.5%.

Subsequent to quarter end activities:

- In October, we issued 1.7 million common shares, for net proceeds of approximately \$49.5 million. The proceeds were used to pay down amounts drawn on our credit facility to fund new acquisitions. Currently, we have approximately \$93.0 million drawn on our credit facility.
- In November, we priced our ninth collateralized bond obligation. We expect to issue \$807.5 million of investment grade debt to term finance a \$950.0 million portfolio consisting of approximately 38% mezzanine loans, 18% bank loans, 16% CMBS, 10% ABS, 8% B-Notes and 10% in other assets. The CBO has an expected maturity date of November 2016 and a weighted average life of approximately 7 years. Approximately 69%, or \$560.5 million, of the issued debt is rated AAA. With the financing, we expect to invest approximately \$126 million in the portfolio with an expected return on equity of approximately 20%. Upon closing, this financing will replace \$665 million of recourse debt reflected on our third quarter balance sheet.

Ms. Debra Hess, our Chief Financial Officer commented, "Our business model and match funding discipline have delivered stable returns to our shareholders and have insulated our earnings from changes in interest rates. At September 30, 2006, an immediate 100 basis point increase or decrease in short term interest rates would have affected our earnings by \$0.01 per share."

Investment Portfolio

At September 30, 2006, our \$7.6 billion investment portfolio represented 94% of our total portfolio and consisted of \$5.6 billion of real estate securities and related loans, \$0.9 billion of residential mortgage loans and \$1.1 billion of agency RMBS.

Real Estate Securities and Related Loans	Face Amount (\$ in mm)	% of Total Portfolio	Number	WA Life
CMBS	\$2,120.3	26%	256	5.81
REIT Debt	979.6	12%	100	6.33
ABS	906.0	11%	157	3.45
Mezzanine Loans	729.7	10%	15	2.73
Bank Loans	396.6	5%	6	2.85
B-Notes	341.4	4%	34	6.19
Real Estate Loans	101.7	1%	3	1.51
ABS Residual	50.1	1%	1	2.88
Total Real Estate Securities and Loans	\$5,625.4	70%	572	4.83
Residential Mortgage Loans				
Manufactured Home Loans	\$674.0	8%	19,148	6.05
Residential Mortgage Loans	195.2	2%	566	2.79
Total Residential Mortgage Loans	\$869.2	10%	19,714	5.32
Agency RMBS				
Agency RMBS	\$ 1,091.0	14%	32	4.33
TOTAL	\$ 7,585.6	94%		

Of the \$7.6 billion investment portfolio, 75% were rated by third parties or implied AAA (agency RMBS) with an average rating of BBB+. 14% of the portfolio including mezzanine loans, B-notes and real estate loans were non-rated but had an average loan to value of 71.0%. 11% were residential mortgage loans to high quality borrowers with an average FICO score of 706.

Our average investment size in the real estate securities and related loans portfolio was \$9.8 million, with our largest single investment being \$123.1 million, at quarter end.

Our real estate securities and related loans portfolio had a weighted average credit spread of 255 basis points as of quarter end versus 261 basis points at June 30, 2006.

The credit profile of our real estate securities portfolio continued to improve during the third quarter. This can be demonstrated by the ratio of upgrades to downgrades in the quarter, where 29 securities (\$155.3 million face amount) experienced credit rating upgrades, versus one security (\$3.0 million face amount) which experienced a credit rating downgrade.

Conference Call

Newcastle's management will conduct a live conference call today, November 7,

2006 at 1:00 P.M. eastern time to review the financial results for the quarter ended September 30, 2006. All interested parties are welcome to participate on the live call. You can access the conference call by dialing (800) 811-8824 (from within the U.S.) or (913) 981-4903 (from outside of the U.S.) ten minutes prior to the scheduled start of the call; please reference "Newcastle Third Quarter Earnings Call."

A simultaneous webcast of the conference call will be available to the public on a listen-only basis at <http://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 December 31, 2006.

A telephonic replay of the conference call will also be available until 11:59 P.M. eastern time on Tuesday, November 14, 2006 by dialing (888) 203- 1112 (from within the U.S.) or (719) 457-0820 (from outside of the U.S.); please reference access code "4136816."

About Newcastle

Newcastle Investment Corp. owns and manages an \$8.1 billion highly diversified real estate debt securities and loan portfolio that is primarily financed with low-cost match funded debt. Newcastle targets real estate debt securities and other real estate related assets with moderate credit risk. Our business strategy is to "lock in" and optimize the difference between the yield on our assets and the cost of our liabilities. 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, a global alternative investment and asset management firm with over \$24 billion in equity capital currently under management. For more information regarding Newcastle Investment Corp. or to be added to our e-mail distribution list, please visit <http://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 the stability of our business model and achievement of certain goals. 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, the risk that we can find additional suitably priced investments; the risk that investments made or committed to be made cannot be financed on the basis and for the term at which we expect; the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested; the relative spreads between the yield on the assets we invest in and the cost of financing. 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		Nine Months Ended	
	September 30,		September 30,	
	2006	2005	2006	2005
Revenues				
Interest income	\$140,330	\$88,021	\$378,446	\$254,035
Rental and escalation income	834	1,871	3,616	4,850
Gain on sale of investments, net	2,642	6,750	10,064	12,099
Other income	288	3,208	4,545	4,594
	144,094	99,850	396,671	275,578
Expenses				
Interest expense	100,239	58,681	265,113	163,238
Property operating expense	1,041	594	2,808	1,827
Loan and security servicing				

expense	1,553	1,483	4,961	4,646
Provision for credit losses	2,682	4,091	5,868	5,990
Provision for losses, loans held for sale	-	-	4,127	-
General and administrative expense	1,187	1,034	3,979	3,251
Management fee to affiliate	3,475	3,316	10,420	9,895
Incentive compensation to affiliate	3,094	2,416	8,780	5,271
Depreciation and amortization	290	182	767	453
	113,561	71,797	306,823	194,571
Income before equity in earnings of unconsolidated subsidiaries	30,533	28,053	89,848	81,007
Equity in earnings of unconsolidated subsidiaries	1,506	1,104	3,916	4,628
Income taxes on related taxable subsidiaries	-	(43)	-	(321)
Income from continuing operations	32,039	29,114	93,764	85,314
Income from discontinued operations	(12)	86	212	2,051
Net Income	32,027	29,200	93,976	87,365
Preferred dividends	(2,328)	(1,523)	(6,985)	(4,570)
Income Available for Common Stockholders	\$29,699	\$27,677	\$86,991	\$82,795
Net Income Per Share of Common Stock				
Basic	\$0.68	\$0.63	\$1.98	\$1.90
Diluted	\$0.67	\$0.63	\$1.97	\$1.88
Income from continuing operations per share of common stock, after preferred dividends				
Basic	\$0.68	\$0.63	\$1.97	\$1.85
Diluted	\$0.67	\$0.63	\$1.97	\$1.84
Income from discontinued operations per share of common stock				
Basic	\$0.00	\$0.00	\$0.01	\$0.05
Diluted	\$0.00	\$0.00	\$-	\$0.04
Weighted Average Number of Shares of Common Stock Outstanding				
Basic	43,999,817	43,789,819	43,978,625	43,595,411
Diluted	44,136,956	44,121,263	44,091,003	43,961,044
Dividends Declared per Share of Common Stock	\$0.650	\$0.625	\$1.925	\$1.875

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

	As of September 30, 2006 (Unaudited)	As of December 31, 2005
Assets		
Real estate securities, available for sale	\$5,369,641	\$4,554,519
Real estate related loans, net	1,238,418	615,551
Residential mortgage loans, net	863,788	600,682
Subprime mortgage loans subject to future repurchase	287,546	-
Investments in unconsolidated subsidiaries	28,549	29,953
Operating real estate, net	30,271	16,673
Cash and cash equivalents	16,317	21,275
Restricted cash	183,334	268,910
Derivative assets	64,218	63,834
Receivables and other assets	43,999	38,302
	\$8,126,081	\$6,209,699
Liabilities and Stockholders' Equity		
Liabilities		
CBO bonds payable	\$3,505,906	\$3,530,384
Other bonds payable	704,785	353,330
Notes payable	153,957	260,441
Repurchase agreements	2,197,780	1,048,203

Financing of subprime mortgage loans subject to future repurchase	287,546	-
Credit facility	125,000	20,000
Junior subordinated notes payable (security for trust preferred)	100,100	-
Derivative liabilities	26,576	18,392
Dividends payable	30,152	29,052
Due to affiliates	9,938	8,783
Accrued expenses and other liabilities	27,175	23,111
	7,168,915	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, 43,999,817 and 43,913,409 shares issues and outstanding at September 30, 2006 and December 31, 2005, respectively	440	439
Additional paid-in capital	784,234	782,735
Dividends in excess of earnings	(10,923)	(13,235)
Accumulated other comprehensive income	80,915	45,564
	957,166	918,003
	\$8,126,081	\$6,209,699

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

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005
Net income available for common stockholders	\$ 29,699	\$ 27,677
Operating real estate depreciation	221	118
Funds from operations ("FFO")	\$29,920	\$ 27,795

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)

	September 30, 2006
Book equity	\$957,166
Preferred stock	(102,500)
Accumulated depreciation on operating real estate	4,108
Accumulated other comprehensive income	(80,915)
Invested common equity	\$777,859

SOURCE Newcastle Investment Corp.
CONTACT: Lilly H. Donohue, Director of Investor Relations of Newcastle Investment Corp., +1-212-798-6118

