

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **March 1, 2018**

COLONY NORTHSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

001-37980
(Commission
File Number)

46-4591526
(I.R.S. Employer
Identification No.)

**515 S. Flower Street, 44th Floor
Los Angeles, California**

(Address of principal executive offices)

90071
(Zip Code)

Registrant's telephone number, including area code: (310) 282-8820

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-(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On March 1, 2018, Colony NorthStar, Inc. (the "Company") issued a press release announcing its financial position as of December 31, 2017 and its financial results for the fourth quarter and full year ended December 31, 2017. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On March 1, 2018, the Company made available a Supplemental Financial Disclosure Presentation for the quarter ended December 31, 2017 on the Company's website at www.clns.com. A copy of the Supplemental Financial Disclosure Presentation is furnished herewith as Exhibit 99.2 to this Current Report on Form 8-K, which are incorporated herein by reference.

The information included in this Current Report on Form 8-K (including Exhibits 99.1 and 99.2 hereto), shall not be deemed "filed" for the 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 deemed incorporated by reference into any filing made by the Company under the Exchange Act or Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Use of Website to Distribute Material Company Information

The Company's website address is www.clns.com. The Company uses its website as a channel of distribution for important company information. Important information, including press releases, analyst presentations and financial information regarding the Company, is routinely posted on and accessible on the Public Shareholders subpage of its website, which is accessible by clicking on the tab labeled "Public Shareholders" on the website home page. The Company also uses its website to expedite public access to time-critical information regarding the Company in advance of or in lieu of distributing a press release or a filing with the U.S. Securities and Exchange Commission disclosing the same information. Therefore, investors should look to the Public Shareholders subpage of the Company's website for important and time-critical information. Visitors to the Company's website can also register to receive automatic e-mail and other notifications alerting them when new information is made available on the Public Shareholders subpage of the website.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.* The following exhibits are being furnished herewith to this Current Report on Form 8-K.

Exhibit No.	Description
<u>99.1</u>	Press Release dated March 1, 2018
<u>99.2</u>	Supplemental Financial Disclosure Presentation for the quarter ended December 31, 2017

EXHIBIT INDEX

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 1, 2018

COLONY NORTHSTAR, INC.

By: _____ /s/ Darren J. Tangen
Darren J. Tangen
Chief Financial Officer and Treasurer

COLONY NORTHSTAR ANNOUNCES FOURTH QUARTER AND FULL YEAR 2017 FINANCIAL RESULTS

Los Angeles, CA and New York, NY, March 1, 2018 - Colony NorthStar, Inc. (NYSE:CLNS) and subsidiaries (collectively, "Colony NorthStar," or the "Company") today announced its financial results for the fourth quarter and full year ended December 31, 2017 and certain financial updates.

- Fourth quarter 2017 net loss attributable to common stockholders of \$(368.1) million, or \$(0.69) per share, and full year 2017 net loss attributable to common stockholders of \$(333.1) million, or \$(0.64) per share, which included a \$375 million write-down of goodwill and intangibles related to our retail investment management business
- Fourth quarter 2017 Core FFO of \$95.1 million, or \$0.16 per share, and FFO of \$(295.5) million, or \$(0.51) per share
- Declared and paid a fourth quarter 2017 dividend of \$0.27 per share of Class A and B common stock, for an aggregate post-merger 2017 dividend of \$1.05 per share, which was more than covered by our full year Core FFO and taxable income
- The Company's Board of Directors declared a first quarter 2018 cash dividend of \$0.11 per share of Class A and Class B common stock targeting an annualized dividend of \$0.44 per share to approximate estimated 2018 taxable income and net cash flow, excluding gains
- The Company's Board of Directors authorized a new \$300 million common stock repurchase program

"2017 was, on balance, a disappointing year for Colony NorthStar," said Richard B. Saltzman, President and Chief Executive Officer. "Our financial results were not as robust as anticipated based upon continuing negative headwinds in healthcare, retail broker-dealer distribution, and less than expected returns in our residual real estate private equity secondaries and CDO portfolios. However, we achieved more than expected on the strategic front in terms of asset and platform sales, refinancings, synergies, and general streamlining, all with the goal of simplifying our business and emphasizing a few select areas of growth prospectively. In 2018, we will continue to be a net seller of non-core assets with a conservative bias to protect liquidity for further deleveraging, potential stock repurchases, and select investments in growth areas that are consistent with turbo-charging our investment management business. As announced today, we have reset our dividend to approximate expected taxable income and net cash flow, excluding the contribution of gains, and we expect to be in a position to grow the dividend in the future."

Fourth Quarter and Full Year 2017 Highlights

- During the fourth quarter 2017, the Company completed \$632 million of asset monetizations for an aggregate \$4.9 billion of asset monetizations in 2017 furthering its goal to simplify its business and balance sheet
- The Company has exceeded, on a run-rate basis, its original annual synergies target of \$115 million (which includes stock compensation savings) by approximately \$35 million, or 30%, and its original annual cash synergies target of \$80 million by approximately \$15 million, or 20%
- During the fourth quarter 2017, the Company and its share of affiliates raised approximately \$280 million of third-party capital from institutional clients and retail investors achieving its annual target of \$2.0 billion for the full year 2017
- During the fourth quarter 2017, the Company and funds managed by the Company invested and agreed to invest \$379 million comprised of \$195 million and \$184 million, respectively, and for the full year 2017, the Company and funds managed by the Company invested and agreed to invest \$2.8 billion comprised of \$1.8 billion and \$1.0 billion, respectively
- Subsequent to the fourth quarter 2017:
 - Successfully listed Colony NorthStar Credit Real Estate, Inc. (NYSE: CLNC), a commercial real estate credit REIT, creating a new permanent capital vehicle externally managed by the Company
 - The Company, in partnership with Digital Bridge, held a closing for a new digital real estate infrastructure fund with total callable commitments of \$1.4 billion, inclusive of a \$117 million capital commitment by subsidiaries of the Company
 - The Company has approximately of \$1.2 billion of liquidity through cash-on-hand and availability under its revolving credit facility to conduct share repurchases and/or invest in its target verticals and investment management strategies

Fourth Quarter 2017 Operating Results and Investment Activity by Segment

Colony NorthStar holds investment interests in five reportable segments: Healthcare Real Estate; Industrial Real Estate; Hospitality Real Estate; Other Equity and Debt; and Investment Management.

Healthcare Real Estate

As of December 31, 2017, the consolidated healthcare portfolio consisted of 417 properties: 192 senior housing properties, 109 medical office properties, 102 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of December 31, 2017. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007, or RIDEA.

During the fourth quarter 2017, this segment's net loss attributable to common stockholders was \$(17.7) million, Core FFO was \$17.5 million and consolidated NOI was \$76.8 million. In the fourth quarter 2017, healthcare same store portfolio sequential quarter to quarter comparable revenue declined (3.2)% and net operating income declined (1.0)% primarily attributed to lower occupancy in senior housing operating properties and hurricane Harvey expenses not covered by insurance and increased labor costs, offset by lower bad debt expense. Compared to the same period last year, fourth quarter 2017 same store revenue growth was 1.6% and net operating income declined (1.7)% primarily attributable to hurricane Harvey expenses not covered by insurance and increased labor costs. Healthcare same store portfolio is defined as properties in operation throughout the full periods presented under the comparison and included 416 properties in the sequential quarter to quarter and year to year comparisons.

The following table presents NOI and certain operating metrics by property types in the Company's Healthcare Real Estate segment:

(\$ In millions)	Consolidated		CLNS OP		Same Store					
	NOI		Share NOI ⁽¹⁾		Consolidated NOI		Occupancy % ⁽²⁾		TTM Coverage ⁽³⁾	
	Q4 2017		Q4 2017		Q4 2017	Q3 2017	Q4 2017	Q3 2017	9/30/17	6/30/17
Senior Housing - Operating	\$ 15.8	\$ 11.2	\$ 15.8	\$ 18.7	87.4%	87.8%	N/A	N/A		
Medical Office Buildings	13.3	9.4	13.4	13.7	82.9%	83.5%	N/A	N/A		
<i>Triple-Net Lease:</i>										
Senior Housing	15.2	10.8	15.2	14.6	82.9%	82.3%	1.4x	1.4x		
Skilled Nursing Facilities	27.3	19.3	27.3	25.4	82.1%	82.2%	1.2x	1.2x		
Hospitals	5.2	3.7	5.2	5.3	58.4%	61.5%	2.5x	3.0x		
Healthcare Total/W.A.	\$ 76.8	\$ 54.4	\$ 76.9	\$ 77.7	82.8%	82.9%	1.4x	1.5x		

(1) CLNS OP Share NOI represents fourth quarter 2017 Consolidated NOI multiplied by CLNS OP's ownership interest as of December 31, 2017.

(2) Occupancy % for Senior Housing - Operating represents average during the presented quarter, MOB's is as of last day in the quarter and for other types represents average during the prior quarter.

(3) Represents the ratio of EBITDAR to cash rent on a trailing twelve month basis.

Asset Dispositions and Financing

During the fourth quarter 2017, the consolidated healthcare portfolio disposed of one non-core skilled nursing facility with 120 beds for \$6 million and acquired a triple-net lease senior housing property formally financed under the Company's U.K. development lending facility.

Subsequent to the fourth quarter 2017, the consolidated healthcare portfolio disposed of three non-core skilled nursing facilities totaling 471 beds for an aggregate \$14 million.

Industrial Real Estate

As of December 31, 2017, the consolidated industrial portfolio consisted of 369 primarily light industrial buildings totaling 43.3 million rentable square feet across 17 major U.S. markets and was 95% leased. The Company's equity interest in the consolidated Industrial Real Estate segment was approximately 41% as of December 31, 2017. On December 31, 2017, the Company closed on \$26 million of new third-party capital, which was primarily used to partially redeem another third-party investor. Total third-party capital commitments were in excess of \$1.1 billion compared to cumulative balance sheet contributions of \$750 million as of December 31, 2017. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-



tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

During the fourth quarter 2017, this segment's net income attributable to common stockholders was \$9.5 million, Core FFO was \$15.8 million and consolidated NOI was \$46.0 million. In the fourth quarter 2017, industrial same store portfolio sequential quarter to quarter comparable revenue grew 2.2% and net operating income grew 2.6%. Compared to the same period last year, fourth quarter 2017 same store revenue grew by 5.3% and net operating income grew 5.2%. Industrial same store portfolio is defined as buildings in operation throughout the full periods presented under the comparison and included 331 and 302 buildings in the sequential quarter to quarter and year to year comparisons, respectively.

The following table presents NOI and certain operating metrics in the Company's Industrial Real Estate segment:

(\$ In millions)	Consolidated		CLNS OP		Same Store					
	NOI		Share NOI ⁽¹⁾		Consolidated NOI		Leased % ⁽²⁾			
	Q4 2017		Q4 2017		Q4 2017	Q3 2017	Q4 2017	Q3 2017		
Industrial	\$	46.0	\$	19.1	\$	40.2	\$	39.2	95.5%	95.2%

(1) CLNS OP Share NOI represents fourth quarter 2017 Consolidated NOI multiplied by CLNS OP's ownership interest as of December 31, 2017.

(2) Leased % represents the last day of the presented quarter.

Asset Acquisitions, Dispositions and Financing

During the fourth quarter 2017, the consolidated industrial portfolio acquired three industrial buildings totaling approximately 0.5 million square feet for approximately \$33 million and disposed of 22 non-core buildings totaling approximately 1.3 million square feet for approximately \$85 million.

Subsequent to the fourth quarter 2017, the consolidated industrial portfolio acquired four industrial building totaling approximately 0.5 million square feet for approximately \$39 million.

During the fourth quarter 2017, the consolidated industrial portfolio closed on an aggregate \$153 million of fixed rate loans with a weighted average interest rate and term of 3.76% and 12.9 years, respectively.

Hospitality Real Estate

As of December 31, 2017, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94% as of December 31, 2017. The hospitality portfolio is geographically diverse, consisting primarily of premium branded select service hotels and extended stay hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands. The select service hospitality portfolio, referred to as the THL Hotel Portfolio, which the Company acquired through consensual transfer during the third quarter 2017, is not included in the Hospitality Real Estate segment and is included in the Other Equity and Debt segment.

During the fourth quarter 2017, this segment's net loss attributable to common stockholders was \$(14.3) million, Core FFO was \$24.2 million and consolidated EBITDA was \$60.0 million. Compared to the same period last year, fourth quarter 2017 hospitality same store portfolio revenue increased 3.5% and EBITDA increased 4.1%, primarily due to increased demand at hotel properties following hurricanes Harvey and Irma. The Company's hotels typically experience seasonal variations in occupancy which may cause quarterly fluctuations in revenues and therefore sequential quarter to quarter revenue and EBITDA result comparisons are not meaningful. Hospitality same store portfolio is defined as hotels in operation throughout the full periods presented under the comparison and included 167 hotels in the year to year comparison.

The following table presents EBITDA and certain operating metrics by brands in the Company's Hospitality Real Estate segment:

(\$ In millions)	Consolidated EBITDA ⁽¹⁾	CLNS OP Share EBITDA ⁽²⁾	Same Store							
			Consolidated EBITDA		Occupancy % ⁽³⁾		Avg. Daily Rate		RevPAR	
							(In dollars) ⁽³⁾		(In dollars) ⁽³⁾	
			Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016
Marriott	\$ 47.6	\$ 44.9	\$ 47.6	\$ 45.3	69.4%	68.5%	\$ 126	\$ 123	\$ 87	\$ 84
Hilton	9.0	8.5	9.0	9.0	74.0%	73.7%	123	121	91	89
Other	3.4	3.2	3.4	3.3	75.5%	70.1%	129	133	97	93
Total/W.A.	\$ 60.0	\$ 56.6	\$ 60.0	\$ 57.6	70.5%	69.4%	\$ 126	\$ 123	\$ 88	\$ 85

(1) Q4 2017 Consolidated EBITDA excludes FF&E reserve amounts of \$8.6 million.

(2) CLNS OP Share EBITDA represents fourth quarter 2017 Consolidated EBITDA multiplied by CLNS OP's ownership interest as of December 31, 2017.

(3) For each metric, data represents average during the presented quarter.

Other Equity and Debt

The Company owns a diversified group of strategic and non-strategic real estate and real estate-related debt and equity investments. Strategic investments primarily include our 37% interest in CLNC, 10% interest in NorthStar Realty Europe (NYSE: NRE) and other investments for which the Company acts as a general partner or manager ("GP Co-Investments") and receives various forms of investment management economics on the related third-party capital. Non-strategic investments are composed of those investments the Company does not intend to own for the long term including net leased assets; real estate loans; other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; limited partnership interests in third-party sponsored real estate private equity funds; and multiple classes of commercial real estate ("CRE") securities. During the fourth quarter 2017, this segment's aggregate net income attributable to common stockholders was \$23.0 million and Core FFO was \$47.7 million.

As of December 31, 2017, the undepreciated carrying value of assets and equity within the Other Equity and Debt segment were \$5.7 billion and \$4.0 billion, respectively.

CLNS OP Share
December 31, 2017

(\$ In millions)

	Undepreciated Carrying Value	
	Assets	Equity
Strategic:		
Interest in publicly managed companies (CLNC and NRE) ⁽¹⁾	\$ 1,236	\$ 1,236
GP co-investments	453	405
Strategic Subtotal	1,689	1,641
Non-Strategic:		
Other Real Estate Equity & Albertsons	1,979	1,050
Real Estate Debt	1,174	790
Net Lease Real Estate Equity	563	226
Real Estate Private Equity Funds and CRE Securities	337	337
Non-Strategic Subtotal	4,053	2,403
Total Other Equity and Debt	\$ 5,742	\$ 4,044

(1) For CLNC, represents the net carrying value of the assets contributed to CLNC as of December 31, 2017. Assets value equal to net carrying value of equity as the Company's interest will be accounted for under the equity method.

Colony NorthStar Credit Real Estate, Inc. ("CLNC")

On February 1, 2018, Colony NorthStar Credit Real Estate, Inc., a leading commercial real estate credit REIT, announced the completion of the combination of a select portfolio of the Company's assets and liabilities from the Other Equity and Debt segment with NorthStar Real Estate Income Trust, Inc. ("NorthStar I") and NorthStar Real Estate Income II, Inc. ("NorthStar II") in an all-stock transaction. In connection with the closing, CLNC completed the listing of its Class A common stock on the New York Stock Exchange under the ticker symbol "CLNC." The combination creates a permanent capital vehicle, externally managed by the Company, with approximately \$5.1 billion in assets and \$3.3 billion in equity value as of September 30, 2017 on a pro forma basis. The Company owns 37% of CLNC and earns an annual base management fee of 1.5% on stockholders' equity and an incentive fee of 20% of CLNC's core earnings over a 7% hurdle rate. CLNC recently declared its first monthly dividend of \$0.145 per share, or \$1.74 per share annualized, payable on March 16, 2018 for shareholders of record on March 8, 2018.

Other Equity and Debt Segment Asset Acquisitions, Dispositions and Financing

During the fourth quarter 2017, the Company invested and agreed to invest approximately \$181 million in other real estate equity and debt investments, which all represented immediate or future GP co-investments, including a \$142 million commitment in Andean Tower Partners, a South American cell tower owner and operator, which is expected to be contributed to the new digital real estate infrastructure fund, co-sponsored by the Company and Digital Bridge.

During the fourth quarter 2017, the Company obtained over \$1.0 billion of consolidated debt primarily used to refinance all of the approximately \$890 million of assumed debt in the THL Hotel Portfolio, a portfolio of approximately 150 select service hotels, which the Company and certain investment vehicles managed by affiliates of the Company acquired through a consensual transfer on July 1, 2017. The new loan, which extends maturity from 2018 to 2022, will facilitate the execution of the strategic value-add plan by providing excess proceeds for capital expenditures. As of December 31, 2017, the Company's equity ownership in the portfolio was approximately 55%.

Investment Management

The Company's Investment Management segment includes the business and operations of managing capital on behalf of third-party investors through closed and open-end private funds, non-traded and traded real estate investment trusts and registered investment companies. As of December 31, 2017, the Company had \$26.9 billion of third-party AUM pro forma for the public listing of CLNC compared to \$41.7 billion as of September 30, 2017. The decrease was primarily due to the sale of our interest in The Townsend Group ("Townsend"), which represented \$14.8 billion of AUM as of September 30, 2017. As of December 31, 2017, Fee-Earning Equity Under Management ("FEEUM") was \$15.4 billion, pro forma for the public listing of CLNC and management agreement amendments of NRE and NorthStar Healthcare Income, Inc. ("NHI"). During the fourth quarter 2017, this segment's aggregate net loss attributable to common stockholders was \$(254.6) million and Core FFO was \$69.6 million. The Investment Management segment's net loss included a \$316 million write-down of goodwill related to the retail investment management business and \$59 million write-down related to management contract intangibles for NHI based on an amendment to its advisory agreement and



NorthStar/RXR NY Metro. Excluding Townsend and the write-down of goodwill and management contract intangibles, this segments net income would be \$104.9 million and Core FFO would be \$62.0 million.

Sale of Townsend

During the fourth quarter 2017, the Company closed the sale of Townsend for \$475 million. Net proceeds to affiliates of Colony NorthStar for its 84% ownership interest after transaction and other expenses were approximately \$379 million.

NRE Management Agreement Amendment

During the fourth quarter 2017, the Company agreed to amend and restate its management contract with NRE effective January 1, 2018. Key terms of the amendment include, among other terms: 1) the restructuring of the base management fee, which changed from a fixed base fee to a variable fee based on EPRA NAV (as defined in NRE's public filings with the SEC); 2) modification of the incentive fee, which changed from being based on CAD (as defined in NRE's public filings with the SEC) per share to 20% over the excess of the Total Stockholder Return (as defined in NRE's public filings with the SEC, and subject to a high water mark established when an incentive is realized) over a cumulative 10% annual hurdle rate; and 3) reduction of term from an initial 20 year term to a five year term. Under the terms of the amended and restated management agreement, beginning with NRE's 2018 annual stockholder's meeting, the Company will have the right to nominate one director (who is expected to be one of NRE's current directors employed by the Company) to NRE's Board of Directors. In addition, NRE provided the Company with an ownership waiver under NRE's charter, which allows the Company to purchase up to 45% of NRE's common stock. In connection with the waiver, the Company agreed that for all matters submitted to a vote of NRE's stockholders, to the extent the Company owns more than 25% of NRE's common stock, the Company will vote the excess shares in the same proportion that the remaining NRE shares not owned by the Company are voted. The amendments to NRE's management agreement and the ownership waiver were approved by a strategic review committee formed in 2017 by NRE's Board of Directors.

NorthStar Healthcare Income, Inc. Management Agreement Amendment

During the fourth quarter 2017, the Company agreed to amend and restate its management agreement with NHI effective January 1, 2018. Key terms of the amended management agreement include, among other terms: (1) the Company will no longer receive an acquisition fee in connection with NHI's acquisitions of real property or debt investments; and (2) the Company's monthly asset management fee will be equal to one-twelfth of 1.5% of NHI's most recently published aggregate estimated net asset value, with \$2.5 million per calendar quarter of such fee paid in shares of NHI common stock at a price per share equal to the most recently published net asset value per share, as may be subsequently adjusted for any special distribution.

Capital Raising and Investment Activity

During the fourth quarter 2017, the Company and its share of affiliates raised approximately \$280 million of third-party capital from institutional clients and retail investors.

During the fourth quarter 2017, institutional funds and retail companies managed by the Company, excluding the industrial open-end fund, invested and agreed to invest approximately \$165 million in real estate equity, debt and CRE securities investments.

Combination of S2K and NorthStar Securities

Subsequent to the fourth quarter 2017, the Company entered into a definitive agreement with S2K Financial Holdings, LLC ("S2K") to combine the Company's broker-dealer, NorthStar Securities, LLC ("NorthStar Securities") with S2K to create a market leading retail distribution business, which will be rebranded as Colony S2K Holdings, LLC ("Colony S2K"). Colony S2K will distribute both current and future investment products of Colony NorthStar and S2K. S2K is the holding company of S2K Financial, LLC, a registered broker-dealer wholesale distributor of investment vehicles and funds. Subject to customary closing conditions, including completion of required regulatory filings, the proposed transaction is expected to close in the second quarter 2018. There is no assurance that the proposed transaction will be consummated on the terms and timeline discussed herein, or at all.

Digital Real Estate Infrastructure

Subsequent to the fourth quarter 2017, the Company, in partnership with Digital Bridge, held a closing for a new digital real estate infrastructure fund with total callable commitments of \$1.4 billion, inclusive of an approximately \$117 million capital commitment by certain subsidiaries of the Company. The Company's investment in Andean Tower Partners, a South American cell tower owner and operator, is expected to be contributed to this new fund within approximately 30 days of the fund's initial closing.



Assets Under Management (“AUM”)

As of December 31, 2017, following the sale of Townsend and pro forma the public listing of CLNC, the Company had \$43 billion of AUM:

(\$ In billions)	Amount	% of Grand Total
Balance Sheet (CLNS OP Share):		
Healthcare	\$ 4.1	9.6%
Industrial	1.3	2.9%
Hospitality	3.9	9.3%
Other Equity and Debt	4.6	10.7%
CLNC: Investments contributed to CLNC ⁽¹⁾	1.9	4.4%
Balance Sheet Subtotal	15.8	36.9%
Investment Management:		
Institutional Funds	9.9	23.2%
Retail Companies	3.7	8.7%
Colony NorthStar Credit Real Estate (NYSE:CLNC) ⁽²⁾	3.2	7.6%
NorthStar Realty Europe (NYSE:NRE)	2.2	5.2%
Pro Rata Corporate Investments	7.9	18.4%
Investment Management Subtotal	26.9	63.1%
Grand Total	\$ 42.7	100.0%

(1) Represents the Company's 37% ownership share of CLNC's pro forma September 30, 2017 gross asset value of \$5.1 billion.

(2) Represents 3rd party 63% ownership share of CLNC's pro forma September 30, 2017 gross asset value of \$5.1 billion.

Liquidity and Financing

As of February 26, 2018, the Company had approximately \$1.2 billion of liquidity through cash-on-hand and availability under its revolving credit facility.

In October 2017, the Company redeemed all of the shares of its 8.875% Series C cumulative redeemable perpetual preferred stock and approximately 7.9 million shares, or 56.3%, of its 8.50% Series B cumulative redeemable perpetual preferred stock.

On November 2, 2017, the Company exchanged \$0.3 million of outstanding principal of its 5.375% exchangeable notes into shares of its class A common stock.

Common Stock and Operating Company Units

As of February 26, 2018, the Company had approximately 540.5 million shares of Class A and B common stock outstanding and the Company's operating partnership had approximately 32.3 million operating company units outstanding held by members other than the Company or its subsidiaries.

During the fourth quarter 2017, the Company repurchased approximately 6.1 million shares of its Class A common stock for \$75 million resulting in aggregate 2017 repurchases of approximately 23.4 million shares for \$300 million, representing the entire amount authorized by the Company's Board of Directors in February 2017.

On February 26, 2018, the Company's Board of Directors provided a new authorization for the Company to purchase up to \$300 million of its outstanding common stock.

Common and Preferred Dividends

On November 2, 2017, the Company's Board of Directors declared a quarterly cash dividend of \$0.27 per share of Class A and Class B common stock for the fourth quarter of 2017, which was paid on January 16, 2018 to respective stockholders of record on December 29, 2017. The Board of Directors also declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock each in accordance with terms of such series as follows: (i) with respect to each of the Series B stock - \$0.515625 per share, Series D stock - \$0.53125 per share and Series E stock - \$0.546875 per share, such dividends were paid on February 15, 2018 to the respective stockholders of record on February 9, 2018 and (ii) with respect to each of the



Series G stock - \$0.46875 per share, Series H stock - \$0.4453125 per share, Series I stock - \$0.446875 per share and Series J stock - \$0.55911 per share, such dividends were paid on January 16, 2018 to the respective stockholders of record on December 29, 2017.

On February 26, 2018, the Company's Board of Directors declared a quarterly cash dividend of \$0.11 per share of Class A and Class B common stock for the first quarter of 2018, which will be paid on April 16, 2018 to respective stockholders of record on March 30, 2018. The Board of Directors also declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock each in accordance with terms of such series as follows: (i) with respect to each of the Series B stock - \$0.515625 per share, Series D stock - \$0.53125 per share and Series E stock - \$0.546875 per share, such dividends to be paid on May 15, 2018 to the respective stockholders of record on May 10, 2018 and (ii) with respect to each of the Series G stock - \$0.46875 per share, Series H stock - \$0.4453125 per share, Series I stock - \$0.446875 per share and Series J stock - \$0.4453125 per share, such dividends to be paid on April 16, 2018 to the respective stockholders of record on April 10, 2018.

Non-GAAP Financial Measures and Definitions

Assets Under Management ("AUM")

Assets for which the Company and its affiliates provide investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is generally based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at December 31, 2017, while retail companies and NorthStar Realty Europe are presented as of February 26, 2018. AUM further includes a) uncalled capital commitments and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share of each affiliate's assets as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

CLNS OP

The operating partnership through which the Company conducts all of its activities and holds substantially all of its assets and liabilities. CLNS OP share excludes noncontrolling interests in investment entities.

Fee-Earning Equity Under Management ("FEEUM")

Equity for which the Company and its affiliates provides investment management services and derives management fees and/or performance allocations. FEEUM generally represents a) the basis used to derive fees, which may be based on invested equity, stockholders' equity, or fair value pursuant to the terms of each underlying investment management agreement and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share of fee bearing equity of each affiliate as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. FEEUM is presented pro-forma for transactions subsequent to the fourth quarter 2017, including the NorthStar Healthcare and NorthStar Realty Europe management agreement amendments and the public listing of CLNC. The Company's calculations of FEEUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

Funds From Operations ("FFO") and Core Funds From Operations ("Core FFO")

The Company calculates funds from operations ("FFO") in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts, which defines FFO as net income or loss calculated in accordance with GAAP, excluding extraordinary items, as defined by GAAP, gains and losses from sales of depreciable real estate and impairment write-downs associated with depreciable real estate, plus real estate-related depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures. Included in FFO are gains and losses from sales of assets which are not depreciable real estate such as loans receivable, investments in unconsolidated joint ventures as well as investments in debt and other equity securities, as applicable.

The Company computes core funds from operations ("Core FFO") by adjusting FFO for the following items, including the Company's share of these items recognized by its unconsolidated partnerships and joint ventures: (i) gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO; (ii) gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment; (iii) equity-based compensation expense; (iv) effects of straight-line rent revenue and straight-line rent expense on ground leases; (v) amortization of acquired above- and below-market lease values; (vi) amortization of deferred financing costs and debt premiums and discounts; (vii) unrealized fair value gains or losses on derivatives and foreign currency remeasurements; (viii) acquisition-related expenses, merger and integration costs; (ix) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (x) gain on remeasurement of consolidated investment entities and the effect of amortization thereof; (xi) non-real estate depreciation and amortization; (xii) change in fair value of contingent consideration; and (xiii) tax effect on certain of the foregoing adjustments.



FFO and Core FFO should not be considered alternatives to GAAP net income as indications of operating performance, or to cash flows from operating activities as measures of liquidity, nor as indications of the availability of funds for our cash needs, including funds available to make distributions. FFO and Core FFO should not be used as supplements to or substitutes for cash flow from operating activities computed in accordance with GAAP. The Company's calculations of FFO and Core FFO may differ from methodologies utilized by other REITs for similar performance measurements, and, accordingly, may not be comparable to those of other REITs.

The Company uses FFO and Core FFO as supplemental performance measures because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that captures trends in occupancy rates, rental rates, and operating costs. The Company also believes that, as widely recognized measures of the performance of REITs, FFO and Core FFO will be used by investors as a basis to compare its operating performance with that of other REITs. However, because FFO and Core FFO exclude depreciation and amortization and capture neither the changes in the value of the Company's properties that resulted from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of its properties, all of which have real economic effect and could materially impact the Company's results from operations, the utility of FFO and Core FFO as measures of the Company's performance is limited. FFO and Core FFO should be considered only as supplements to GAAP net income as a measure of the Company's performance.

Net Operating Income ("NOI") / Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA")

NOI for healthcare and industrial segments represents total property and related income less property operating expenses, adjusted for the effects of (i) straight-line rental income adjustments; (ii) amortization of acquired above- and below-market lease adjustments to rental income; and (iii) other items such as adjustments for the Company's share of NOI of unconsolidated ventures.

EBITDA for the hospitality real estate segment represents net income from continuing operations of that segment excluding the impact of interest expense, income tax expense or benefit, and depreciation and amortization.

The Company believes that NOI and EBITDA are useful measures of operating performance of its respective real estate portfolios as they are more closely linked to the direct results of operations at the property level. NOI also reflects actual rents received during the period after adjusting for the effects of straight-line rents and amortization of above- and below- market leases; therefore, a comparison of NOI across periods better reflects the trend in occupancy rates and rental rates of the Company's properties.

NOI and EBITDA exclude historical cost depreciation and amortization, which are based on different useful life estimates depending on the age of the properties, as well as adjust for the effects of real estate impairment and gains or losses on sales of depreciated properties, which eliminate differences arising from investment and disposition decisions. This allows for comparability of operating performance of the Company's properties period over period and also against the results of other equity REITs in the same sectors. Additionally, by excluding corporate level expenses or benefits such as interest expense, any gain or loss on early extinguishment of debt and income taxes, which are incurred by the parent entity and are not directly linked to the operating performance of the Company's properties, NOI and EBITDA provide a measure of operating performance independent of the Company's capital structure and indebtedness.

However, the exclusion of these items as well as others, such as capital expenditures and leasing costs, which are necessary to maintain the operating performance of the Company's properties, and transaction costs and administrative costs, may limit the usefulness of NOI and EBITDA. NOI may fail to capture significant trends in these components of U.S. GAAP net income (loss) which further limits its usefulness.

NOI should not be considered as an alternative to net income (loss), determined in accordance with U.S. GAAP, as an indicator of operating performance. In addition, the Company's methodology for calculating NOI involves subjective judgment and discretion and may differ from the methodologies used by other comparable companies, including other REITs, when calculating the same or similar supplemental financial measures and may not be comparable with other companies.

Fourth Quarter 2017 Conference Call

The Company will conduct a conference call to discuss the financial results on Thursday, March 1, 2018 at 7:00 a.m. PT / 10:00 a.m. ET. To participate in the event by telephone, please dial (877) 407-4018 ten minutes prior to the start time (to allow time for registration). International callers should dial (201) 689-8471. The call will also be broadcast live over the Internet and can be accessed on the Public Shareholders section of the Company's website at <http://www.clns.com>. A webcast of the call will be available for 90 days on the Company's website.



For those unable to participate during the live call, a replay will be available starting March 1, 2018, at 10:00 a.m. PT / 1:00 p.m. ET, through March 8, 2018, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use passcode 13676196. International callers should dial (412) 317-6671 and enter the same conference ID number.

Supplemental Financial Report

A Fourth Quarter 2017 Supplemental Financial Report is available on the Company's website at www.clns.com. This information has also been furnished to the U.S. Securities and Exchange Commission in a Current Report on Form 8-K.

About Colony NorthStar, Inc.

Colony NorthStar, Inc. (NYSE:CLNS) is a leading global real estate and investment management firm. The Company resulted from the January 2017 merger between Colony Capital, Inc., NorthStar Asset Management Group Inc. and NorthStar Realty Finance Corp. The Company has significant property holdings in the healthcare, industrial and hospitality sectors, other equity and debt investments and an embedded institutional and retail investment management business. The Company currently has assets under management of \$43 billion and manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, non-traded and traded real estate investment trusts and registered investment companies. In addition, the Company owns NorthStar Securities, LLC, a captive broker-dealer platform which raises capital in the retail market. The firm maintains principal offices in Los Angeles and New York, with more than 500 employees in offices located across 18 cities in ten countries. The Company will elect to be taxed as a REIT for U.S. federal income tax purposes. For additional information regarding the Company and its management and business, please refer to www.clns.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, and may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in and benefits of the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., the impact of changes to organizational structure and employee composition, the timing and pace of growth of the Company's Industrial platform, the performance of the Company's investment in Colony NorthStar Credit Real Estate, Inc., whether the Company will realize any anticipated benefits from the Digital Bridge partnership, the Company's ability to simplify its business, including emphasizing a few areas of growth, the Company's portfolio composition, Colony NorthStar's liquidity, including its ability to be a net seller of non-core assets with a conservative basis to protect liquidity, whether the Company can turbo-charge its investment management business, the Company's expected taxable income and net cash flows, excluding the contribution of gains, our ability to grow the dividend at all in the future the impact to the Company of the management agreement amendments with NorthStar Healthcare Income, Inc. and NorthStar Realty Europe Corp., whether Colony NorthStar will be able to maintain its qualification as a REIT for U.S. federal income tax purposes, the timing of and ability to deploy available capital, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability to maintain inclusion and relative performance on the RMZ, Colony NorthStar's leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony NorthStar's reports filed from time to time with the SEC.

Colony NorthStar cautions investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this press release. Colony NorthStar is under no duty to update any of these forward-looking statements after the date of this press release, nor to conform prior statements to actual results or revised expectations, and Colony NorthStar does not intend to do so.



Source: Colony NorthStar, Inc.

Investor Contacts:

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Darren J. Tangen

Executive Vice President and Chief Financial Officer

310-552-7230

or

Addo Investor Relations

Lasse Glassen

310-829-5400

(FINANCIAL TABLES FOLLOW)



COLONY NORTHSTAR, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	December 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	\$ 921,822	\$ 376,005
Restricted cash	471,078	111,959
Real estate, net	14,464,258	3,243,631
Loans receivable, net (\$45,423 and \$0 at fair value, respectively)	3,223,762	3,430,608
Investments in unconsolidated ventures (\$363,901 and \$0 at fair value, respectively)	1,655,239	1,052,995
Securities, at fair value	383,942	23,446
Goodwill	1,534,561	680,127
Deferred leasing costs and intangible assets, net	852,872	278,741
Assets held for sale (\$49,498 and \$67,033 at fair value, respectively)	781,630	292,924
Other assets (\$10,150 and \$36,101 at fair value, respectively)	444,968	260,585
Due from affiliates	51,518	9,971
Total assets	\$ 24,785,650	\$ 9,760,992
Liabilities		
Debt, net (\$44,542 and \$0 at fair value, respectively)	\$ 10,827,810	\$ 3,715,618
Accrued and other liabilities (\$212,267 and \$5,448 at fair value, respectively)	898,161	286,952
Intangible liabilities, net	191,109	19,977
Liabilities related to assets held for sale	273,298	14,296
Due to affiliates (\$20,650 and \$41,250 at fair value, respectively)	23,534	41,250
Dividends and distributions payable	188,202	65,972
Total liabilities	12,402,114	4,144,065
Commitments and contingencies		
Redeemable noncontrolling interests	34,144	—
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$1,636,605 and \$625,750 liquidation preference, respectively; 250,000 and 50,000 shares authorized, respectively; 65,464 and 25,030 shares issued and outstanding, respectively	1,606,966	607,200
Common stock, \$0.01 par value per share		
Class A, 949,000 and 658,369 shares authorized; 542,599 and 166,440 shares issued and outstanding ⁽¹⁾	5,426	1,664
Class B, 1,000 shares authorized; 736 and 770 shares issued and outstanding ⁽¹⁾	7	8
Additional paid-in capital	7,913,622	2,443,100
Distributions in excess of earnings	(1,165,412)	(246,064)
Accumulated other comprehensive income (loss)	47,316	(32,109)
Total stockholders' equity	8,407,925	2,773,799
Noncontrolling interests in investment entities	3,539,072	2,453,938
Noncontrolling interests in Operating Company	402,395	389,190
Total equity	12,349,392	5,616,927
Total liabilities, redeemable noncontrolling interests and equity	\$ 24,785,650	\$ 9,760,992

(1) As a result of the Merger, each outstanding share of common stock of Colony Capital, Inc. was exchanged for the right to receive 1.4663 of Class A common stock of Colony NorthStar. All historical share counts and per share amounts have been adjusted to reflect the exchange ratio.



COLONY NORTHSTAR, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Revenues				
Property operating income	\$ 572,787	\$ 94,355	\$ 2,113,837	\$ 371,082
Interest income	83,339	91,612	416,625	385,851
Fee income	53,527	18,384	220,789	67,731
Other income	10,691	4,122	45,483	14,193
Total revenues	720,344	208,473	2,796,734	838,857
Expenses				
Property operating expense	311,437	28,992	1,113,509	118,461
Interest expense	156,230	43,448	574,822	170,083
Investment, servicing and commission expense	23,629	6,218	67,597	23,666
Transaction costs	1,443	21,967	95,859	40,605
Depreciation and amortization	164,554	42,406	617,779	171,682
Provision for loan loss	6,834	17,593	19,741	35,005
Impairment loss	375,007	6,256	420,360	11,717
Compensation expense	89,286	31,149	346,885	111,838
Administrative expenses	30,895	12,939	113,456	51,699
Total expenses	1,159,315	210,968	3,370,008	734,756
Other income				
Gain on sale of real estate assets	40,669	5,502	137,370	73,616
Other gain (loss), net	(18,523)	146	(25,814)	18,416
Earnings from investments in unconsolidated ventures	31,318	27,149	285,151	99,375
Income (loss) before income taxes	(385,507)	30,302	(176,567)	295,508
Income tax benefit (expense)	91,409	(5,647)	98,399	(4,782)
Net income (loss) from continuing operations	(294,098)	24,655	(78,168)	290,726
Income (loss) from discontinued operations	(486)	—	13,555	—
Net income (loss)	(294,584)	24,655	(64,613)	290,726
Net income (loss) attributable to noncontrolling interests:				
Redeemable noncontrolling interests	20,528	—	23,543	—
Investment entities	42,231	32,576	129,996	163,084
Operating Company	(21,605)	(3,204)	(20,261)	12,324
Net income (loss) attributable to Colony NorthStar, Inc.	(335,738)	(4,717)	(197,891)	115,318
Preferred stock redemption	—	—	4,530	—
Preferred stock dividends	32,344	12,093	130,672	48,159
Net income (loss) attributable to common stockholders	\$ (368,082)	\$ (16,810)	\$ (333,093)	\$ 67,159
Basic earnings (loss) per share ⁽¹⁾				
Net income (loss) from continuing operations per basic common share	\$ (0.69)	\$ (0.11)	\$ (0.66)	\$ 0.39
Net income (loss) per basic common share	\$ (0.69)	\$ (0.11)	\$ (0.64)	\$ 0.39
Diluted earnings per share ⁽¹⁾				
Net income (loss) from continuing operations per diluted common share	\$ (0.69)	\$ (0.11)	\$ (0.66)	\$ 0.39
Net income (loss) per diluted common share	\$ (0.69)	\$ (0.11)	\$ (0.64)	\$ 0.39
Weighted average number of shares ⁽¹⁾				
Basic	536,583	165,017	532,600	164,570
Diluted	536,583	165,017	532,600	164,570

(1) As a result of the Merger, each outstanding share of common stock of Colony Capital, Inc. was exchanged for the right to receive 1.4663 of Class A common stock of Colony NorthStar. All historical share counts and per share amounts have been adjusted to reflect the exchange ratio.



COLONY NORTHSTAR, INC.
FUNDS FROM OPERATIONS AND CORE FUNDS FROM OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended December 31, 2017
Net loss attributable to common stockholders	\$ (368,082)
Adjustments for FFO attributable to common interests in Operating Company:	
Net loss attributable to noncontrolling common interests in Operating Company	(21,605)
Real estate depreciation and amortization	150,930
Impairment write-downs associated with depreciable real estate	8,994
Gain from sales of depreciable real estate	(40,333)
Less: Adjustments attributable to noncontrolling interests in investment entities	(25,426)
FFO attributable to common interests in Operating Company and common stockholders	(295,522)
Additional adjustments for Core FFO attributable to common interests in Operating Company and common stockholders:	
Gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO ⁽¹⁾	5,794
Gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	306,939
Equity-based compensation expense ⁽²⁾	42,917
Straight-line rent revenue and straight-line rent expense on ground leases	(6,282)
Change in fair value of contingent consideration	(6,260)
Amortization of acquired above- and below-market lease values	(8,364)
Amortization of deferred financing costs and debt premiums and discounts	24,304
Unrealized fair value gains and foreign currency remeasurements	(452)
Acquisition and merger-related transaction costs	1,475
Merger integration costs ⁽³⁾	9,929
Amortization and impairment of investment management intangibles	73,504
Non-real estate depreciation and amortization	2,764
Gain on remeasurement of consolidated investment entities and the effect of amortization thereof	9,406
Deferred tax benefit, net ⁽⁴⁾	(71,519)
Less: Adjustments attributable to noncontrolling interests in investment entities	6,436
Core FFO attributable to common interests in Operating Company and common stockholders	\$ 95,069
FFO per common share / common OP unit ⁽⁵⁾	\$ (0.51)
FFO per common share / common OP unit—diluted ⁽⁶⁾	\$ (0.51)
Core FFO per common share / common OP unit ⁽⁵⁾	\$ 0.16
Core FFO per common share / common OP unit—diluted ⁽⁶⁾	\$ 0.16
Weighted average number of common OP units outstanding used for FFO and Core FFO per common share and OP unit ⁽⁵⁾	577,166
Weighted average number of common OP units outstanding used for FFO per common share and OP unit—diluted ⁽⁵⁾⁽⁶⁾	577,930
Weighted average number of common OP units outstanding used for Core FFO per common share and OP unit—diluted ⁽⁵⁾⁽⁶⁾	579,068

(1) Net of \$19.1 million of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony Capital, Inc. prior to its internalization of the manager.

(2) Includes \$30.3 million of replacement award amortization.

(3) Merger integration costs represent costs and charges incurred during the integration of Colony, NSAM and NRF. These integration costs are not reflective of the Company's core operating performance and the Company does not expect to incur these costs subsequent to the completion of the merger integration. The majority of integration costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.



- (4) Adjustment represents the non-cash tax benefit from the amortization and impairment of investment management intangibles assumed in business combinations and the non-cash tax benefit of reduced deferred tax liabilities resulting from the Tax Cuts and Jobs Act enacted in 2017, which decreased the federal corporate income tax rate from 35% to 21%.
- (5) Calculated based on weighted average shares outstanding including participating securities and assuming the exchange of all common OP units outstanding for common shares. As a result of the Merger, each outstanding share of common stock of Colony Capital, Inc. was exchanged for the right to receive 1.4663 of Class A common stock of Colony NorthStar. All historical share counts and per share amounts have been adjusted to reflect the exchange ratio.
- (6) For the three months ended December 31, 2017, included in the calculation of diluted Core FFO per share is the effect of adding back \$0.2 million of interest expense associated with convertible senior notes and 1.1 million weighted average dilutive common share equivalents for the assumed conversion of the convertible senior notes. Such interest expense and weighted average dilutive common share equivalents are excluded for the calculation of diluted FFO as the effect would be antidilutive.

**COLONY NORTHSTAR, INC.
RECONCILIATION OF NET INCOME (LOSS) TO NOI/EBITDA**

The following tables present: (1) a reconciliation of property and other related revenues less property operating expenses for properties in our Healthcare, Industrial, and Hospitality segments to NOI or EBITDA and (2) a reconciliation of such segments' net income (loss) for the three months ended December 31, 2017 to NOI or EBITDA:

NOI and EBITDA were determined as follows:

(In thousands)	Three Months Ended December 31, 2017		
	Healthcare	Industrial	Hospitality
Total revenues	\$ 157,267	\$ 66,595	\$ 196,609
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(12,332)	(1,841)	(44)
Interest income	—	(226)	—
Other income	—	(121)	—
Property operating expenses ⁽¹⁾	(68,165)	(17,884)	(136,533)
Compensation expense ⁽¹⁾	—	(523)	—
NOI or EBITDA	\$ 76,770	\$ 46,000	\$ 60,032

⁽¹⁾ For healthcare and hospitality, property operating expenses includes property management fees paid to third parties. For industrial, there are direct costs of managing the portfolio which are included in compensation expense.

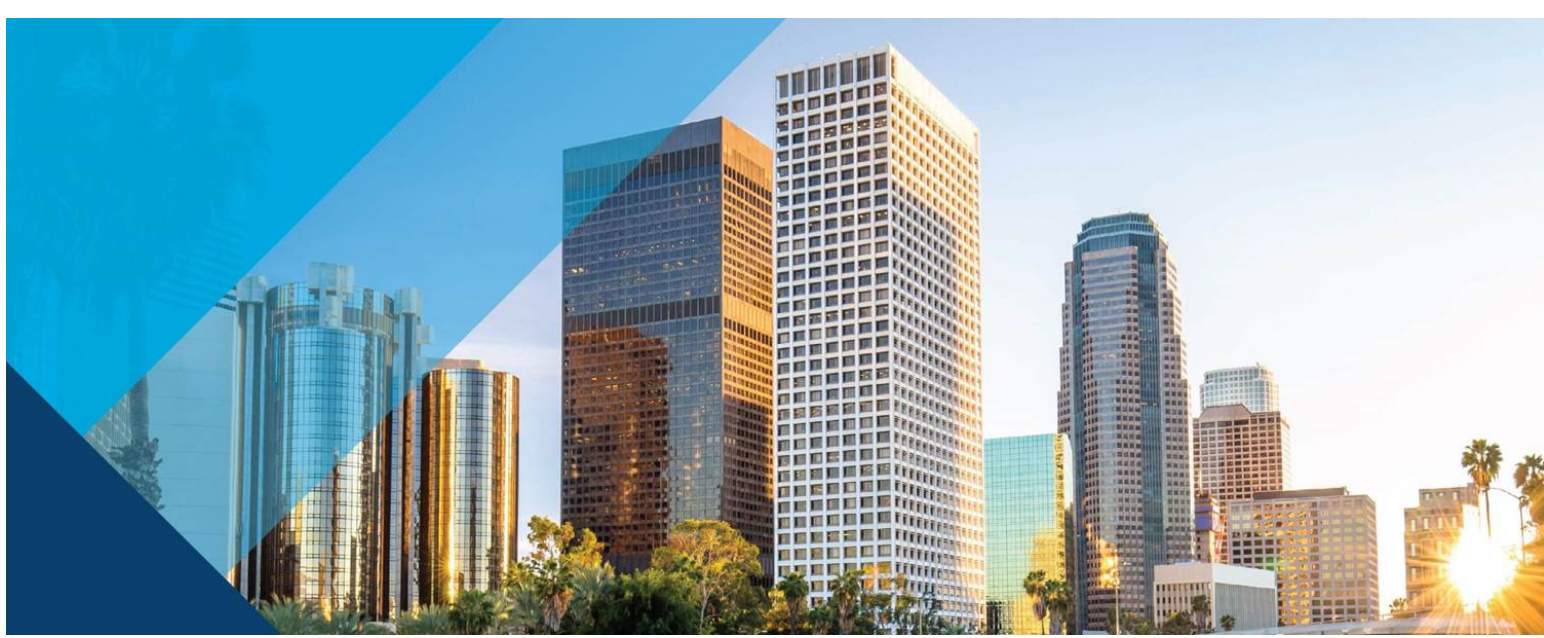
The following table presents a reconciliation of net income (loss) from continuing operations of the healthcare, industrial and hospitality segments to NOI or EBITDA of the respective segments.

(In thousands)	Three Months Ended December 31, 2017		
	Healthcare	Industrial	Hospitality
Net income (loss) from continuing operations	\$ (21,789)	\$ 23,946	\$ (16,166)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(12,332)	(1,841)	(44)
Interest income	—	(226)	—
Interest expense	47,734	9,403	36,245
Transaction, investment and servicing costs	2,889	8	2,582
Depreciation and amortization	48,793	29,812	35,171
Impairment loss	6,125	—	—
Compensation and administrative expense	1,709	2,629	1,607
Gain on sale of real estate	—	(15,917)	—
Other (gain) loss, net	(374)	—	67
Other income	—	(121)	—
Earnings from investments in unconsolidated ventures	—	(1,781)	—
Income tax benefit	4,015	88	570
NOI or EBITDA	\$ 76,770	\$ 46,000	\$ 60,032



The following table summarizes Q4 2017 net income (loss) from continuing operations by segment:

<u>(In thousands)</u>	<u>Net income (Loss) From Continuing Operations</u>
Healthcare	\$ (21,789)
Industrial	23,946
Hospitality	(16,166)
Other Equity and Debt	57,137
Investment Management	(248,807)
Amounts Not Allocated to Segments	(88,419)
Total Consolidated	<u>\$ (294,098)</u>



Supplemental Financial Report Fourth Quarter 2017

March 1, 2018



Cautionary Statement Regarding Forward-Looking Statements



This presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, and may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement.

Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in and benefits of the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., the impact of changes to organizational structure and employee composition, Colony NorthStar's liquidity, including its ability to complete and other potential sales of non-core investments, whether Colony NorthStar will be able to maintain its qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes, the timing of and ability to deploy available capital, the timing and pace of growth in the Company's industrial platform, the performance of the Company's investment in Colony NorthStar Credit Real Estate, Inc., whether the Company will realize any anticipated benefits from the Digital Bridge partnership, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability to maintain inclusion and relative performance on the RMZ, Colony NorthStar's leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, the impact of amendments to the Company's agreements with its managed companies, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, increased costs of capital expenditures, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC").

Statements regarding the following subjects, among others, may constitute forward-looking statements: the market, economic and environmental conditions in the Company's real estate investment sectors; the Company's business and investment strategy; the Company's ability to dispose of its real estate investments; the performance of the real estate in which the Company owns an interest; market trends in the Company's industry, interest rates, real estate values, the debt securities markets or the general economy; actions, initiatives and policies of the U.S. government and changes to U.S. government policies and the execution and impact of these actions, initiatives and policies; the state of the U.S. and global economy generally or in specific geographic regions; the Company's ability to obtain and maintain financing arrangements, including securitizations; the amount and value of commercial mortgage loans requiring refinancing in future periods; the availability of attractive investment opportunities; the general volatility of the securities markets in which the Company participates; changes in the value of the Company's assets; the impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters; the Company's ability to maintain its qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes; and the Company's ability to maintain its exemption from registration as an investment company under the Investment Company Act of 1940, as amended.

All forward-looking statements reflect Colony NorthStar's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony NorthStar's reports filed from time to time with the SEC. Colony NorthStar cautions investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this presentation. Colony NorthStar is under no duty to update any of these forward-looking statements after the date of this presentation, nor to conform prior statements to actual results or revised expectations, and Colony NorthStar does not intend to do so.

This presentation may contain statistics and other data that has been obtained or compiled from information made available by third-party service providers. Colony NorthStar has not independently verified such statistics or data.

This presentation is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Colony NorthStar. This information is not intended to be indicative of future results. Actual performance of Colony NorthStar may vary materially.

The appendices herein contain important information that is material to an understanding of this presentation and you should read this presentation only with and in context of the appendices.

Important Note Regarding Non-GAAP Financial Measures



This supplemental package includes certain “non-GAAP” supplemental measures that are not defined by generally accepted accounting principles, or GAAP, including; funds from operations, or FFO; core funds from operations, or Core FFO; net operating income (“NOI”); earnings before interest, tax, depreciation and amortization (“EBITDA”); and pro rata financial information.

The Company calculates funds from operations (“FFO”) in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts, which defines FFO as net income or loss calculated in accordance with GAAP, excluding extraordinary items, as defined by GAAP, gains and losses from sales of depreciable real estate and impairment write-downs associated with depreciable real estate, plus real estate-related depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures. Included in FFO are gains and losses from sales of assets which are not depreciable real estate such as loans receivable, investments in unconsolidated joint ventures as well as investments in debt and other equity securities, as applicable.

The Company computes core funds from operations (“Core FFO”) by adjusting FFO for the following items, including the Company’s share of these items recognized by its unconsolidated partnerships and joint ventures: (i) gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO; (ii) gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment; (iii) equity-based compensation expense; (iv) effects of straight-line rent revenue and straight-line rent expense on ground leases; (v) amortization of acquired above- and below-market lease values; (vi) amortization of deferred financing costs and debt premiums and discounts; (vii) unrealized fair value gains or losses on derivatives and foreign currency remeasurements; (viii) acquisition-related expenses, merger and integration costs; (ix) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (x) gain on remeasurement of consolidated investment entities and the effect of amortization thereof; (xi) non-real estate depreciation and amortization; (xii) change in fair value of contingent consideration; and (xiii) tax effect on certain of the foregoing adjustments.

FFO and Core FFO should not be considered alternatives to GAAP net income as indications of operating performance, or to cash flows from operating activities as measures of liquidity, nor as indications of the availability of funds for our cash needs, including funds available to make distributions. FFO and Core FFO should not be used as supplements to or substitutes for cash flow from operating activities computed in accordance with GAAP. The Company’s calculations of FFO and Core FFO may differ from methodologies utilized by other REITs for similar performance measurements, and, accordingly, may not be comparable to those of other REITs.

The Company uses FFO and Core FFO as supplemental performance measures because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that captures trends in occupancy rates, rental rates, and operating costs. The Company also believes that, as widely recognized measures of the performance of REITs, FFO and Core FFO will be used by investors as a basis to compare its operating performance with that of other REITs. However, because FFO and Core FFO exclude depreciation and amortization and capture neither the changes in the value of the Company’s properties that resulted from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of its properties, all of which have real economic effect and could materially impact the Company’s results from operations, the utility of FFO and Core FFO as measures of the Company’s performance is limited. FFO and Core FFO should be considered only as supplements to net income as a measure of the Company’s performance.

The Company believes that NOI and EBITDA are useful measures of operating performance of its respective real estate portfolios as they are more closely linked to the direct results of operations at the property level. NOI also reflects actual rents received during the period after adjusting for the effects of straight-line rents and amortization of above- and below-market leases; therefore, a comparison of NOI across periods better reflects the trend in occupancy rates and rental rates of the Company’s properties.

NOI and EBITDA exclude historical cost depreciation and amortization, which are based on different useful life estimates depending on the age of the properties, as well as adjust for the effects of real estate impairment and gains or losses on sales of depreciated properties, which eliminate differences arising from investment and disposition decisions. This allows for comparability of operating performance of the Company’s properties period over period and also against the results of other equity REITs in the same sectors. Additionally, by excluding corporate level expenses or benefits such as interest expense, any gain or loss on early extinguishment of debt and income taxes, which are incurred by the parent entity and are not directly linked to the operating performance of the Company’s properties, NOI and EBITDA provide a measure of operating performance independent of the Company’s capital structure and indebtedness.

However, the exclusion of these items as well as others, such as capital expenditures and leasing costs, which are necessary to maintain the operating performance of the Company’s properties, and transaction costs and administrative costs, may limit the usefulness of NOI and EBITDA. NOI may fail to capture significant trends in these components of U.S. GAAP net income (loss) which further limits its usefulness.

NOI should not be considered as an alternative to net income (loss), determined in accordance with U.S. GAAP, as an indicator of operating performance. In addition, the Company’s methodology for calculating NOI involves subjective judgment and discretion and may differ from the methodologies used by other comparable companies, including other REITs, when calculating the same or similar supplemental financial measures and may not be comparable with other companies.

The Company presents pro rata financial information, which is not, and is not intended to be, a presentation in accordance with GAAP. The Company computes pro rata financial information by applying its economic interest to each financial statement line item on an investment-by-investment basis. Similarly, noncontrolling interests’ share of assets, liabilities, profits and losses was computed by applying noncontrolling interests’ economic interest to each financial statement line item. The Company provides pro rata financial information because it may assist investors and analysts in estimating the Company’s economic interest in its investments. However, pro rata financial information as an analytical tool has limitations. Other equity REITs may not calculate their pro rata information in the same methodology, and accordingly, the Company’s pro rata information may not be comparable to such other REITs’ pro rata information. As such, the pro rata financial information should not be considered in isolation or as a substitute for our financial statements as reported under GAAP, but may be used as a supplement to financial information as reported under GAAP.

Note Regarding CLNS Reportable Segments / Consolidated and OP Share of Consolidated Amounts



Colony NorthStar holds investment interests in five reportable segments: Healthcare Real Estate; Industrial Real Estate; Hospitality Real Estate; Other Equity and Debt; and Investment Management.

Healthcare Real Estate

As of December 31, 2017, the consolidated healthcare portfolio consisted of 417 properties: 192 senior housing properties, 109 medical office properties, 102 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of December 31, 2017. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007, or RIDEA.

Industrial Real Estate

As of December 31, 2017, the consolidated industrial portfolio consisted of 369 primarily light industrial buildings totaling 43.3 million rentable square feet across 17 major U.S. markets and was 95% leased. The Company's equity interest in the consolidated Industrial Real Estate segment was approximately 41% as of December 31, 2017. On December 31, 2017, the Company closed on \$26 million of new third-party capital, which was primarily used to partially redeem another third-party investor. Total third-party capital commitments were in excess of \$1.1 billion compared to cumulative balance sheet contributions of \$750 million as of December 31, 2017. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

Hospitality Real Estate

As of December 31, 2017, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94% as of December 31, 2017. The hospitality portfolio is geographically diverse, consisting primarily of premium branded select service hotels and extended stay hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands. The select service hospitality portfolio, referred to as the THL Hotel Portfolio, which the Company acquired through consensual transfer during the third quarter 2017, is not included in the Hospitality Real Estate segment and is included in the Other Equity and Debt segment.

Other Equity and Debt

The Company owns a diversified group of strategic and non-strategic real estate and real estate-related debt and equity investments. Strategic investments primarily include our 37% interest in CLNC, 10% interest in NorthStar Realty Europe (NYSE: NRE) and other investments for which the Company acts as a general partner or manager ("GP Co-Investments") and receives various forms of investment management economics on the related third-party capital. Non-strategic investments are composed of those investments the Company does not intend to own for the long term including net leased assets; real estate loans; other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; limited partnership interests in third-party sponsored real estate private equity funds; and multiple classes of commercial real estate ("CRE") securities.

Investment Management

The Company's Investment Management segment includes the business and operations of managing capital on behalf of third-party investors through closed and open-end private funds, non-traded and traded real estate investment trusts and registered investment companies.

Throughout this presentation, consolidated figures represent the interest of both the Company (and its subsidiary Colony Capital Operating Company or the "CLNS OP") and noncontrolling interests. Figures labeled as CLNS OP share represent the Company's pro rata share.



	<u>Page</u>		<u>Page</u>
I. Overview		VI. Hospitality Real Estate	
a. Summary Metrics	6	a. Summary Metrics and Operating Results	24
b. Summary of Segments	7-8	b. Portfolio Overview	25
II. Financial Results		VII. Other Equity and Debt	
a. Consolidated Balance Sheet	9	a. Strategic Investments	26
b. Noncontrolling Interests' Share Balance Sheet	10	b. Net Lease and Other Real Estate Equity	27
c. Consolidated Segment Operating Results	11	c. Real Estate Debt	28-30
d. Noncontrolling Interests' Share Segment Operating Results	12	d. Real Estate PE Fund Interests	31
e. Segment Reconciliation of Net Income to FFO & Core FFO	13	e. CRE Securities	32
III. Capitalization		VIII. Investment Management	
a. Overview	14	a. Summary Metrics	33
b. Investment-Level Debt Overview	15	b. Assets Under Management	34
c. Revolving Credit Facility Overview	16	c. Retail Companies	35
d. Corporate Securities Overview	17	IX. Appendices	
e. Debt Maturity and Amortization Schedules	18	a. Definitions	37
IV. Healthcare Real Estate		b. Reconciliation of Net Income (Loss) to NOI/EBITDA	38-39
a. Summary Metrics and Operating Results	19		
b. Portfolio Overview	20-21		
V. Industrial Real Estate			
a. Summary Metrics and Operating Results	22		
b. Portfolio Overview	23		



(\$ and shares in thousands, except per share data and as noted; as of or for the three months ended December 31, 2017, unless otherwise noted) (Unaudited)

Financial Data

Net income (loss) attributable to common stockholders	\$	(368,082)
Net income (loss) attributable to common stockholders per basic share		(0.69)
FFO		(295,522)
FFO per basic share		(0.51)
Core FFO		95,069
Core FFO per basic share		0.16
Q1 2018 dividend per share		0.11
Annualized Q1 2018 dividend per share		0.44

Balance Sheet, Capitalization and Trading Statistics

Total consolidated assets	\$	24,785,650
CLNS OP share of consolidated assets		18,201,490
Total consolidated debt ⁽¹⁾		10,675,281
CLNS OP share of consolidated debt ⁽¹⁾		7,889,015
Shares and OP units outstanding as of February 26, 2018		572,764
Share price as of February 26, 2018		7.99
Market value of common equity & OP units		4,576,384
Liquidation preference of perpetual preferred equity		1,636,605
Insider ownership of shares and OP units		5.8%
Assets Under Management ("AUM")		\$ 42.7 billion
Fee Earning Equity Under Management ("FEEUM")		\$ 15.4 billion

Notes:

In evaluating the information presented throughout this presentation see the appendices to this presentation for definitions and reconciliations of non-GAAP financial measures to GAAP measures.

(1) Represents principal balance and excludes debt issuance costs, discounts and premiums. See additional footnotes on page 14.

Ib. Overview - Summary of Segments



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

	Consolidated amount	CLNS OP share of consolidated amount
Healthcare Real Estate⁽¹⁾		
Q4 2017 net operating income ⁽²⁾	\$ 76,770	\$ 54,429
Annualized net operating income	307,080	217,716
Investment-level non-recourse financing ⁽³⁾	3,291,278	2,345,866
Industrial Real Estate		
Q4 2017 net operating income ⁽²⁾	46,000	19,073
Annualized net operating income	184,000	76,292
Investment-level non-recourse financing ⁽³⁾	1,014,229	420,500
Hospitality Real Estate		
Q4 2017 EBITDA ⁽²⁾	60,032	56,609
Annualized EBITDA ⁽⁴⁾	295,724	278,862
Investment-level non-recourse financing ⁽³⁾	2,608,719	2,437,865

Notes:

- (1) NOI includes \$1.4 million consolidated or \$0.9 million CLNS OP share of interest earned related to \$72 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended December 31, 2017.
- (2) For a reconciliation of net income/(loss) attributable to common stockholders to NOI/EBITDA, please refer to the appendix to this presentation.
- (3) Represents unpaid principal balance.
- (4) Annualized EBITDA is calculated using the pro rata percentage of historical Q4 2016 EBITDA relative to historical full year 2016 EBITDA to account for seasonality.

Ib. Overview - Summary of Segments (cont'd)



(\$ in thousands except as noted; as of or for the three months ended December 31, 2017, unless otherwise noted)

	Consolidated amount	CLNS OP share of consolidated amount
Other Equity and Debt⁽¹⁾		
1) Strategic Investments (refer to page 27 for details)		
a) Interests in publicly managed companies (CLNC & NRE) - net carrying value ⁽²⁾	\$ 1,235,856	\$ 1,235,856
b) GP co-investments - net carrying value	1,016,871	355,069
2) Net lease real estate equity ⁽²⁾		
a) Q4 2017 net operating income	8,189	8,104
b) Investment-level non-recourse financing ⁽³⁾	337,582	336,940
c) Carrying value - unconsolidated / equity method investments	—	—
3) Other real estate equity		
a) Undepreciated carrying value of real estate assets ⁽⁴⁾	2,605,847	1,325,305
b) Investment-level non-recourse financing ⁽³⁾	1,796,867	929,774
c) Carrying value - unconsolidated / equity method investments (including Albertsons)	641,120	563,146
4) Real estate debt ⁽²⁾		
a) Loans receivable ⁽⁵⁾	1,270,072	1,013,834
b) Investment-level non-recourse financing ⁽³⁾	399,806	384,557
c) Carrying value - equity method investments	28,625	21,093
d) Carrying value - real estate assets (REO within debt portfolio) and other ⁽⁴⁾	24,019	5,939
5) Real estate PE fund investments ⁽²⁾		
a) Carrying value		180,356
6) CRE securities		
a) Net carrying value		155,007
Investment Management		
AUM (\$ in millions)		26,909
FEEUM (\$ in millions)		15,407
Q4 2017 fee revenue and earnings of investments in unconsolidated ventures		58,230
Net Assets⁽⁶⁾		
Cash and cash equivalents, restricted cash and other assets	1,703,897	1,291,022
Accrued and other liabilities and dividends payable	927,911	757,280
Net assets	775,986	533,742

Notes:

Our GP co-investment positions in CDCF IV, the Company's latest flagship private credit vehicle, were categorized by investment type in prior financial supplements. In this supplement, they are now categorized under GP co-investment.

(1) Includes assets classified as held for sale on the Company's financial statements.

(2) Net lease real estate equity, real estate debt and PE fund investments exclude investments contributed to Colony NorthStar Real Estate Credit, Inc. (NYSE: CLNC). Interests in publicly managed companies include the net carrying value of investments contributed to CLNC as of December 31, 2017. CLNC began trading on the NYSE on February 1, 2018.

(3) Represents unpaid principal balance.

(4) Includes all components related to real estate assets, including tangible real estate and lease-related intangibles, and excludes accumulated depreciation.

(5) Excludes \$3 million consolidated and CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$72 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans.

(6) Other assets exclude \$10 million consolidated or \$9 million CLNS OP share of deferred financing costs and accrued and other liabilities exclude \$140 million consolidated and CLNS OP share of deferred tax liabilities and other liabilities which are not due in cash. Also, excludes net assets related to investments contributed to CLNC.

Ila. Financial Results - Consolidated Balance Sheet



(\$ in thousands, except per share data) (Unaudited)

As of December 31, 2017

Assets		
Cash and cash equivalents		\$ 921,822
Restricted cash		471,078
Real estate assets, net		14,464,258
Loans receivable, net		3,223,762
Investments in unconsolidated ventures		1,655,239
Securities available for sale, at fair value		383,942
Goodwill		1,534,561
Deferred leasing costs and intangible assets, net		852,872
Assets held for sale		781,630
Other assets		444,968
Due from affiliates		51,518
Total assets		\$ 24,785,650
Liabilities		
Debt, net		\$ 10,827,810
Accrued and other liabilities		898,161
Intangible liabilities, net		191,109
Liabilities related to assets held for sale		273,298
Due to affiliates		23,534
Dividends and distributions payable		188,202
Total liabilities		12,402,114
Commitments and contingencies		
Redeemable noncontrolling interests		34,144
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$1,636,605 liquidation preference; 250,000 shares authorized; 65,464 shares issued and outstanding		1,606,966
Common stock, \$0.01 par value per share		
Class A, 949,000 shares authorized; 542,599 shares issued and outstanding		5,426
Class B, 1,000 shares authorized; 736 shares issued and outstanding		7
Additional paid-in capital		7,913,622
Distributions in excess of earnings		(1,165,412)
Accumulated other comprehensive income (loss)		47,316
Total stockholders' equity		8,407,925
Noncontrolling interests in investment entities		3,539,072
Noncontrolling interests in Operating Company		402,395
Total equity		12,349,392
Total liabilities, redeemable noncontrolling interests and equity		\$ 24,785,650

Ib. Financial Results - Noncontrolling Interests' Share Balance Sheet



(\$ in thousands, except per share data) (Unaudited)

	As of December 31, 2017
Assets	
Cash and cash equivalents	\$ 223,013
Restricted cash	131,394
Real estate assets, net	4,441,541
Loans receivable, net	1,014,416
Investments in unconsolidated ventures	306,392
Securities available for sale, at fair value	10,588
Goodwill	—
Deferred leasing costs and intangible assets, net	165,912
Assets held for sale	221,863
Other assets	73,461
Due from affiliates	(4,420)
Total assets	\$ 6,584,160
Liabilities	
Debt, net	\$ 2,752,114
Accrued and other liabilities	177,068
Intangible liabilities, net	59,714
Liabilities related to assets held for sale	20,648
Due to affiliates	—
Dividends and distributions payable	—
Total liabilities	3,009,544
Commitments and contingencies	—
Redeemable noncontrolling interests	34,144
Equity	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,636,605 liquidation preference; 250,000 shares authorized; 65,464 shares issued and outstanding	—
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 542,599 shares issued and outstanding	—
Class B, 1,000 shares authorized; 736 shares issued and outstanding	—
Additional paid-in capital	—
Distributions in excess of earnings	—
Accumulated other comprehensive income (loss)	—
Total stockholders' equity	—
Noncontrolling interests in investment entities	3,540,472
Noncontrolling interests in Operating Company	—
Total equity	3,540,472
Total liabilities, redeemable noncontrolling interests and equity	\$ 6,584,160

Ilc. Financial Results - Consolidated Segment Operating Results



Three Months Ended December 31, 2017

(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
Revenues							
Property operating income	\$ 155,893	\$ 65,718	\$ 196,386	\$ 154,790	\$ —	\$ —	\$ 572,787
Interest income	1,374	226	—	80,786	6	947	83,339
Fee income	—	—	—	—	53,527	—	53,527
Other income	—	651	223	2,459	6,032	1,326	10,691
Total revenues	157,267	66,595	196,609	238,035	59,565	2,273	720,344
Expenses							
Property operating expense	68,165	17,884	136,533	88,855	—	—	311,437
Interest expense	47,734	9,403	36,245	49,211	—	13,637	156,230
Investment, servicing and commission expense	2,889	8	2,582	13,648	3,415	1,087	23,629
Transaction costs	—	—	—	149	—	1,294	1,443
Depreciation and amortization	48,793	29,812	35,171	35,251	14,082	1,445	164,554
Provision for loan loss	—	—	—	6,834	—	—	6,834
Impairment loss	6,125	—	—	2,869	366,013	—	375,007
Compensation expense	1,550	2,030	1,492	3,307	24,198	56,709	89,286
Administrative expenses	159	1,122	115	2,701	3,154	23,644	30,895
Total expenses	175,415	60,259	212,138	202,825	410,862	97,816	1,159,315
Other income (loss)							
Gain on sale of real estate assets	—	15,917	—	24,752	—	—	40,669
Other gain (loss), net	374	—	(67)	(25,512)	(873)	7,555	(18,523)
Earnings of investments in unconsolidated ventures	—	1,781	—	23,617	5,920	—	31,318
Income (loss) before income taxes	(17,774)	24,034	(15,596)	58,067	(346,250)	(87,988)	(385,507)
Income tax benefit (expense)	(4,015)	(88)	(570)	(930)	97,443	(431)	91,409
Net income (loss) from continuing operations	(21,789)	23,946	(16,166)	57,137	(248,807)	(88,419)	(294,098)
Income (loss) from discontinued operations	—	—	—	(486)	—	—	(486)
Net income (loss)	(21,789)	23,946	(16,166)	56,651	(248,807)	(88,419)	(294,584)
Net income (loss) attributable to noncontrolling interests:							
Redeemable noncontrolling interests	—	—	—	(247)	20,775	—	20,528
Investment entities	(3,042)	13,751	(998)	32,520	—	—	42,231
Operating Company	(1,047)	692	(847)	1,372	(15,029)	(6,746)	(21,605)
Net income (loss) attributable to Colony NorthStar, Inc.	(17,700)	9,503	(14,321)	23,006	(254,553)	(81,673)	(335,738)
Preferred stock redemption	—	—	—	—	—	—	—
Preferred stock dividends	—	—	—	—	—	32,344	32,344
Net income (loss) attributable to common stockholders	\$ (17,700)	\$ 9,503	\$ (14,321)	\$ 23,006	\$ (254,553)	\$ (114,017)	\$ (368,082)

IId. Financial Results - Noncontrolling Interests' Share Segment

Operating Results



Three Months Ended December 31, 2017

(\$ in thousands) (Unaudited)

	Healthcare	Industrial	Hospitality	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
Revenues							
Property operating income	\$ 44,252	\$ 38,780	\$ 11,931	\$ 63,492	\$ —	\$ —	\$ 158,455
Interest income	417	132	—	30,224	—	—	30,773
Fee income	—	—	—	—	796	—	796
Other income	—	83	3	1,136	31	—	1,253
Total revenues	44,669	38,995	11,934	94,852	827	—	191,277
Expenses							
Property operating expense	18,862	10,779	8,271	40,387	—	—	78,299
Interest expense	13,703	5,504	2,230	16,166	—	—	37,603
Investment, servicing and commission expense	860	3	219	5,660	42	—	6,784
Transaction costs	—	—	—	34	—	—	34
Depreciation and amortization	13,818	17,427	2,210	13,654	130	—	47,239
Provision for loan loss	—	—	—	4,574	—	—	4,574
Impairment loss	1,687	—	—	1,391	—	—	3,078
Compensation expense	—	143	—	386	299	—	828
Administrative expenses	27	295	—	1,095	91	—	1,508
Total expenses	48,957	34,151	12,930	83,347	562	—	179,947
Other income (loss)							
Gain on sale of real estate assets	—	9,317	—	14,621	—	—	23,938
Other gain (loss), net	113	—	(2)	(1,208)	—	—	(1,097)
Earnings of investments in unconsolidated ventures	—	747	—	8,335	—	—	9,082
Income (loss) before income taxes	(4,175)	14,908	(998)	33,253	265	—	43,253
Income tax benefit (expense)	(1,236)	(52)	—	(758)	(11)	—	(2,057)
Net income (loss) from continuing operations	(5,411)	14,856	(998)	32,495	254	—	41,196
Income (loss) from discontinued operations	—	—	—	(222)	—	—	(222)
Non-pro rata allocation of income (loss) to NCI	2,369	(1,105)	—	—	20,521	—	21,785
Net income (loss) attributable to noncontrolling interests	\$ (3,042)	\$ 13,751	\$ (998)	\$ 32,273	\$ 20,775	\$ —	\$ 62,759

Ile. Financial Results - Segment Reconciliation of Net Income to FFO & Core FFO



Three Months Ended December 31, 2017									
OP pro rata share by segment									
(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total OP pro rata share	Amounts attributable to noncontrolling interests	CLNS consolidated as reported
Net income (loss) attributable to common stockholders	\$ (17,700)	\$ 9,503	\$ (14,321)	\$ 23,006	\$ (254,553)	\$ (114,017)	\$ (368,082)	\$ —	\$ (368,082)
Net income (loss) attributable to noncontrolling common interests in Operating Company	(1,047)	692	(847)	1,372	(15,029)	(6,746)	(21,605)	—	(21,605)
Net income (loss) attributable to common interests in Operating Company and common stockholders	(18,747)	10,195	(15,168)	24,378	(269,582)	(120,763)	(389,687)	—	(389,687)
Adjustments for FFO:									
Real estate depreciation and amortization	35,200	12,344	32,499	24,393	208	—	104,644	46,286	150,930
Impairment write-downs associated with depreciable real estate	4,438	—	—	1,478	—	—	5,916	3,078	8,994
(Gain) loss from sales of depreciable real estate	—	(6,600)	—	(10,279)	484	—	(16,395)	(23,938)	(40,333)
Less: Net income (loss) attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	(25,426)	(25,426)
FFO	\$ 20,891	\$ 15,939	\$ 17,331	\$ 39,970	\$ (268,890)	\$ (120,763)	\$ (295,522)	\$ —	\$ (295,522)
Additional adjustments for Core FFO:									
(Gains) and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO ⁽¹⁾	—	—	—	85	—	—	85	5,709	5,794
(Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	—	—	—	—	328,407	—	328,407	(21,468)	306,939
Equity-based compensation expense ⁽²⁾	309	418	297	738	7,303	33,852	42,917	—	42,917
Straight-line rent revenue and straight-line rent expense on ground leases	(3,052)	(724)	(4)	(623)	—	963	(3,440)	(2,842)	(6,282)
Change in fair value of contingent consideration	—	—	—	—	—	(6,260)	(6,260)	—	(6,260)
Amortization of acquired above- and below-market lease values	(5,642)	(49)	(3)	(56)	—	—	(5,750)	(2,614)	(8,364)
Amortization of deferred financing costs and debt premiums and discounts	4,912	148	6,109	5,813	—	1,098	18,080	6,224	24,304
Unrealized fair value gains or losses and foreign currency remeasurements	(415)	—	8	520	503	(1,332)	(716)	264	(452)
Acquisition and merger-related transaction costs	—	—	—	147	—	1,294	1,441	34	1,475
Merger integration costs ⁽³⁾	—	—	—	—	—	9,929	9,929	—	9,929
Amortization and impairment of investment management intangibles	—	—	—	—	73,137	—	73,137	367	73,504
Non-real estate depreciation and amortization	518	41	462	10	84	1,445	2,560	204	2,764
Gain on remeasurement of consolidated investment entities and the effect of amortization thereof	—	—	—	1,747	—	—	1,747	7,659	9,406
Tax (benefit) expense, net ⁽⁴⁾	—	—	—	(649)	(70,897)	—	(71,546)	27	(71,519)
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	6,436	6,436
Core FFO	\$ 17,521	\$ 15,773	\$ 24,200	\$ 47,702	\$ 69,647	\$ (79,774)	\$ 95,069	\$ —	\$ 95,069

Notes:

- (1) Net of \$19.1 million of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony prior to its internalization of the manager.
- (2) Includes \$30.3 million of replacement award amortization.
- (3) Merger integration costs represent costs and charges incurred during the integration of Colony, NSAM and NRF. These integration costs are not reflective of the Company's core operating performance and the Company does not expect to incur these costs subsequent to the completion of the merger integration. The majority of integration costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.
- (4) Adjustment represents the impact of taxes on amortization and impairment of investment management intangibles assumed in business combinations.

IIIa. Capitalization - Overview



(\$ in thousands; except per share data; as of December 31, 2017, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNS OP share of consolidated amount</u>
Debt (UPB)		
\$1,000,000 Revolving credit facility	\$ 50,000	\$ 50,000
Convertible/exchangeable senior notes	616,105	616,105
Corporate aircraft promissory note	39,218	39,218
Trust Preferred Securities ("TruPS")	280,117	280,117
Investment-level debt:		
Healthcare	3,291,278	2,345,866
Industrial	1,014,229	420,500
Hospitality	2,608,719	2,437,865
Other Equity and Debt ⁽¹⁾	2,775,615	1,699,344
Total investment-level debt ⁽²⁾	<u>9,689,841</u>	<u>6,903,575</u>
Total debt	\$ 10,675,281	\$ 7,889,015
Perpetual preferred equity, redemption value		
Total perpetual preferred equity		\$ 1,636,605
Common equity as of February 26, 2018		
	Price per share	Shares / Units
Class A and B common stock	\$ 7.99	540,482
OP units	7.99	32,282
Total market value of common equity		\$ 4,576,384
Total capitalization		\$ 14,102,004

Notes:

(1) Excludes \$393 million consolidated or \$325 million CLNS OP share of debt related to assets contributed to CLNC and \$258 million principal balance of non-recourse CDO securitization debt.

(2) Includes \$197 million consolidated or \$196 million CLNS OP share principal balance of debt related to assets held for sale.

IIIb. Capitalization - Investment-Level Debt Overview



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

Investment-level debt overview

	Type	Consolidated		CLNS OP share of consolidated amount	
		Unpaid principal balance	Unpaid principal balance	Wtd. avg. years remaining to maturity	Wtd. avg. interest rate
Healthcare	Non-recourse	\$ 3,291,278	\$ 2,345,866	3.0	5.0%
Industrial	Non-recourse	1,014,229	420,500	11.4	3.5%
Hospitality	Non-recourse	2,608,719	2,437,865	3.6	4.7%
Other Equity and Debt⁽¹⁾					
Net lease real estate equity	Non-recourse	337,582	336,940	6.0	4.2%
Other real estate equity	Non-recourse	1,796,867	929,774	4.6	4.1%
Real estate debt	Non-recourse	399,806	384,557	4.8	3.8%
GP Co-investments in CDCF IV	Non-recourse	241,360	48,073	2.8	3.7%
Total investment-level debt⁽²⁾		\$ 9,689,841	\$ 6,903,575	4.2	4.6%

Notes:

(1) Excludes \$393 million consolidated or \$325 million CLNS OP share of debt related to assets contributed to CLNC and \$258 million principal balance of non-recourse CDO securitization debt.

(2) Includes \$197 million consolidated or \$196 million CLNS OP share principal balance of debt related to assets held for sale.

IIIc. Capitalization - Revolving Credit Facility Overview



(\$ in thousands, except as noted; as of December 31, 2017)

Revolving credit facility

Maximum principal amount	\$	1,000,000
Amount outstanding		50,000
Initial maturity		January 11, 2021
Fully-extended maturity		January 10, 2022
Interest rate		LIBOR + 2.25%

Financial covenants as defined in the Credit Agreement:

	Covenant level
Consolidated Tangible Net Worth	Minimum \$4,550 million
Consolidated Fixed Charge Coverage Ratio	Minimum 1.50 to 1.00
Consolidated Interest Coverage Ratio	Minimum 3.00 to 1.00
Consolidated Leverage Ratio	Maximum 0.65 to 1.00

Company status: As of December 31, 2017, CLNS is meeting all required covenant threshold levels

III.d. Capitalization - Corporate Securities Overview



(\$ in thousands, except per share data; as of December 31, 2017, unless otherwise noted)

Convertible/exchangeable debt

Description	Outstanding principal	Final due date	Interest rate	Conversion price (per share of common stock)	Conversion ratio	Conversion shares	Redemption date
5.0% Convertible senior notes	\$ 200,000	April 15, 2023	5.00% fixed	\$ 15.76	63.4700	12,694	On or after April 22, 2020 ⁽¹⁾
3.875% Convertible senior notes	402,500	January 15, 2021	3.875% fixed	16.57	60.3431	24,288	On or after January 22, 2019 ⁽¹⁾
5.375% Exchangeable senior notes	13,605	June 15, 2033	5.375% fixed	12.04	83.0837	1,130	On or after June 15, 2020 ⁽¹⁾
Total convertible debt	\$ 616,105						

TruPS

Description	Outstanding principal	Final due date	Interest rate
Trust I	\$ 41,240	March 30, 2035	3M L + 3.25%
Trust II	25,780	June 30, 2035	3M L + 3.25%
Trust III	41,238	January 30, 2036	3M L + 2.83%
Trust IV	50,100	June 30, 2036	3M L + 2.80%
Trust V	30,100	September 30, 2036	3M L + 2.70%
Trust VI	25,100	December 30, 2036	3M L + 2.90%
Trust VII	31,459	April 30, 2037	3M L + 2.50%
Trust VIII	35,100	July 30, 2037	3M L + 2.70%
Total TruPS	\$ 280,117		

Perpetual preferred stock

Description	Liquidation preference	Shares outstanding	Callable period
Series B 8.25% cumulative redeemable perpetual preferred stock	\$ 152,855	6,114	Callable
Series D 8.5% cumulative redeemable perpetual preferred stock	200,000	8,000	On or after April 10, 2018
Series E 8.75% cumulative redeemable perpetual preferred stock	250,000	10,000	On or after May 15, 2019
Series G 7.5% cumulative redeemable perpetual preferred stock	86,250	3,450	On or after June 19, 2019
Series H 7.125% cumulative redeemable perpetual preferred stock	287,500	11,500	On or after April 13, 2020
Series I 7.15% cumulative redeemable perpetual preferred stock	345,000	13,800	On or after June 5, 2022
Series J 7.125% cumulative redeemable perpetual preferred stock	315,000	12,600	On or after September 22, 2022
Total preferred stock	\$ 1,636,605	65,464	

Notes:

(1) Callable at principal amount only if CLNS common stock has traded at least 130% of the conversion price for 20 of 30 consecutive trading days.

IIIe. Capitalization - Debt Maturity and Amortization Schedules



(\$ in thousands; as of December 31, 2017)

Consolidated debt maturity and amortization schedule

	Payments due by period ⁽¹⁾					
	2018	2019	2020	2021	2022 and after	Total
\$1,000,000 Revolving credit facility	\$ —	\$ —	\$ —	\$ 50,000	\$ —	\$ 50,000
Convertible/exchangeable senior notes	—	—	—	402,500	213,605	616,105
Corporate aircraft promissory note	2,029	2,134	2,244	2,360	30,451	39,218
TruPS	—	—	—	—	280,117	280,117
<i>Investment-level debt:</i>						
Healthcare	13,129	2,455,303	58,606	361,058	403,182	3,291,278
Industrial	806	839	875	911	1,010,798	1,014,229
Hospitality	—	512,000	247,750	218,969	1,630,000	2,608,719
Other Equity and Debt ⁽²⁾	296,543	138,682	101,196	501,266	1,737,928	2,775,615
Total debt⁽³⁾	\$ 312,507	\$ 3,108,958	\$ 410,671	\$ 1,537,064	\$ 5,306,081	\$ 10,675,281

Pro rata debt maturity and amortization schedule

	Payments due by period ⁽¹⁾					
	2018	2019	2020	2021	2022 and after	Total
\$1,000,000 Revolving credit facility	\$ —	\$ —	\$ —	\$ 50,000	\$ —	\$ 50,000
Convertible/exchangeable senior notes	—	—	—	402,500	213,605	616,105
Corporate aircraft promissory note	2,029	2,134	2,244	2,360	30,451	39,218
TruPS	—	—	—	—	280,117	280,117
<i>Investment-level debt:</i>						
Healthcare	10,119	1,716,019	46,772	289,950	283,006	2,345,866
Industrial	334	348	363	378	419,077	420,500
Hospitality	-	512,000	247,750	213,495	1,464,620	2,437,865
Other Equity and Debt ⁽²⁾	118,322	74,418	47,340	440,742	1,018,522	1,699,344
Total debt⁽³⁾	\$ 130,804	\$ 2,304,919	\$ 344,469	\$ 1,399,425	\$ 3,709,398	\$ 7,889,015

Notes:

(1) Based on initial maturity dates or extended maturity dates to the extent criteria are met and the extension option is at the borrower's discretion.

(2) Excludes \$393 million consolidated or \$325 million CLNS OP share of debt related to assets contributed to CLNC and \$258 million principal balance of non-recourse CDO securitization debt.

(3) Includes \$197 million consolidated or \$196 million CLNS OP share principal balance of debt related to assets held for sale.

Iva. Healthcare Real Estate - Summary Metrics and Operating Results



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

	Consolidated amount	CLNS OP share of consolidated amount ⁽¹⁾
Net operating income		
Net operating income:		
Senior Housing - Operating	\$ 15,788	\$ 11,194
Medical Office Buildings	13,325	9,447
<i>Triple-Net Lease:</i>		
Senior Housing	15,226	10,795
Skilled Nursing Facilities	27,250	19,320
Hospitals	5,181	3,673
Total net operating income ⁽²⁾	\$ 76,770	\$ 54,429
Annualized net operating income	\$ 307,080	\$ 217,716

Portfolio overview	Total number of buildings	Capacity	% Occupied	TTM Lease Coverage	WA Remaining Lease Term ⁽³⁾
Senior Housing - Operating	109	6,436 units	87.4%	N/A	N/A
Medical Office Buildings	109	3.9 million sq. ft.	82.9%	N/A	4.7
<i>Triple-Net Lease:</i>					
Senior Housing	83	4,135 units	82.9%	1.4x	12.0
Skilled Nursing Facilities	102	12,300 beds	82.1%	1.2x	6.9
Hospitals	14	872 beds	58.4%	2.5x	11.4
Total / W.A.	417		82.8%	1.4x	9.0

Same store financial/operating results related to the segment

	% Occupied ⁽⁴⁾		TTM Lease Coverage ⁽⁵⁾		NOI		
	Q4 2017	Q3 2017	9/30/2017	6/30/2017	Q4 2017	Q3 2017	% Change
Senior Housing - Operating	87.4%	87.8%	n/a	n/a	\$ 15,788	\$ 18,704	(15.6)%
Medical Office Buildings	82.9%	83.5%	n/a	n/a	13,358	13,643	(2.1)%
<i>Triple-Net Lease:</i>							
Senior Housing	82.9%	82.3%	1.4x	1.4x	15,226	14,638	4.0 %
Skilled Nursing Facilities	82.1%	82.2%	1.2x	1.2x	27,313	25,381	7.6 %
Hospitals	58.4%	61.5%	2.5x	3.0x	5,181	5,304	(2.3)%
Total / W.A.	82.8%	82.9%	1.4x	1.5x	\$ 76,866	\$ 77,670	(1.0)%

Notes:

(1) CLNS OP Share represents Consolidated NOI multiplied by CLNS OP's interest as of December 31, 2017.

(2) NOI includes \$1.4 million consolidated or \$1.0 million CLNS OP share of interest earned related to \$72 million consolidated or \$50 million CLNS OP share carrying value of healthcare real estate development loans. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended December 31, 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.

(3) Total / Weighted Average Remaining Lease Term includes Triple-Net Lease properties only.

(4) Occupancy % for Senior Housing - Operating represents average of the presented quarter, MOB's is as of last day in the quarter and for Triple-Net Lease represents average of the prior quarter. Occupancy represents real estate property operator's patient occupancy for all types except MOB.

(5) Represents the ratio of EBITDAR to cash rent on a trailing twelve month basis.



(As of or for the three months ended December 31, 2017, unless otherwise noted)

Triple-Net Lease Coverage⁽¹⁾

September 30, 2017 TTM Lease Coverage	# of Leases	% of Triple-Net Lease TTM NOI as of September 30, 2017			WA Remaining Lease Term
		Senior Housing	Skilled Nursing Facilities & Hospitals	% Total NOI	
Less than 0.99x	3	3%	10%	13%	8 yrs
1.00x - 1.09x	4	2%	18%	20%	8 yrs
1.10x - 1.19x	2	4%	4%	8%	6 yrs
1.20x - 1.29x	2	—%	17%	17%	9 yrs
1.30x - 1.39x	1	—%	2%	2%	8 yrs
1.40x - 1.49x	—	—%	—%	—%	—
1.50x and greater	5	18%	22%	40%	10 yrs
Total / W.A.	17	27%	73%	100%	9 yrs

Revenue Mix⁽²⁾

	September 30, 2017 TTM		
	Private Pay	Medicare	Medicaid
Senior Housing - Operating	87%	3%	10%
Medical Office Buildings	100%	—%	—%
<i>Triple-Net Lease:</i>			
Senior Housing	64%	—%	36%
Skilled Nursing Facilities	24%	21%	55%
Hospitals	11%	40%	49%
W.A.	58%	11%	31%

Notes:

- Represents the ratio of EBITDAR to cash rent on a trailing twelve month basis. Represents leases with EBITDAR coverage in each listed range. Excludes interest income associated with triple-net lease senior housing and hospital types. Caring Homes (U.K.) lease (EBITDAR) coverage includes additional collateral provided by the operator.
- Revenue mix represents percentage of revenues derived from private, Medicare and Medicaid payor sources. The payor source percentages for the hospital category excludes two operating partners, whom do not track or report payor source data and totals approximately one-third of NOI in the hospital category. Overall percentages are weighted by NOI exposure in each category.



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

Top 10 Geographic Locations by NOI

	Number of buildings	NOI
United Kingdom	44	\$ 9,699
Illinois	38	8,002
Indiana	55	7,258
Florida	27	6,595
Pennsylvania	11	4,813
Georgia	22	4,518
Oregon	31	4,473
California	15	4,168
Ohio	35	3,854
Texas	32	3,475
Total	310	\$ 56,855

Top 10 Operators/Tenants by NOI

	Property Type/Primary Segment	Number of buildings	NOI	% Occupied	TTM Lease Coverage	WA Remaining Lease Term
Senior Lifestyle	Sr. Housing / RIDEA	82	\$ 12,392	87.8%	n/a	n/a
Caring Homes (U.K.) ⁽¹⁾	Sr. Housing / NNN	44	8,352	87.3%	1.6x	15 yrs
Sentosa	SNF / NNN	11	4,813	90.4%	1.2x	11 yrs
Wellington Healthcare	SNF / NNN	11	4,387	89.5%	1.1x	9 yrs
Miller	SNF / NNN	28	3,848	71.3%	2.0x	n/a
Frontier	Sr. Housing / RIDEA / NNN	20	3,392	84.5%	n/a	n/a
Opis	SNF / NNN	11	2,741	90.9%	1.2x	6 yrs
Consulate	SNF / NNN	10	2,664	78.7%	0.8x	10 yrs
Grace	SNF / NNN	9	2,600	80.2%	1.0x	3 yrs
Symphony	SNF / NNN	8	2,353	74.6%	1.2x	4 yrs
Total		234	\$ 47,542			

Notes:
 (1) Caring Homes (U.K.) lease (EBITDAR) coverage includes additional collateral provided by the operator.



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

	Consolidated amount ⁽¹⁾	CLNS OP share of consolidated amount ⁽¹⁾
Net operating income	\$ 46,000	\$ 19,073
Annualized net operating income	\$ 184,000	\$ 76,292

Portfolio overview

Total number of buildings	369
Rentable square feet (thousands)	43,325
% leased at end of period	95.1%
Average remaining lease term	3.7

Same store financial/operating results related to the segment

	Q4 2017	Q3 2017	% Change
Same store number of buildings	331	331	—
% leased at end of period	95.5%	95.2%	0.3%
Revenues	\$ 55,789	\$ 54,565	2.2%
NOI	\$ 40,200	\$ 39,168	2.6%

Recent acquisitions

Property / portfolio name	Acquisition date	Number of buildings	Rentable square feet (thousands)	% leased	Purchase price
Q4 2017 acquisitions:					
Las Vegas industrial property	11/1/2017	1	103	100.0%	\$ 8,500
Jacksonville industrial property	11/30/2017	1	85	100.0%	6,100
Dallas industrial property	12/15/2017	1	266	21.0%	18,600
Total / W.A.		3	454	53.7%	\$ 33,200
Q1 2018 acquisitions:					
Phoenix industrial property	1/22/2018	1	217	81.3%	\$ 13,400
Jacksonville industrial portfolio	2/21/2018	3	305	100.0%	\$ 25,300
Total		4	522	92.2%	\$ 38,700

Notes:

(1) CLNS OP Share represents Consolidated NOI multiplied by CLNS OP's interest as of December 31, 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

Top 10 Geographic Locations by NOI	Number of buildings	Rentable square feet (thousands)	NOI	% leased at end of period
Atlanta	62	6,862	\$ 7,650	99.2%
Dallas	68	7,426	7,219	95.2%
New Jersey, South / Philadelphia	34	3,763	3,899	94.3%
Orlando	18	3,032	3,896	98.4%
Minneapolis	18	2,814	3,208	96.6%
Maryland-BWI	21	2,806	2,963	93.0%
Phoenix	27	3,012	2,940	90.8%
Chicago	26	2,786	2,715	94.6%
Houston	23	2,092	2,361	88.2%
Kansas City	14	2,260	2,265	95.1%
Total / W.A.	311	36,853	\$ 39,116	95.2%

Top 10 Tenant Base by Industry

Industry	Total leased square feet (thousands)	% of total
Warehousing & Transportation	15,730	38.2%
Manufacturing	7,070	17.2%
Professional, Scientific, and Technical Services	3,915	9.5%
Wholesale Trade	3,697	9.0%
Media & Information	3,077	7.5%
Health & Science	2,989	7.2%
Construction & Contractors	2,429	5.9%
Retail Trade	1,133	2.7%
Entertainment & Recreation	1,026	2.5%
Public Administration & Government	113	0.3%
Total	41,179	100.0%

Via. Hospitality Real Estate - Summary Metrics and Operating Results



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

	Consolidated amount	CLNS OP share of consolidated amount ⁽¹⁾
EBITDA		
EBITDA:		
Select Service	\$ 31,925	\$ 30,105
Extended Stay	25,519	24,064
Full Service	2,588	2,440
Total EBITDA⁽²⁾	\$ 60,032	\$ 56,609
Annualized EBITDA⁽³⁾	\$ 295,724	\$ 278,862

Portfolio overview by type

	Number of hotels	Number of rooms	Avg. qtr. % occupancy	Avg. daily rate (ADR)	RevPAR	Q4 2017 EBITDA	EBITDA margin
Select service	97	13,193	68.0%	\$ 120	\$ 81	\$ 31,925	29.2%
Extended stay	66	7,936	75.2%	131	98	25,519	34.7%
Full service	4	962	65.4%	158	104	2,588	17.7%
Total / W.A.	167	22,091	70.5%	\$ 126	\$ 88	\$ 60,032	30.4%

Same store financial/operating results related to the segment by brand

Brand	Avg. qtr. % occupancy		Avg. daily rate (ADR)		RevPAR		EBITDA		% Change
	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	
Marriott	69.4%	68.5%	\$ 126	\$ 123	\$ 87	\$ 84	\$ 47,574	\$ 45,306	5.0%
Hilton	74.0%	73.7%	123	121	91	89	9,046	9,033	0.1%
Other	75.5%	70.1%	129	133	97	93	3,412	3,327	2.6%
Total / W.A.	70.5%	69.4%	\$ 126	\$ 123	\$ 88	\$ 85	\$ 60,032	\$ 57,666	4.1%

Notes:

(1) CLNS OP Share represents Consolidated EBITDA multiplied by CLNS OP's interest as of December 31, 2017.

(2) Q4 2017 EBITDA excludes FF&E reserve amounts of \$8.6 million consolidated or \$8.1 million CLNS OP share. For a reconciliation of net income/(loss) attributable to common stockholders to EBITDA please refer to the appendix to this presentation.

(3) Annualized EBITDA is calculated using the pro rata percentage of historical Q4 2016 EBITDA relative to historical full year 2016 EBITDA to account for seasonality.

Vlb. Hospitality Real Estate - Portfolio Overview



(\$ in thousands; as of December 31, 2017, unless otherwise noted)

Top 10 Geographic Locations by EBITDA	Number of hotels	Number of rooms	Number of rooms-select service	Number of rooms-extended stay	Number of rooms-full service	EBITDA
California	18	2,254	1,243	1,011	—	\$ 10,252
Florida	12	2,060	1,186	291	583	7,313
Texas	28	3,230	1,952	1,278	—	6,716
New Jersey	12	1,884	718	942	224	4,802
Virginia	11	1,473	1,210	263	—	2,679
New York	8	1,010	710	300	—	2,602
Michigan	6	809	601	208	—	2,541
Washington	5	664	160	504	—	2,484
North Carolina	7	981	831	150	—	2,419
Georgia	7	974	694	280	—	2,221
Total / W.A.	114	15,339	9,305	5,227	807	\$ 44,029



(\$ in thousands, except as noted and per share data; as of December 31, 2017, unless otherwise noted)

	Consolidated amount	CLNS OP share of consolidated amount
Colony NorthStar Credit Real Estate, Inc. (NYSE: CLNC)⁽¹⁾		
CLNS OP interest in CLNC as of February 26, 2018	36.5%	36.5%
CLNC shares beneficially owned by OP and common stockholders	47.5 million	47.5 million
CLNC share price as of February 26, 2018	\$ 20.50	\$ 20.50
Total market value of CLNC shares	\$ 973,239	\$ 973,239
Net carrying value - CLNC	\$ 1,162,278	\$ 1,162,278

NorthStar Realty Europe Corp. (NYSE: NRE)		
CLNS OP interest in NRE as of February 26, 2018	10.0%	10.0%
NRE shares beneficially owned by OP and common stockholders	5.6 million	5.6 million
NRE share price as of February 26, 2018	\$ 10.48	\$ 10.48
Total market value of NRE shares	\$ 59,071	\$ 59,071
Carrying value - NRE	73,578	73,578

CLNS's GP Co-investments in CDCF IV Investments - CLNS's Most Recent Flagship Institutional Credit Fund		
Assets - carrying value	\$ 1,015,217	\$ 191,413
Debt - UPB	241,360	48,073
Net carrying value	\$ 773,857	\$ 143,340

NBV by Geography:

U.S.	24.3%	18.6%
Europe	75.7%	81.4%
Total	100.0%	100.0%

Other GP Co-investments ⁽²⁾		
Carrying value	134,038	102,753
Andean Tower Partners investment (expected to be contributed to a new Digital Real Estate Infrastructure Fund) ⁽³⁾	108,976	108,976

Notes:

- (1) On February 1, 2018, CLNC began trading on the NYSE following the completion of its public listing.
- (2) Other GP co-investments represents: i) seed investments in certain registered investment companies sponsored by the Company, ii) investments in the general partnership of third party real estate operators primarily to seed investment commitments with their limited partners for which the Company will receive its share of earnings and incentive fees, or iii) general partnership capital in a fund or investment. These investments are accounted for as Investments in Unconsolidated Ventures or consolidated Securities Available for Sale.
- (3) Amount excludes \$33 million of CLNS committed investment capital, which was funded subsequent to the fourth quarter 2017.

VIIb. Other Equity and Debt - Net Lease and Other Real Estate Equity



(\$ in thousands; as of December 31, 2017, unless otherwise noted)

Net Lease Real Estate Equity⁽¹⁾

	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNS OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			NOI ⁽²⁾	NOI ⁽²⁾		
U.S.:						
Office	5	878	\$ 2,816	\$ 2,731	81.9%	5.6
Europe:						
Office	29	1,478	5,373	5,373	100.0%	12.1
Total / W.A.	34	2,356	\$ 8,189	\$ 8,104	93.2%	9.7

Other Real Estate Equity

	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNS OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			Undepreciated carrying value	Undepreciated carrying value		
U.S.:						
Office	14	1,479	\$ 269,295	\$ 233,278	75.1%	4.3
Multifamily	1	N/A	50,359	45,323	94.9%	N/A
Hotel	137	N/A	1,196,535	660,642	72.2%	N/A
Europe:						
Industrial	37	2,753	171,041	76,968	100.0%	6.6
Office	22	654	107,266	53,570	88.3%	13.2
Mixed / Retail	204	5,553	811,351	255,524	67.5%	5.3
Total / W.A.	415	10,439	\$ 2,605,847	\$ 1,325,305	78.5%	6.0

Other Real Estate Equity

Unconsolidated joint ventures (Net Lease & Other RE Equity)	551,859	518,497
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Albertsons

Carrying value	89,261	44,649
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Notes:

- (1) Net lease real estate equity excludes investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26.
 (2) Excludes NOI related to an asset sold during the fourth quarter 2017.

VIIc. Other Equity and Debt - Real Estate Debt



(\$ in thousands, except as noted; as of December 31, 2017, unless otherwise noted)

Portfolio Overview⁽¹⁾

	Consolidated amount	CLNS OP share of consolidated amount
Non-PCI loans		
Loans receivables held for investment, net	\$ 712,397	\$ 568,535
Loans receivables held for sale, net	—	—
Non-recourse investment-level financing (UPB)	385,273	377,076
Carrying value - equity method investments	26,935	19,403
PCI loans		
Loans receivables held for investment, net	557,675	445,299
Non-recourse investment-level financing (UPB)	14,533	7,482
Carrying value - equity method investments	1,690	1,690
Other		
Carrying value - real estate assets (REO)	24,019	5,939
Total Portfolio		
Loans receivables held for investment, net	1,270,072	1,013,834
Loans receivables held for sale, net	—	—
Carrying value - equity method investments	28,625	21,093
Carrying value - real estate assets (REO)	24,019	5,939
Non-recourse investment-level financing (UPB)	399,806	384,558

Notes:

(1) Real estate debt excludes investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26. Excludes \$3 million consolidated and CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$73 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

VIIc. Other Equity and Debt - Real Estate Debt (cont'd)



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

Loans receivable held for investment by loan type⁽¹⁾

	Consolidated amount	CLNS OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI loans				
<i>Fixed rate</i>				
First mortgage loans	\$ 65,644	\$ 47,974	6.7%	9.5
Securitized mortgage loans	36,603	36,603	6.1%	16.9
Second mortgage loans / B-notes	212,756	117,179	7.5%	2.6
Mezzanine loans	126,432	96,873	2.9%	1.9
Corporate	46,156	46,156	10.3%	10.1
Total fixed rate non-PCI loans	487,591	344,785	6.3%	5.9
<i>Variable rate</i>				
First mortgage loans	147,593	145,147	5.4%	0.6
Securitized mortgage loans	82,534	82,534	4.9%	18.1
Second mortgage loans / B-notes	—	—	—%	—
Mezzanine loans	—	—	—%	—
Total variable rate non-PCI loans	230,127	227,681	5.2%	7.0
Total non-PCI loans	717,718	572,466		
Allowance for loan losses	(5,321)	(3,931)		
Total non-PCI loans, net of allowance for loan losses	712,397	568,535		
PCI loans				
First mortgage loans	598,312	452,698		
Securitized mortgage loans	975	975		
Mezzanine loans	3,671	3,671		
Total PCI loans	602,958	457,344		
Allowance for loan losses	(45,283)	(12,045)		
Total PCI loans, net of allowance for loan losses	557,675	445,299		
Total loans receivable, net of allowance for loan losses	\$ 1,270,072	\$ 1,013,834		

Notes:

(1) Real estate debt excludes investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26. Excludes \$3 million consolidated and CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$73 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

VIIc. Other Equity and Debt - Real Estate Debt (cont'd)



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

Loans receivable held for investment by collateral type⁽¹⁾

	Consolidated amount	CLNS OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI Loans				
Hospitality	\$ 52,960	\$ 26,480	10.3%	10.1
Retail	107,989	97,182	6.8%	4.1
Multifamily	285,144	265,139	5.5%	10.0
Office	180,106	113,557	10.1%	2.4
Other	—	—	—%	—
Land	37,439	18,719	—%	0.4
Residential	2,604	1,302	—%	1.4
Corporate	46,155	46,156	10.3%	10.1
Total non-PCI loans, net of allowance for loan losses	712,397	568,535	7.1%	7.1
PCI Loans				
Office	274,318	272,704		
Retail	86,393	58,440		
Multifamily	54,448	23,712		
Industrial	46,908	33,046		
Hospitality	22,063	8,688		
Land	36,366	29,242		
Other	23,718	13,200		
Residential	13,461	6,267		
Total PCI loans, net of allowance for loan losses	557,675	445,299		
Total loans receivable, net of allowance for loan losses	\$ 1,270,072	\$ 1,013,834		

Notes:

(1) Real estate debt excludes investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26. Excludes \$3 million consolidated and CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$73 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.



(\$ in thousands, except as noted; as of or for the three months ended December 31, 2017, unless otherwise noted)

Operating Results⁽¹⁾

Q4 2017 income (excluding a \$7.7 million adjustment to basis in earnings of unconsolidated ventures)	\$ 7,882
Return of capital	16,192
Total distributions	24,074
Contributions	17
Net	\$ 24,057

Carrying value	\$ 180,356
Weighted average remaining term as of December 31, 2017	1.4 yrs

Portfolio Overview⁽¹⁾⁽²⁾

Number of funds	56
Number of general partners	40
Underlying assets, at cost	\$ 7,673,700
Implied leverage ⁽³⁾	37%
Expected remaining future capital contributions ⁽³⁾	\$ —

Investment by Types⁽¹⁾⁽²⁾⁽⁵⁾

Type	%
Land	22%
Office	14%
Multifamily	12%
Other	12%
Cash	10%
Lodging	9%
Retail	9%
Debt	7%
Residential/Condo	3%
Financial Services	1%
Industrial	1%
Healthcare	—%
Total	100%

Investment by Geography⁽¹⁾⁽²⁾⁽⁵⁾

Location	%
Northeast	24%
West	17%
Primarily Various U.S.	16%
Midwest	12%
Cash	10%
Southeast	7%
Mid-Atlantic	6%
Asia	5%
Europe	3%
Total	100%

Notes:

- (1) PE fund interests exclude investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26.
- (2) Amounts presented exclude an immaterial economic interest retained in a real estate private equity fund portfolio which NRF sold in the fourth quarter 2015.
- (3) Represents implied leverage for funds with investment-level financing, calculated as debt divided by assets at fair value.
- (4) Represents the estimated amount of expected future capital contributions to funds as of December 31, 2017.
- (5) Represents the underlying fund interests in PE Investments by investment type and geographic location based on NAV as of September 30, 2017.

VIIe. Other Equity and Debt - CRE Securities



(\$ in thousands; as of December 31, 2017)

Portfolio Overview

Owned Bonds and Equity of Deconsolidated CDO's

	Principal amount	Carrying Value
Total owned deconsolidated CDO bonds	\$ 325,610	\$ 74,033
Total owned deconsolidated CDO equity		16,900

Consolidated CDO's

	Principal amount	Carrying Value
Total consolidated CDO investments	\$ 590,128	\$ 217,789
Total consolidated non-recourse CDO financing	258,416	171,097
Net book value - consolidated CDOs	\$ 331,712	\$ 46,692

CMBS

	Principal amount	Carrying Value
	\$ 71,900	\$ 17,382

Income

Q4 2017 aggregate income (excluding \$33.8 million of Other-Than-Temporary-Impairments and adjustments to basis)	\$	7,864
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VIIIa. Investment Management - Summary Metrics



(\$ in thousands, except as noted; as of December 31, 2017)

Overview

Segment	Q4 2017 Fee Revenue - CLNS OP Share
Institutional funds	\$ 14,708
Retail companies	20,630
NorthStar Realty Europe (NYSE:NRE)	3,508
Townsend	13,464
Pro rata corporate investments (earnings of investments in unconsolidated ventures)	5,920
Total Q4 2017 reported fee revenue and earnings of investments in unconsolidated ventures	\$ 58,230

Operating Results

Revenues	
Total fee revenue and earnings of investments in unconsolidated ventures	\$ 58,230
Other income and commission income	6,428
Expenses	
Investment, servicing and commission expenses	3,373
Depreciation and amortization	13,952
Impairment loss	366,013
Compensation expense	23,899
Administrative expenses	3,063
Total expenses	410,300
Other gain (loss), net	(873)
Income tax benefit ⁽¹⁾	97,454
Non-pro rata allocation of income (loss) to NCI	(20,521)
Net income attributable to common interests in OP and common stockholders	(269,582)
Real estate depreciation and amortization	208
(Gain) loss from sales of depreciable real estate	484
(Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	328,407
Equity-based compensation expense	7,303
Unrealized fair value gains or losses and foreign currency remeasurements	503
Amortization and impairment of investment management intangibles	73,137
Non-real estate depreciation and amortization	84
Tax (benefit) expense, net ⁽¹⁾	(70,897)
Core FFO	\$ 69,647

Notes:

(1) Net amount of \$27 million primarily due to one time income tax benefit.

VIIIb. Investment Management – Assets Under Management



(\$ in millions, except as noted; as of December 31, 2017, unless otherwise noted)

Segment ⁽¹⁾	Products	Description	AUM CLNS OP Share	FEEUM CLNS OP Share	Fee Rate
Institutional Funds	• Credit (\$3.9 billion)	<ul style="list-style-type: none"> • 26 years of institutional investment management experience • Sponsorship of private equity funds and vehicles earning asset management fees and performance fees • More than 300 investor relationships • \$10 billion of private equity capital raised since the beginning of 2008; \$25 billion of private equity capital raised since inception⁽²⁾ 	\$ 9,888	\$ 5,845	.9%
	• Core plus / value-added (\$1.0 billion)				
	• Opportunistic (\$1.6 billion)				
	• Colony Industrial (\$1.8 billion)				
	• Other co-investment vehicles (\$1.6 billion)				
Retail Companies ⁽³⁾	• NorthStar Healthcare (\$3.6 billion) ⁽⁴⁾	<ul style="list-style-type: none"> • Wholly-owned broker-dealer subsidiary engaged as dealer-manager and/or wholesale marketing agent for retail product offerings • Manage public non-traded vehicles earning asset management and performance fees 	3,689	1,651	1.5%
	• NorthStar/RXR NY Metro Real Estate				
	• NorthStar Real Estate Capital Income Funds ⁽⁵⁾				
	• NorthStar/Townsend Institutional Real Estate Fund ⁽⁶⁾				
Public Company	• Colony NorthStar Credit Real Estate ⁽³⁾	<ul style="list-style-type: none"> • CLNC: NYSE-listed credit focused REIT • NRE: NYSE-listed European equity REIT • Contracts with base management fees with potential for incentive fees 	5,463	4,288	1.5%
	• NorthStar Realty Europe Corp. ⁽⁷⁾				
Pro Rata Corporate Investments	• RXR Realty	<ul style="list-style-type: none"> • CLNS recognizes at-share earnings from underlying pro rata corporate investments • 27% investment in RXR Realty, a real estate owner, developer and investment management company with \$18 billion of AUM • 43% investment in American Healthcare Investors, a healthcare investment management firm and sponsor of non-traded vehicles with \$3 billion of AUM 	7,869	3,623	N/A
	• American Healthcare Investors				
	• Steelwave				
	• Hamburg Trust				
Total			\$ 26,909	\$ 15,407	

Notes:

(1) During the fourth quarter 2017, Colony NorthStar completed the sale of its interest in The Townsend Group.

(2) Capital raised includes amounts raised by Colony Capital, LLC since its inception in 1991.

(3) On February 1, 2018, a new permanent capital commercial real estate credit REIT named Colony NorthStar Credit Real Estate, Inc., externally managed by the Company, completed its public listing on the New York Stock Exchange and began trading under the ticker symbol "CLNC".

(4) On December 20, 2017, the Company agreed to amend and restate its management agreement with NorthStar Healthcare Income, Inc. effective January 1, 2018.

(5) NorthStar Real Estate Capital Income Funds represents a master/feeder structure and pools investor capital raised through three feeder funds.

(6) NorthStar/Townsend Institutional Real Estate Fund Inc. filed an amended registration statement on Form N-2 to the SEC in May 2017, which as of February 26, 2018, is not yet effective.

(7) On November 9, 2017, the Company agreed to amend and restate its management agreement with NorthStar Realty Europe effective January 1, 2018.

VIIIc. Investment Management - Retail Companies



(\$ in thousands, except as noted; as of December 31, 2017, unless otherwise noted)

	NorthStar Income ⁽¹⁾	NorthStar Healthcare ⁽²⁾	NorthStar Income II ⁽¹⁾	NorthStar/RXR NY Metro Real Estate ⁽³⁾	NorthStar Real Estate Capital Income Fund	Total
Capital Raising Status	Completed July 2013	Completed January 2016	Completed November 2016	Active	Active	
Primary Strategy	CRE Debt	Healthcare Equity and Debt	CRE Debt	NY Metro Area CRE Equity and Debt	CRE Debt	
Offering Size	\$1.2 billion ⁽⁴⁾	\$2.1 billion ⁽⁴⁾	\$1.65 billion ⁽⁴⁾	\$2.0 billion ⁽⁴⁾	\$3.2 billion ⁽⁴⁾	\$10.15 billion

Capital Raised⁽⁵⁾

During Q4 2017	\$ —	\$ 16,580	\$ —	\$ 6,102	\$ 7,867	\$ 30,549
Year-to-date through 2-26-18	26,832	67,173	26,378	28,468	28,735	177,586
Inception to 2-26-18	1,310,543	1,944,897	1,165,841	40,209	28,968	4,490,458

Investments⁽⁶⁾

During Q4 2017	119,220	—	21,314	—	5,400	145,934
As of 12-31-17	1,511,301	3,624,749	1,731,137	32,531	31,641	6,931,359
Cash as of 12-31-17	208,757	50,046	58,213	10,883	4,572	332,471

Fees earned during Q4 2017

Asset management fees	4,223	8,931	5,217	—	—	18,371
Acquisition fees	1,077	334	213	—	—	1,624
Disposition fees	363	—	272	—	—	635
Total fees	\$ 5,663	\$ 9,265	\$ 5,702	\$ —	\$ —	\$ 20,630

Notes:

- (1) On February 1, 2018, a new permanent capital commercial real estate credit REIT named Colony NorthStar Credit Real Estate, Inc., externally managed by the Company, completed its public listing on the New York Stock Exchange and began trading under the ticker symbol "CLNC".
- (2) On December 20, 2017, the Company agreed to amend and restate its management agreement with NorthStar Healthcare Income, Inc. effective January 1, 2018.
- (3) Fees earned are split 50/50 with partner.
- (4) Represents dollar amounts of shares registered to offer pursuant to each company's public offering, distribution reinvestment plan, and follow-on public offering.
- (5) Includes amounts contributed by CLNS.
- (6) Based on cost for real estate equity investments, which includes net purchase price allocation related to intangibles, deferred costs and other assets, if any, committed principal amount for real estate debt and securities and carrying value plus deferred acquisition prices for limited partnership interests in private equity funds.



APPENDICES



Assets Under Management ("AUM")

Assets for which the Company and its affiliates provide investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is generally based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at December 31, 2017, while retail companies and NorthStar Realty Europe are presented as of February 26, 2018. AUM further includes a) uncalled capital commitments and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share of each affiliate's assets as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

CLNS OP

The operating partnership through which the Company conducts all of its activities and holds substantially all of its assets and liabilities. CLNS OP share excludes noncontrolling interests in investment entities.

Fee-Earning Equity Under Management ("FEEUM")

Equity for which the Company and its affiliates provides investment management services and derives management fees and/or performance allocations. FEEUM generally represents a) the basis used to derive fees, which may be based on invested equity, stockholders' equity, or fair value pursuant to the terms of each underlying investment management agreement and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share of fee bearing equity of each affiliate as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. FEEUM is presented pro-forma for transactions subsequent to the fourth quarter 2017, including the NorthStar Healthcare and NorthStar Realty Europe management agreement amendments and the public listing of CLNC. The Company's calculations of FEEUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

NOI: Net Operating Income. NOI for healthcare and industrial segments represents total property and related income less property operating expenses, adjusted for the effects of (i) straight-line rental income adjustments; (ii) amortization of acquired above- and below-market lease adjustments to rental income; and (iii) other items such as adjustments for the Company's share of NOI of unconsolidated ventures.

EBITDA: Earnings before Interest, Income Taxes, Depreciation and Amortization. EBITDA for the hospitality segment represents net income from continuing operations of that segment excluding the impact of interest expense, income tax expense or benefit, and depreciation and amortization.

ADR: Average Daily Rate

RevPAR: Revenue per Available Room

UPB: Unpaid Principal Balance

PCI: Purchased Credit-Impaired

IXb. Appendices - Reconciliation of Net Income (Loss) to NOI/EBITDA



(\$ in thousands; for the three months ended December 31, 2017)

<i>NOI and EBITDA Determined as Follows</i>	Healthcare	Industrial	Hospitality	Other Equity and Debt—Net Lease Properties
Total revenues	\$ 157,267	\$ 66,595	\$ 196,609	\$ 10,710
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(12,332)	(1,841)	(44)	(962)
Interest income	—	(226)	—	—
Other income	—	(121)	—	—
Property operating expenses ⁽¹⁾	(68,165)	(17,884)	(136,533)	(1,559)
Compensation expense ⁽¹⁾	—	(523)	—	—
NOI or EBITDA	\$ 76,770	\$ 46,000	\$ 60,032	\$ 8,189

Reconciliation of Net Income (Loss) from Continuing Operations to NOI/EBITDA

	Healthcare	Industrial	Hospitality
Net income (loss) from continuing operations	\$ (21,789)	\$ 23,946	\$ (16,166)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(12,332)	(1,841)	(44)
Interest income	—	(226)	—
Interest expense	47,734	9,403	36,245
Transaction, investment and servicing costs	2,889	8	2,582
Depreciation and amortization	48,793	29,812	35,171
Impairment loss	6,125	—	—
Compensation and administrative expense	1,709	2,629	1,607
Gain on sale of real estate	—	(15,917)	—
Other (gain) loss, net	(374)	—	67
Other income	—	(121)	—
Earnings from investments in unconsolidated ventures	—	(1,781)	—
Income tax (benefit) expense	4,015	88	570
NOI or EBITDA	\$ 76,770	\$ 46,000	\$ 60,032

Notes:

(1) For healthcare and hospitality, property operating expenses includes property management fees paid to third parties. For industrial, there are direct costs of managing the portfolio which are included in compensation expense.

IXb. Appendices - Reconciliation of Net Income (Loss) to NOI/EBITDA (cont'd)



(\$ in thousands; for the three months ended December 31, 2017)

Reconciliation of Net Income from Continuing Operations of Other Equity and Debt Segment to NOI of Net Lease Real Estate Equity

	Other Equity and Debt
Net income from continuing operations	\$ 57,137
Adjustments:	
Property operating income of other real estate equity	(128,244)
Straight-line rent revenue and amortization of above- and below-market lease intangibles for net lease real estate equity	(1,174)
Interest income	(80,786)
Fee and other income	(2,452)
Property operating expense of other real estate equity	85,252
Interest expense	49,211
Transaction, investment and servicing costs	13,797
Depreciation and amortization	35,251
Provision for loan loss	6,834
Impairment loss	2,869
Compensation and administrative expense	6,008
Gain on sale of real estate assets	(24,752)
Other loss, net	25,512
Earnings of investments in unconsolidated ventures	(23,617)
Income tax expense	930
NOI of net lease real estate equity	\$ 21,776
Less: assets contributed to CLNC	(4,200)
Less: one-time gain and asset sold in Q4	(9,387)
NOI of net lease real estate equity, excluding assets contributed to CLNC and a one-time gain	\$ 8,189