

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

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**FORM 8-K**

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

Date of Report (Date of earliest event reported): May 10, 2019

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**COLONY CAPITAL, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**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**

**N/A**  
(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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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.

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of Class</b>	<b>Trading Symbol(s)</b>	<b>Name of Each Exchange on Which Registered</b>
Class A Common Stock, \$0.01 par value	CLNY	New York Stock Exchange
Preferred Stock, 8.25% Series B Cumulative Redeemable, \$0.01 par value	CLNY.PRB	New York Stock Exchange
Preferred Stock, 8.75% Series E Cumulative Redeemable, \$0.01 par value	CLNY.PRE	New York Stock Exchange
Preferred Stock, 7.50% Series G Cumulative Redeemable, \$0.01 par value	CLNY.PRG	New York Stock Exchange
Preferred Stock, 7.125% Series H Cumulative Redeemable, \$0.01 par value	CLNY.PRH	New York Stock Exchange
Preferred Stock, 7.15% Series I Cumulative Redeemable, \$0.01 par value	CLNY.PRI	New York Stock Exchange
Preferred Stock, 7.125% Series J Cumulative Redeemable, \$0.01 par value	CLNY.PRJ	New York Stock Exchange

## Item 2.02 Results of Operations and Financial Condition.

On May 10, 2019, Colony Capital, Inc. (the "Company") issued a press release announcing its financial position as of March 31, 2019 and its financial results for the quarter ended March 31, 2019. 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 May 10, 2019, the Company made available a Corporate Overview and Supplemental Financial Disclosure Presentation for the quarter ended March 31, 2019 on the Company's website at [www.clny.com](http://www.clny.com). A copy of the Corporate Overview and Supplemental Financial Disclosure Presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and is 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 the 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.clny.com](http://www.clny.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.

<b>Exhibit No.</b>	<b>Description</b>
<a href="#"><u>99.1</u></a>	Press Release dated May 10, 2019
<a href="#"><u>99.2</u></a>	Corporate Overview and Supplemental Financial Disclosure Presentation for the quarter ended March 31, 2019

**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: May 10, 2019

**COLONY CAPITAL, INC.**

By: \_\_\_\_\_ /s/ Mark M. Hedstrom  
**Mark M. Hedstrom**  
**Chief Financial Officer, Chief Operating Officer and Treasurer**

**COLONY CAPITAL ANNOUNCES FIRST QUARTER 2019 FINANCIAL RESULTS**

**Los Angeles, CA, May 10, 2019** - Colony Capital, Inc. (NYSE:CLNY) and subsidiaries (collectively, "Colony Capital," or the "Company") today announced its financial results for the first quarter ended March 31, 2019 and the Company's Board of Directors declared a second quarter 2019 cash dividend of \$0.11 per share to holders of Class A and Class B common stock.

**First Quarter 2019 Financial Results and Highlights**

- First quarter 2019 net loss attributable to common stockholders of \$(102.1) million, or \$(0.21) per share, and Core FFO of \$47.7 million, or \$0.09 per share
- Core FFO of \$75.4 million, or \$0.15 per share, excluding net investment losses of \$27.7 million, which were composed of \$14.1 million of losses on sale of and provision for loan losses on certain Other Equity & Debt investments and \$13.6 million for our share of certain investment losses realized by Colony Credit Real Estate, Inc. (NYSE: CLNC)
- The Company's Board of Directors declared and paid a first quarter 2019 dividend of \$0.11 per share to holders of Class A and B common stock
- The Company closed on commitments of \$310 million in third-party capital (including amounts related to affiliates)
- The Company completed the planned sale and/or monetization of \$190 million of assets within the Other Equity and Debt segment resulting in net equity proceeds of \$93 million
- The Company refinanced three near-term maturing loans with an aggregate consolidated balance of \$266 million, or CLNY OP share of \$222 million, in its Healthcare and Hospitality Real Estate segments extending term to 2024 at slightly more favorable interest rates on average
- The Company, through its Industrial platform, closed on the acquisition of a \$1.2 billion value-add portfolio of 54 light and bulk industrial buildings located across 10 U.S. markets totaling approximately 11.9 million square feet
- Subsequent to the first quarter 2019:
  - The Company completed its acquisition of Abraaj Group's private equity platform in Latin America, which has been renamed Colony Latam Partners
  - Digital Colony entered into a definitive agreement to acquire Zayo Group Holdings, Inc., which provides mission critical bandwidth to the world's most impactful companies, for \$14.3 billion with a co-sponsor; separately Digital Colony completed the acquisition of Cogeco Peer 1, a leading Canadian provider of colocation, network connectivity and managed services through its substantial fiber and data center assets, for C\$720 million
  - The Company completed the planned sale and/or monetization of \$101 million of assets and net equity proceeds within the Other Equity and Debt segment
  - The Company achieved approximately 60% of the expected total \$50 to \$55 million (\$45 to \$50 million on a cash basis) of the previously announced annual compensation and administrative cost savings on a run rate basis
  - The Company amended certain terms of its revolving credit facility agreement including a reduction of aggregate revolving commitments from \$1 billion to \$750 million and a modification of a financial covenant and the borrowing base formula
  - As of May 7, 2019, the Company had over \$850 million of liquidity through availability under its revolving credit facility and cash-on-hand

For more information and a reconciliation of net income/(loss) to common stockholders to Core FFO and/or NOI, please refer to the non-GAAP financial measure definitions and tables at the end of this press release.

## First Quarter 2019 Operating Results and Investment Activity by Segment

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

### Healthcare Real Estate

As of March 31, 2019, the consolidated healthcare portfolio consisted of 413 properties: 192 senior housing properties, 108 medical office properties, 99 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of March 31, 2019. The healthcare portfolio earns rental income from our senior housing, skilled nursing facilities and hospital assets that are under net leases to single tenants/operators and from medical office buildings which are both single tenant and multi-tenant. In addition, we also earn resident fee income from senior housing properties that are managed by operators under a REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA") structure.

During the first quarter 2019, this segment's net loss attributable to common stockholders was \$(7.5) million, Core FFO was \$21.4 million and consolidated NOI was \$76.2 million. In the first quarter 2019, healthcare same store portfolio sequential quarter to quarter comparable net operating income increased 2.7%, primarily due to higher one-time expenses in the fourth quarter 2018 as well as increased rental rates in the first quarter in the senior housing operating portfolio. Compared to the same period last year, first quarter 2019 same store net operating income decreased (2.4)%, primarily due to reduced rents in the skilled nursing portfolio and higher uncollectible rents in the medical office building portfolio. The healthcare same store portfolio is defined as properties in operation throughout the full periods presented under the comparison and included 413 properties in the comparisons. Properties acquired or disposed during these periods are excluded for the same store portfolio and same store results exclude certain non-recurring uncollectible rent.

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

(\$ in millions)	Consolidated	CLNY OP	Same Store					
	NOI	Share NOI <sup>(1)</sup>	Consolidated NOI		Occupancy % <sup>(2)</sup>		TTM Lease Coverage <sup>(3)</sup>	
	Q1 2019	Q1 2019	Q1 2019	Q4 2018	Q1 2019	Q4 2018	12/31/18	9/30/18
Senior Housing - Operating	\$ 17.3	\$ 12.3	\$ 17.3	\$ 15.7	86.7%	86.8%	N/A	N/A
Medical Office Buildings (MOB)	12.4	8.8	12.4	12.6	82.4%	82.3%	N/A	N/A
<i>Triple-Net Lease:</i>								
Senior Housing	15.4	10.9	15.4	15.3	82.1%	82.1%	1.3x	1.4x
Skilled Nursing Facilities	25.7	18.3	25.7	25.8	82.4%	82.4%	1.2x	1.2x
Hospitals	5.4	3.8	5.4	4.8	58.5%	58.1%	2.3x	3.4x <sup>(4)</sup>
<b>Healthcare Total</b>	<b>\$ 76.2</b>	<b>\$ 54.1</b>	<b>\$ 76.2</b>	<b>\$ 74.2</b>				

(1) CLNY OP Share NOI represents first quarter 2019 Consolidated NOI multiplied by CLNY OP's ownership interest as of March 31, 2019.

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

(3) Represents the ratio of the tenant's/operator's EBITDAR to cash rent payable to the Company's Healthcare Real Estate segment on a trailing twelve month basis.

(4) September 30, 2018 TTM Lease Coverage included an extraordinary Hospital Quality Assurance Fee received by one of our hospital operators during the fourth quarter of 2017.

### Asset Financing

During the first quarter 2019, the Company refinanced two loans with an aggregate consolidated balance of \$151 million, or CLNY OP share of \$107 million, in the Healthcare Real Estate segment, extending the fully extended maturity dates to 2024 at slightly higher interest rates on average.

Subsequent to the first quarter 2019, the Company refinanced a loan with a consolidated balance of \$59 million, or CLNY OP share of \$42 million, in the Healthcare Real Estate segment, extending the fully extended maturity date to 2024 at a slightly lower interest rate.

The Company continues to evaluate options in connection with the \$1.725 billion of consolidated fixed rate mortgage debt on a certain U.S. healthcare portfolio maturing in December 2019.

## Industrial Real Estate

As of March 31, 2019, the consolidated light industrial portfolio consisted of 413 light industrial buildings totaling 53.9 million rentable square feet across 26 major U.S. markets and was 92% leased. During the first quarter 2019, the Company raised \$141 million of new third-party capital in the light industrial platform. As a result, the Company's equity interest in the consolidated light industrial portfolio decreased to approximately 34% as of March 31, 2019 from 35% as of December 31, 2018. Total third-party capital commitments in the light industrial portfolio were approximately \$1.7 billion compared to cumulative balance sheet contributions of \$749 million as of March 31, 2019. The light industrial portfolio is composed of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets generally targeting multi-tenanted warehouses less than 250,000 square feet.

As of March 31, 2019, the consolidated bulk industrial portfolio consisted of six bulk industrial buildings totaling 4.2 million rentable square feet across five major U.S. markets and was 67% leased. The Company's equity interest in the consolidated bulk industrial portfolio was approximately 51%, or \$72 million, with the other 49% owned by third-party capital, which is managed by the Company's industrial operating platform. The immediate strategy is to stabilize the existing bulk industrial portfolio as well as seek to invest in bulk industrial properties in major U.S. metropolitan markets generally targeting warehouses greater than 500,000 square feet.

The Company owns a 100% interest in the related industrial operating platform, which manages both the light and bulk industrial assets.

During the first quarter 2019, this segment's net income attributable to common stockholders was \$6.4 million. Core FFO was \$12.9 million and consolidated NOI was \$55.8 million. During the first quarter 2019, this segment's net income, Core FFO and NOI included a partial quarter of financial results related to the newly acquired \$1.2 billion portfolio of light and bulk industrial buildings for the period of February 27, 2019 to March 31, 2019. In the first quarter 2019, light industrial same store portfolio sequential quarter to quarter comparable rental revenue increased 1.3% and net operating income increased 0.6%, primarily due to contractual rent escalations on in-place leases, offset by budgeted vacancy and increased real estate tax and insurance expenses. Compared to the same period last year, first quarter 2019 light industrial same store rental revenue increased 0.6% and net operating income increased 1.6%, primarily due to lower uncollectible rent and other property operating expenses. The Company's light industrial same store portfolio consisted of 314 buildings. The same store portfolio is defined once a year at the beginning of the current calendar year and includes buildings that were owned, stabilized and held-for-use throughout the entirety of both the current and prior calendar years. Properties acquired, disposed or held-for-sale after the same store portfolio is determined are excluded. Stabilized properties are defined as properties owned for more than one year or are greater than 90% leased. Same store NOI excludes lease termination fee revenue.

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

(\$ in millions)	Consolidated		CLNY OP		Same Store			
	NOI		Share NOI <sup>(1)</sup>		Consolidated NOI		Leased % <sup>(2)</sup>	
	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q1 2019	Q4 2018	3/31/19	12/31/18
Light Industrial <sup>(3)</sup>	\$ 54.6	\$ 18.3	\$ 41.8	\$ 41.6			94.9%	95.6%
Bulk Industrial <sup>(3)</sup>	1.2	0.6	N/A	N/A			N/A	N/A
Total Industrial <sup>(3)</sup>	\$ 55.8 <sup>(3)</sup>	\$ 18.9 <sup>(3)</sup>	N/A	N/A			N/A	N/A

(1) CLNY OP Share NOI represents first quarter 2019 Consolidated NOI multiplied by CLNY OP's ownership interest as of March 31, 2019.

(2) Leased % as of the reported date represents square feet under executed leases, some of which may not have taken occupancy.

(3) During the first quarter 2019, this segment's NOI included partial quarter financial results related to the newly acquired portfolio of light and bulk industrial buildings for the period of February 27, 2019 to March 31, 2019.

## Asset Acquisitions, Dispositions and Financing

During the first quarter 2019, the light industrial platform acquired three light industrial buildings totaling 0.7 million square feet and one land parcel for development for \$106 million. Separately, the Company closed on the acquisition of a value-add portfolio of 54 light and bulk industrial buildings for \$1.16 billion (of which four light industrial buildings are expected to close throughout the remainder of 2019). Forty-eight buildings are light industrial, which were acquired by the Company's existing light industrial platform. To finance the acquisition, the light industrial platform closed on a new \$500 million five year term loan and a \$600 million revolver with a four year initial term. As of March 31, 2019, the revolver was \$114 million drawn. The remaining six bulk industrial buildings were financed with a \$235 million first mortgage loan and acquired through a joint venture partnership in which the Company has a 51% interest and a third-party institutional investor has a 49% interest.

During the first quarter 2019, the light industrial platform disposed of 34 non-core light industrial buildings for \$136 million.

Subsequent to the first quarter 2019, the light industrial platform acquired two land parcels for development for \$15 million.

## Hospitality Real Estate

As of March 31, 2019, 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 March 31, 2019. The hospitality portfolio consists 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 first quarter 2019, this segment's net loss attributable to common stockholders was \$(23.0) million, Core FFO was \$17.8 million and consolidated NOI before FF&E Reserve was \$60.6 million. Compared to the same period last year, first quarter 2019 hospitality same store portfolio revenue increased 0.7% and NOI before FF&E Reserve increased 2.4%, primarily due to an increase in ancillary revenue. 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 NOI before FF&E Reserve result comparisons are not meaningful. The hospitality same store portfolio is defined as hotels in operation throughout the full periods presented under the comparison and included 167 hotels.

The following table presents NOI before FF&E Reserve and certain operating metrics by brands in the Company's Hospitality Real Estate segment:

(\$ in millions)	Consolidated NOI before FF&E Reserve <sup>(1)</sup>	CLNY OP Share NOI before FF&E Reserve <sup>(2)</sup>	Same Store							
			Consolidated		Occupancy % <sup>(4)</sup>		Avg. Daily Rate		RevPAR <sup>(3)</sup>	
			NOI before FF&E Reserve				(In dollars) <sup>(4)</sup>		(In dollars) <sup>(4)</sup>	
			Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Marriott	\$ 47.2	\$ 44.5	\$ 47.2	\$ 46.9	68.2%	69.2%	\$ 130	\$ 129	\$ 89	\$ 89
Hilton	9.9	9.3	9.9	8.7	73.3%	73.8%	126	124	93	91
Other	3.5	3.3	3.5	3.6	80.4%	78.2%	127	127	102	99
Total/W.A.	\$ 60.6	\$ 57.1	\$ 60.6	\$ 59.2	69.7%	70.4%	\$ 129	\$ 128	\$ 90	\$ 90

(1) First quarter 2019 consolidated FF&E reserve was \$8.7 million.

(2) CLNY OP Share NOI before FF&E Reserve represents first quarter 2019 Consolidated NOI before FF&E Reserve multiplied by CLNY OP's ownership interest as of March 31, 2019.

(3) RevPAR, or revenue per available room, represents a hotel's total guestroom revenue divided by the room count and the number of days in the period being measured.

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

## Asset Financing

During the first quarter 2019, the Company refinanced \$116 million of consolidated and CLNY OP share of debt in the Hospitality Real Estate segment, extending the fully extended maturity date from 2020 to 2024 at a lower interest rate.

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

Colony Credit Real Estate, Inc. is a commercial real estate credit REIT, externally managed by the Company, with \$5.5 billion in assets and \$2.7 billion in GAAP book equity value as of March 31, 2019. The Company owns 48.0 million shares and share equivalents, or 36%, of CLNC and earns an annual base management fee of 1.5% on stockholders' equity (as defined in the CLNC management agreement) and an incentive fee of 20% of CLNC's Core Earnings over a 7% hurdle rate. During the first quarter 2019, this segment's net income attributable to common stockholders was \$5.2 million and Core FFO was \$4.3 million. Core FFO included \$13.6 million CLNY OP's share of losses from CLNC primarily resulting from the foreclosure of a mezzanine loan collateralized by a diversified portfolio of U.S. properties. This loss was anticipated in the fourth quarter of 2018, when CLNC recorded a related loan loss provision, which was added back from CLNC's net income to calculate Core Earnings. Please refer to the CLNC's earnings release and financial supplemental furnished on Form 8-K and its Quarterly Report on Form 10-Q filed with the SEC for additional detail.



## 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 include our 11% interest in NorthStar Realty Europe Corp. (NYSE: NRE) and other investments for which the Company acts as a general partner and/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 other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; real estate debt; net leased assets; and multiple classes of commercial real estate ("CRE") securities. During the first quarter 2019, this segment's aggregate net income attributable to common stockholders was \$23.9 million and Core FFO was \$25.2 million. Core FFO included \$14.1 million of net investment losses primarily from losses on sale of and provision for loan losses on certain Other Equity & Debt investments.

As of March 31, 2019, the undepreciated carrying value of assets and equity within the Other Equity and Debt segment were \$3.2 billion and \$2.0 billion, respectively.

(\$ in millions)	CLNY OP Share Undepreciated Carrying Value			
	March 31, 2019		December 31, 2018	
	Assets	Equity	Assets	Equity
<b><u>Strategic:</u></b>				
GP co-investments	\$ 1,197	\$ 724	\$ 1,075	\$ 684
Interest in NRE	88	88	88	88
<b>Strategic Subtotal</b>	<b>1,285</b>	<b>812</b>	<b>1,163</b>	<b>772</b>
<b><u>Non-Strategic:</u></b>				
Other Real Estate Equity & Albertsons	1,372	704	1,481	752
Real Estate Debt	290	290	297	297
Net Lease Real Estate Equity	182	74	219	92
CRE Securities and Real Estate Private Equity Funds	70	70	70	70
<b>Non-Strategic Subtotal</b>	<b>1,914</b>	<b>1,138</b>	<b>2,067</b>	<b>1,211</b>
<b>Total Other Equity and Debt</b>	<b>\$ 3,199</b>	<b>\$ 1,950</b>	<b>\$ 3,230</b>	<b>\$ 1,983</b>

## Other Equity and Debt Segment Asset Dispositions

During the first quarter 2019, the Company sold or received payoffs in aggregate of \$190 million with net equity proceeds of \$93 million from various investments, including \$46 million from the GP co-investments category, \$26 million from the Other Real Estate Equity category, \$19 million from the Net Lease Real Estate Equity category, and an aggregate \$2 million in the Real Estate Debt and Real Estate Private Equity Funds categories.

## 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, and traded and non-traded real estate investment trusts. As of March 31, 2019, the Company had \$28.8 billion of third-party AUM compared to \$28.4 billion as of December 31, 2018. As of March 31, 2019, Fee-Earning Equity Under Management ("FEEUM") was \$17.8 billion compared to \$17.6 billion as of December 31, 2018. The increase in FEEUM was primarily attributable to capital raised in the light and bulk industrial platforms and REIM platforms, partially offset by asset sales. During the first quarter 2019, this segment's aggregate net income attributable to common stockholders was \$20.5 million and Core FFO was \$36.3 million. Net income and Core FFO included an aggregate \$6 million of unrealized carried interest from the Company's managed funds and investments.

## Colony Latam Partners

Subsequent to the first quarter 2019, the Company acquired the Abraaj Group's private equity platform in Latin America, which has been renamed Colony Latam Partners and will continue to be headed by its senior management team, led by Miguel Olea, Hector Martinez, Gerardo Mendoza and Eduardo Cortina. Colony Latam Partners manages approximately \$530 million of FEEUM and has made 22 investments across Latin America since its establishment in 2006.

## Assets Under Management ("AUM")

As of March 31, 2019, the Company had \$43 billion of AUM:

(\$ in billions)	March 31, 2019		December 31, 2018	
	Amount	% of Grand Total	Amount	% of Grand Total
<b>Balance Sheet (CLNY OP Share):</b>				
Healthcare	\$ 3.9	9.0%	\$ 3.9	9.1%
Industrial	1.6	3.7%	1.2	2.8%
Hospitality	3.9	9.0%	4.0	9.4%
Other Equity and Debt	3.2	7.4%	3.2	7.5%
CLNC <sup>(1)</sup>	2.0	4.6%	2.0	4.7%
Balance Sheet Subtotal	14.6	33.7%	14.3	33.5%
<b>Investment Management:</b>				
Institutional Funds	9.9	22.7%	9.5	22.2%
Retail Companies	3.5	8.1%	3.5	8.2%
Colony Credit Real Estate (NYSE:CLNC) <sup>(2)</sup>	3.5	8.1%	3.5	8.2%
NorthStar Realty Europe (NYSE:NRE) <sup>(3)</sup>	1.6	3.7%	1.7	4.0%
Non-Wholly Owned REIM Platforms <sup>(4)</sup>	10.3	23.7%	10.2	23.9%
Investment Management Subtotal	28.8	66.3%	28.4	66.5%
<b>Grand Total</b>	<b>\$ 43.4</b>	<b>100.0%</b>	<b>\$ 42.7</b>	<b>100.0%</b>

(1) Represents the Company's 36% and 37% ownership share of CLNC's total pro-rata share of assets of \$5.5 billion as of March 31, 2019 and December 31, 2018, respectively.

(2) Represents third-party 64% and 63% ownership share of CLNC's total pro-rata share of assets of \$5.5 billion as of March 31, 2019 and December 31, 2018, respectively.

(3) The Company entered into an agreement with NRE to terminate the management agreement. Upon termination, NRE will make a termination payment to the Company of \$70 million, less any incentive fee paid by NRE to the Company through termination.

(4) REIM: Real Estate Investment Management

## Liquidity and Financing

Subsequent to the first quarter 2019, the Company amended certain terms of its corporate credit facility agreement including a reduction of aggregate revolving commitments from \$1 billion to \$750 million and a reduction in the minimum permitted EBITDA plus lease expenses to fixed charges covenant ("FCCR") from 1.50 to 1.00 to 1.30 to 1.00 effective for the fiscal quarter ended March 31, 2019 and going forward. In the event FCCR is between 1.50 and 1.30 to 1.00, the borrowing base formula will be discounted by 10%. No other material terms of the corporate credit facility agreement were changed. Please refer to the Company's Form 8-K filed with the SEC on April 11, 2019 for additional detail to the amendment.

As of May 7, 2019, the Company had over \$850 million of liquidity through availability under its revolving credit facility and cash-on-hand.

## **\$2 Billion Notional Interest Rate Swap**

In connection with the merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., the Company assumed a \$2 billion notional interest rate swap intended to hedge against future interest rate increases of certain Healthcare mortgage debt at a breakeven 10-year swap rate of 3.394%. This swap does not qualify for hedge accounting; therefore, unrealized gains (losses) resulting from mark-to-market value changes at the end of each reporting period are recognized in earnings but do not affect Core FFO. This swap is currently out of the money and is subject to margin calls at a mark-to-market liability in excess of \$160 million. The swap expires in December 2019 with a mandatory cash settlement at mark-to-market value (receivable to the Company if the 10-year swap rate is greater than 3.394% and a liability of the Company if the 10-year swap rate is lower than 3.394%) and can be terminated by the Company any time prior to expiration at mark-to market value. As of March 31, 2019, the mark-to-market value of the swap liability was \$185 million, resulting in an unrealized GAAP loss in the first quarter 2019 of \$59 million. As of May 7, 2019, the mark-to-market value of the swap liability was \$180 million.

## **Common Stock and Operating Company Units**

As of May 7, 2019, the Company had 485.8 million shares of Class A and B common stock outstanding and the Company's operating partnership had 31.2 million operating company units outstanding held by members other than the Company or its subsidiaries.

During the first quarter 2019, the Company repurchased 652,311 shares of its Class A common stock at an average price of \$4.85 per share, or \$3 million.

As of May 7, 2019, the Company had \$247 million remaining under its share repurchase program.

## **Common and Preferred Dividends**

On February 27, 2019, the Company's Board of Directors declared a quarterly cash dividend of \$0.11 per share to holders of Class A and Class B common stock for the first quarter of 2019, which was paid on April 15, 2019 to respective stockholders of record on March 29, 2019. 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 and Series E stock - \$0.546875 per share, such dividends to be paid on May 15, 2019 to the respective stockholders of record on May 10, 2019 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 were paid on April 15, 2019 to the respective stockholders of record on April 10, 2019.

On May 7, 2019, the Company's Board of Directors declared a quarterly cash dividend of \$0.11 per share to holders of Class A and Class B common stock for the second quarter of 2019, which will be paid on July 15, 2019 to respective stockholders of record on June 28, 2019. 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 and Series E stock - \$0.546875 per share, such dividends to be paid on August 15, 2019 to the respective stockholders of record on August 9, 2019 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 July 15, 2019 to the respective stockholders of record on July 10, 2019.

## **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 based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at March 31, 2019. AUM further includes a) uncalled capital commitments and b) includes the Company's pro-rata share of each affiliate non wholly-owned real estate investment management platform's assets as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, 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.

## **CLNY Operating Partnership ("CLNY OP")**

The operating partnership through which the Company conducts all of its activities and holds substantially all of its assets and liabilities. CLNY 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) the Company's pro-rata share of fee bearing equity of each affiliate as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. 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 (i) extraordinary items, as defined by GAAP; (ii) gains and losses from sales of depreciable real estate; (iii) impairment write-downs associated with depreciable real estate; (iv) gains and losses from a change in control in connection with interests in depreciable real estate or in-substance real estate, plus (v) real estate-related depreciation and amortization; and (vi) including similar adjustments for equity method investments. Included in FFO are gains and losses from sales of assets which are not depreciable real estate such as loans receivable, equity method investments, as well as equity and debt 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 expense; (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 interest rate and foreign currency hedges, and foreign currency remeasurements; (viii) acquisition and merger related transaction costs; (ix) merger integration and restructuring costs; (x) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (xi) gain on remeasurement of consolidated investment entities and the effect of amortization thereof; (xii) non-real estate depreciation and amortization; (xiii) change in fair value of contingent consideration; and (xiv) tax effect on certain of the foregoing adjustments. Beginning with the first quarter of 2018, the Company's Core FFO from its interest in Colony Credit Real Estate (NYSE: CLNC) and NorthStar Realty Europe (NYSE: NRE) represented its percentage interest multiplied by CLNC's Core Earnings and NRE's Cash Available for Distribution ("CAD"), respectively. CLNC's Core Earnings reflect adjustments to GAAP net income to exclude impairment of real estate and provision for loan losses. Such impairment and losses may ultimately be realized, in part or in full, upon a sale or monetization of the related asset or loan and such realized loss would be reflected in CLNC's Core Earnings and, as a result, the Company's Core FFO. Refer to CLNC's and NRE's respective filings with the SEC for the definition and calculation of Core Earnings and CAD.

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. Additionally, Core FFO excludes the impact of certain fair value fluctuations, which, if they were to be realized, could have a material impact on the Company's operating performance. The Company also presents Core FFO excluding gains and losses from sales of certain investments as well as its share of similar adjustments for CLNC. The Company believes that such a

measure is useful to investors as it excludes periodic gains and losses from sales of investments that are not representative of its ongoing operations.

#### **Net Operating Income ("NOI")**

NOI for our real estate 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.

The Company believes that NOI is a useful measure of operating performance of its respective real estate portfolios as it is 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 excludes 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 provides 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. 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.

#### **NOI before Reserve for Furniture, Fixtures and Equipment Expenditures ("NOI before FF&E Reserve")**

For our hospitality real estate segment, NOI before FF&E Reserve represents NOI before the deduction of reserve contributions for the repair, replacement and refurbishment of furniture, fixtures, and equipment ("FF&E"), which are typically 4% to 5% of revenues, and required under certain debt agreements and/or franchise and brand-managed hotel agreements.

#### **Earnings Before Interest, Tax, Depreciation, Amortization and Rent ("EBITDAR")**

Represents earnings before interest, taxes, depreciation, amortization and rent for facilities accruing to the tenant/operator of the property (not the Company) for the period presented. The Company uses EBITDAR in determining TTM Lease Coverage for triple-net lease properties in its Healthcare Real Estate segment. EBITDAR has limitations as an analytical tool. EBITDAR does not reflect historical cash expenditures or future cash requirements for facility capital expenditures or contractual commitments. In addition, EBITDAR does not represent a property's net income or cash flow from operations and should not be considered an alternative to those indicators. The Company utilizes EBITDAR as a supplemental measure of the ability of the Company's operators/tenants to generate sufficient liquidity to meet related obligations to the Company.

#### **TTM Lease Coverage**

Represents the ratio of EBITDAR to recognized cash rent for owned facilities on a trailing twelve month basis. TTM Lease Coverage is a supplemental measure of a tenant's/operator's ability to meet their cash rent obligations to the Company. However, its usefulness is limited by, among other things, the same factors that limit the usefulness of EBITDAR.

The information related to the Company's tenants/operators that is provided in this press release has been provided by, or derived from information provided by, such tenants/operators. The Company has not independently verified this information and has no reason to believe that such information is inaccurate in any material respect. The Company is providing this data for informational purposes only.

## First Quarter 2019 Conference Call

The Company will conduct a conference call to discuss the financial results on Friday, May 10, 2019 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 [www.clny.com](http://www.clny.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 May 10, 2019, at 10:00 a.m. PT / 1:00 p.m. ET, through May 17, 2019, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use passcode 13689428. International callers should dial (412) 317-6671 and enter the same conference ID number.

## Corporate Overview and Supplemental Financial Report

A First Quarter 2019 Corporate Overview and Supplemental Financial Report is available on the Company's website at [www.clny.com](http://www.clny.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 Capital, Inc.

Colony Capital, Inc. (NYSE: CLNY) is a leading global investment management firm with assets under management of \$43 billion. The Company manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, and traded and non-traded real estate investment trusts. The Company has significant holdings in: (a) the healthcare, industrial and hospitality property sectors; (b) Colony Credit Real Estate, Inc. (NYSE: CLNC) and NorthStar Realty Europe Corp. (NYSE: NRE), which are both externally managed by subsidiaries of the Company; and (c) various other equity and debt investments. The Company is headquartered in Los Angeles with key offices in New York, Paris and London, and has over 400 employees across 19 locations in 12 countries. For additional information regarding the Company and its management and business, please refer to [www.clny.com](http://www.clny.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 ability to achieve anticipated compensation and administrative cost savings pursuant to our corporate restructuring and reorganization plan, in the timeframe expected or at all, the impact of changes to the Company's management, employee and organizational structure, whether the formation of the Strategic Asset Review Committee will result in any action or transaction by the Company and whether the Company, including its stockholders, will benefit from it, whether the Company will realize any of the anticipated benefits of its acquisition of Colony Latam Partners, Digital Colony's ability to complete the pending acquisition of Zayo Group Holdings, Inc. on the terms contemplated or at all, the Company's financial flexibility, including borrowing capacity under its revolving credit facility, the Company's ability to grow its investment management business, the timing, pace of growth and performance of the Company's Industrial platform, including the ability to stabilize its bulk industrial portfolio and acquire more bulk industrial properties, the performance of the Company's investment in Colony Credit Real Estate, Inc., the Company's ability to maintain or create future permanent capital vehicles under its management, whether the Company will realize any anticipated benefits from the Digital Bridge partnership, the Company's ability to simplify its business and become more balance sheet-light, the Company's portfolio composition, Colony Capital's liquidity, including its ability to continue to generate liquidity by additional sales of assets in its Other Equity and Debt segment, the Company's expected taxable income and net cash flows, excluding the contribution of gains, whether the Company will maintain or produce higher Core FFO per share (including or excluding gains and losses from sales of certain investments) in the coming quarters, or ever, the Company's ability to maintain or grow the dividend at all in the future, whether NorthStar Realty Europe Corp. ("NRE") will complete a sale of its company or internalize in the timeframe anticipated or at all, including the impact of any such transaction on the Company's investment in, and management agreement with, NRE, the impact of any changes to the Company's management agreements with NorthStar Healthcare Income, Inc. and other managed companies, whether Colony Capital 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 Capital's stock, Colony Capital's ability to maintain inclusion and relative performance on the RMZ, Colony Capital's leverage, including the Company's ability to reduce debt and the timing and amount of borrowings under its credit facility, the ability of the Company to refinance certain mortgage debt on similar terms to those currently existing or at all, whether the Company will benefit from the combination of its broker-dealer business with S2K Financial, increased interest rates and operating costs, adverse economic or real estate developments in Colony Capital's

markets, Colony Capital'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 Capital'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 Capital's reports filed from time to time with the SEC.

Colony Capital 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 Capital 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 Capital does not intend to do so.

**Source:** Colony Capital, Inc.

**Investor Contacts:**

Addo Investor Relations  
Lasse Glassen  
310-829-5400

(FINANCIAL TABLES FOLLOW)

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

	March 31, 2019 (unaudited)	December 31, 2018
<b>Assets</b>		
Cash and cash equivalents	\$ 321,199	\$ 461,912
Restricted cash	326,635	366,758
Real estate, net	14,536,041	13,619,014
Loans receivable, net	1,596,673	1,659,217
Equity and debt investments	2,769,616	2,543,169
Goodwill	1,534,561	1,534,561
Deferred leasing costs and intangible assets, net	546,903	540,264
Assets held for sale	786,467	941,258
Other assets	757,752	503,317
Due from affiliates	45,186	45,779
<b>Total assets</b>	<b>\$ 23,221,033</b>	<b>\$ 22,215,249</b>
<b>Liabilities</b>		
Debt, net	\$ 10,712,788	\$ 10,039,957
Accrued and other liabilities	1,037,166	707,921
Intangible liabilities, net	141,744	159,386
Liabilities related to assets held for sale	22,435	68,217
Dividends and distributions payable	83,996	84,013
<b>Total liabilities</b>	<b>11,998,129</b>	<b>11,059,494</b>
Commitments and contingencies		
<b>Redeemable noncontrolling interests</b>	<b>7,463</b>	<b>9,385</b>
<b>Equity</b>		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$1,436,605 liquidation preference; 250,000 shares authorized; 57,464 shares issued and outstanding	1,407,495	1,407,495
Common stock, \$0.01 par value per share		
Class A, 949,000 shares authorized; 484,775 and 483,347 shares issued and outstanding, respectively	4,848	4,834
Class B, 1,000 shares authorized; 734 shares issued and outstanding	7	7
Additional paid-in capital	7,610,947	7,598,019
Distributions in excess of earnings	(2,176,730)	(2,018,302)
Accumulated other comprehensive income	22,138	13,999
<b>Total stockholders' equity</b>	<b>6,868,705</b>	<b>7,006,052</b>
Noncontrolling interests in investment entities	3,996,206	3,779,728
Noncontrolling interests in Operating Company	350,530	360,590
<b>Total equity</b>	<b>11,215,441</b>	<b>11,146,370</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$ 23,221,033</b>	<b>\$ 22,215,249</b>



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

	Three Months Ended March 31,	
	2019	2018
<b>Revenues</b>		
Property operating income	\$ 540,130	\$ 554,730
Interest income	46,250	63,854
Fee income	33,500	36,842
Other income	13,023	11,238
<b>Total revenues</b>	<b>632,903</b>	<b>666,664</b>
<b>Expenses</b>		
Property operating expense	293,079	305,770
Interest expense	149,516	148,889
Investment and servicing expense	18,979	18,653
Transaction costs	2,504	716
Placement fees	309	123
Depreciation and amortization	150,797	144,705
Provision for loan loss	3,611	5,375
Impairment loss	25,622	153,398
Compensation expense		
Cash and equity-based compensation	34,176	49,484
Carried interest and incentive fee compensation	1,051	859
Administrative expenses	24,014	24,740
<b>Total expenses</b>	<b>703,658</b>	<b>852,712</b>
<b>Other income (loss)</b>		
Gain on sale of real estate assets	52,301	18,444
Other gain (loss), net	(49,077)	75,256
Equity method earnings	34,065	30,117
Equity method earnings—carried interest	4,422	2,148
<b>Loss before income taxes</b>	<b>(29,044)</b>	<b>(60,083)</b>
Income tax benefit (expense)	(1,111)	32,808
<b>Loss from continuing operations</b>	<b>(30,155)</b>	<b>(27,275)</b>
Income from discontinued operations	—	117
<b>Net loss</b>	<b>(30,155)</b>	<b>(27,158)</b>
Net income (loss) attributable to noncontrolling interests:		
Redeemable noncontrolling interests	1,444	(696)
Investment entities	49,988	19,243
Operating Company	(6,611)	(4,378)
<b>Net loss attributable to Colony Capital, Inc.</b>	<b>(74,976)</b>	<b>(41,327)</b>
Preferred stock dividends	27,137	31,387
<b>Net loss attributable to common stockholders</b>	<b>\$ (102,113)</b>	<b>\$ (72,714)</b>
<b>Basic loss per share</b>		
Loss from continuing operations per basic common share	\$ (0.21)	\$ (0.14)
Net loss per basic common share	\$ (0.21)	\$ (0.14)
<b>Diluted loss per share</b>		
Loss from continuing operations per diluted common share	\$ (0.21)	\$ (0.14)
Net loss per diluted common share	\$ (0.21)	\$ (0.14)
<b>Weighted average number of shares</b>		
Basic	478,874	530,680
Diluted	478,874	530,680

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

	Three Months Ended March 31, 2019
Net loss attributable to common stockholders	\$ (102,113)
Adjustments for FFO attributable to common interests in Operating Company and common stockholders:	
Net loss attributable to noncontrolling common interests in Operating Company	(6,611)
Real estate depreciation and amortization	154,402
Impairment of real estate	25,622
Gain from sales of real estate	(55,234)
Less: Adjustments attributable to noncontrolling interests in investment entities	(35,274)
FFO attributable to common interests in Operating Company and common stockholders	(19,208)
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 <sup>(1)</sup>	(11,135)
Gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	2,542
CLNC Core Earnings & NRE Cash Available for Distribution adjustments <sup>(2)</sup>	(13,988)
Equity-based compensation expense	7,353
Straight-line rent revenue and expense	(5,495)
Amortization of acquired above- and below-market lease values, net	(3,866)
Amortization of deferred financing costs and debt premiums and discounts	18,312
Unrealized fair value losses on interest rate and foreign currency hedges, and foreign currency remeasurements	58,143
Acquisition and merger-related transaction costs	2,895
Merger integration and restructuring costs <sup>(3)</sup>	769
Amortization and impairment of investment management intangibles	8,662
Non-real estate depreciation and amortization	1,577
Amortization of gain on remeasurement of consolidated investment entities	3,779
Deferred tax benefit, net	(2,663)
Less: Adjustments attributable to noncontrolling interests in investment entities	36
Core FFO attributable to common interests in Operating Company and common stockholders	\$ 47,713
FFO per common share / common OP unit <sup>(4)</sup>	\$ (0.04)
FFO per common share / common OP unit—diluted <sup>(4)(5)</sup>	\$ (0.04)
Core FFO per common share / common OP unit <sup>(4)</sup>	\$ 0.09
Core FFO per common share / common OP unit—diluted <sup>(4)(5)(6)</sup>	\$ 0.09
Weighted average number of common OP units outstanding used for FFO and Core FFO per common share and OP unit <sup>(4)</sup>	515,494
Weighted average number of common OP units outstanding used for FFO per common share and OP unit—diluted <sup>(4)(5)</sup>	515,494
Weighted average number of common OP units outstanding used for Core FFO per common share and OP unit—diluted <sup>(4)(5)(6)</sup>	519,446

(1) For the three months ended March 31, 2019, net of \$43.4 million consolidated or \$24.3 million CLNY OP share 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) Represents adjustments to align the Company's Core FFO with CLNC's definition of Core Earnings and NRE's definition of Cash Available for Distribution ("CAD") to reflect the Company's percentage interest in the respective company's earnings. These adjustments include provisions for loan losses, realized gains and losses plus other differences that are included/excluded in CLNC's core earnings and NRE's CAD.

(3) Merger integration and restructuring costs represent costs and charges incurred during the integration of Colony, NSAM and NRF and from the corporate restructuring and reorganization plan. These integration and restructuring 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 and restructuring

and reorganization plan. The majority of these costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.

- (4) Calculated based on weighted average shares outstanding including participating securities and assuming the exchange of all common OP units outstanding for common shares.
- (5) For the three months ended March 31, 2019, excluded in the calculation of diluted FFO and Core FFO per share is the effect of adding back interest expense associated with convertible senior notes and weighted average dilutive common share equivalents for the assumed conversion of the convertible senior notes as the effect of including such interest expense and common share equivalents would be antidilutive.
- (6) Included in the calculation of diluted Core FFO per share are 3.8 million weighted average performance stock units, which are subject to both a service condition and market condition, and 137,918 weighted average shares of non-participating restricted stock for the three months ended March 31, 2019.

## COLONY CAPITAL, INC. RECONCILIATION OF NET INCOME (LOSS) TO NOI

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 and (2) a reconciliation of such segments' net income (loss) for the three months ended March 31, 2019 to NOI:

(In thousands)	Three Months Ended March 31, 2019		
	Healthcare	Industrial	Hospitality
Total revenues	\$ 145,774	\$ 82,372	\$ 196,615
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(5,227)	(3,232)	310
Interest income	—	(180)	—
Property operating expenses <sup>(1)</sup>	(64,302)	(22,337)	(136,345)
Compensation and administrative expense <sup>(1)</sup>	—	(784)	—
NOI <sup>(2)</sup>	\$ 76,245	\$ 55,839	\$ 60,580

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

<sup>(2)</sup> For hospitality, NOI is before FF&E Reserve.

(In thousands)	Three Months Ended March 31, 2019		
	Healthcare	Industrial	Hospitality
Income (loss) from continuing operations	\$ (7,206)	\$ 24,154	\$ (26,077)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(5,227)	(3,232)	310
Interest income	—	(180)	—
Interest expense	47,527	14,627	42,065
Transaction, investment and servicing costs	3,108	530	1,584
Depreciation and amortization	40,131	39,445	36,248
Impairment loss	—	—	3,850
Compensation and administrative expense	1,653	3,504	1,904
Gain on sale of real estate	—	(22,848)	(139)
Other (gain) loss, net	(1,867)	8	(1)
Income tax (benefit) expense	(1,874)	(169)	836
NOI <sup>(1)</sup>	\$ 76,245	\$ 55,839	\$ 60,580

<sup>(1)</sup> For hospitality, NOI is before FF&E Reserve.

The following table summarizes first quarter 2019 income (loss) from continuing operations by segment:

<u>(In thousands)</u>	<u>Income (Loss) From Continuing Operations</u>
Healthcare	\$ (7,206)
Industrial	24,154
Hospitality	(26,077)
CLNC	5,513
Other Equity and Debt	59,563
Investment Management	22,777
Amounts Not Allocated to Segments	<u>(108,879)</u>
Total Consolidated	<u>\$ (30,155)</u>



**Colony**Capital

May 10, 2019

CORPORATE OVERVIEW  
AND SUPPLEMENTAL  
FINANCIAL REPORT  
FIRST QUARTER 2019

# 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 ability to achieve anticipated compensation and administrative cost savings pursuant to our corporate restructuring and reorganization plan, in the timeframe expected or at all, the impact of changes to Colony Capital's management, employee and organizational structure, Colony Capital's liquidity, including its ability to complete sales of non-core investments, whether Colony Capital 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 Company's financial flexibility, including borrowing capacity under its revolving credit facility, Colony Capital's ability to grow its third-party investment management business, the timing, pace of growth and performance of the Company's industrial platform, including the ability to stabilize its bulk industrial portfolio and acquire more bulk industrial properties, the performance of the Company's investment in Colony Credit Real Estate, Inc., Colony Capital's ability to maintain or create future permanent capital vehicles under its management, whether the Company will realize any anticipated benefits from the Digital Bridge partnership, whether the Company will realize any of the anticipated benefits of its acquisition of Colony Latam Partners, the timing of and ability to complete additional repurchases of Colony Capital's stock, Colony Capital's ability to maintain inclusion and relative performance on the RMZ, Colony Capital's leverage, including the ability to reduce debt and the timing and amount of borrowings under its credit facility, the ability of the Company to refinance certain mortgage debt on similar terms to those currently existing or at all, increased interest rates and operating costs, whether the Company will maintain or produce higher Core FFO per share (including or excluding gains and losses from sales of certain investments) in the coming quarters, or ever, whether NorthStar Realty Europe Corp. ("NRE") will complete a sale of its company or internalize in the timeframe anticipated or at all, including the impact of any such transaction on the Company's investment in, and management agreement with, NRE, the impact of any changes to the Company's management agreements with NorthStar Healthcare Income, Inc. and other managed companies, adverse economic or real estate developments in Colony Capital's markets, Colony Capital'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 Capital'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 Capital'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 Capital's reports filed from time to time with the SEC. Colony Capital 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 Capital 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 Capital 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 Capital 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 Colony Capital. This information is not intended to be indicative of future results. Actual performance of Colony Capital 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"); and pro rata financial information.

**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 (i) extraordinary items, as defined by GAAP; (ii) gains and losses from sales of depreciable real estate; (iii) impairment write-downs associated with depreciable real estate; (iv) gains and losses from a change in control in connection with interests in depreciable real estate or in-substance real estate, plus (v) real estate-related depreciation and amortization; and (vi) including similar adjustments for equity method investments. Included in FFO are gains and losses from sales of assets which are not depreciable real estate such as loans receivable, equity method investments, as well as equity and debt securities, as applicable.

**Core FFO:** 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 expense; (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 interest rate and foreign currency hedges, and foreign currency remeasurements; (viii) acquisition and merger related transaction costs; (ix) merger integration and restructuring costs; (x) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (xi) gain on remeasurement of consolidated investment entities and the effect of amortization thereof; (xii) non-real estate depreciation and amortization; (xiii) change in fair value of contingent consideration; and (xiv) tax effect on certain of the foregoing adjustments. Beginning with the first quarter of 2018, the Company's Core FFO from its interest in Colony Credit Real Estate (NYSE: CLNC) and NorthStar Realty Europe (NYSE: NRE) represented its percentage interest multiplied by CLNC's Core Earnings and NRE's Cash Available for Distribution ("CAD"), respectively. CLNC's Core Earnings reflect adjustments to GAAP net income to exclude impairment of real estate and provision for loan losses. Such impairment and losses may ultimately be realized, in part or in full, upon a sale or monetization of the related asset or loan and such realized loss would be reflected in CLNC's Core Earnings and, as a result, the Company's Core FFO. Refer to CLNC's and NRE's respective filings with the SEC for the definition and calculation of Core Earnings and CAD.

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. Additionally, Core FFO excludes the impact of certain fair value fluctuations, which, if they were to be realized, could have a material impact on the Company's operating performance. The Company also presents Core FFO excluding gains and losses from sales of certain investments as well as its share of similar adjustments for CLNC. The Company believes that such a measure is useful to investors as it excludes periodic gains and losses from sales of investments that are not representative of its ongoing operations.

# Important Note Regarding Non-GAAP Financial Measures

**NOI:** NOI for our real estate 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.

The Company believes that NOI is a useful measure of operating performance of its respective real estate portfolios as it is 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 excludes 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 provides 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. 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.

**NOI before Reserve for Furniture, Fixtures and Equipment Expenditures ("NOI before FF&E Reserve"):** For our hospitality real estate segment, NOI before FF&E Reserve represents NOI before the deduction of reserve contributions for the repair, replacement and refurbishment of furniture, fixtures, and equipment ("FF&E"), which are typically 4% to 5% of revenues, and required under certain debt agreements and/or franchise and brand-managed hotel agreements.

**Pro-rata:** 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.

**Tenant/operator provided information:** The information related to the Company's tenants/operators that is provided in this presentation has been provided by, or derived from information provided by, such tenants/operators. The Company has not independently verified this information and has no reason to believe that such information is inaccurate in any material respect. The Company is providing this data for informational purposes only.



# Note Regarding CLNY Reportable Segments / Consolidated and OP Share of Consolidated Amounts

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

## **Healthcare Real Estate**

As of March 31, 2019, the consolidated healthcare portfolio consisted of 413 properties: 192 senior housing properties, 108 medical office properties, 99 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of March 31, 2019. The healthcare portfolio earns rental income from our senior housing, skilled nursing facilities and hospital assets that are under net leases to single tenants/operators and from medical office buildings which are both single tenant and multi-tenant. In addition, we also earn resident fee income from senior housing properties that are managed by operators under a REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA") structure.

## **Industrial Real Estate**

As of March 31, 2019, the consolidated light industrial portfolio consisted of 413 light industrial buildings totaling 53.9 million rentable square feet across 26 major U.S. markets and was 92% leased. During the first quarter 2019, the Company raised \$141 million of new third-party capital in the light industrial platform. As a result, the Company's equity interest in the consolidated light industrial portfolio decreased to approximately 34% as of March 31, 2019 from 35% as of December 31, 2018. Total third-party capital commitments in the light industrial portfolio were approximately \$1.7 billion compared to cumulative balance sheet contributions of \$749 million as of March 31, 2019. The light industrial portfolio is composed of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets generally targeting multi-tenanted warehouses less than 250,000 square feet.

As of March 31, 2019, the consolidated bulk industrial portfolio consisted of six bulk industrial buildings totaling 4.2 million rentable square feet across five major U.S. markets and was 67% leased. The Company's equity interest in the consolidated bulk industrial portfolio was approximately 51%, or \$72 million, with the other 49% owned by third-party capital, which is managed by the Company's industrial operating platform. The immediate strategy is to stabilize the existing bulk industrial portfolio as well as seek to invest in bulk industrial properties in major U.S. metropolitan markets generally targeting warehouses greater than 500,000 square feet.

## **Hospitality Real Estate**

As of March 31, 2019, 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 March 31, 2019. The hospitality portfolio consists 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.

## **Colony Credit Real Estate, Inc. ("CLNC")**

Colony Credit Real Estate, Inc. is a commercial real estate credit REIT, externally managed by the Company, with \$5.5 billion in assets and \$2.7 billion in GAAP book equity value as of March 31, 2019. The Company owns 48.0 million shares and share equivalents, or 36%, of CLNC and earns an annual base management fee of 1.5% on stockholders' equity (as defined in the CLNC management agreement) and an incentive fee of 20% of CLNC's Core Earnings over a 7% hurdle rate.

## **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 include our 11% interest in NorthStar Realty Europe Corp. (NYSE: NRE) and other investments for which the Company acts as a general partner and/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 other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; real estate debt; net leased assets; 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, traded and non-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 "CLNY OP") and noncontrolling interests. Figures labeled as CLNY OP share represent the Company's pro-rata share.

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# I. Corporate Overview – Introducing Colony Capital

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- Colony Capital, Inc. (NYSE: CLNY) is a leading global real estate and investment management firm that primarily invests in real estate and real estate-related assets through a diversified set of products, strategies, and property types

- Global brand spans 12 countries
- Experienced and aligned senior management team
- \$100Bn+ invested over 27 years in 20+ countries
- Proven acquisition platform with:
  - Global presence, but local market expertise
  - Heritage of first mover advantage
  - Proprietary access to transactions and relationships
  - Disciplined underwriting standards

## AT A GLANCE

1991  
Founded

12  
Countries

\$43Bn  
Assets Under Management<sup>1</sup>

\$18Bn  
Fee Earning Equity Under  
Management<sup>2</sup>

\$0.44  
Annualized Dividend per Share

Notes:


(1) Represents balance sheet and third-party AUM as of March 31, 2019.

(2) As of March 31, 2019.

# I. Corporate Overview – Business Overview

- Colony Capital is one of the world's largest real estate investors, owners and operators

## REAL ESTATE VERTICALS: ~\$15Bn Colony Balance Sheet Interest

GLOBAL HEALTHCARE	HOSPITALITY	INDUSTRIAL	CLNC and GLOBAL EQUITY & DEBT
			
<b>\$3.9Bn PORTFOLIO <sup>1</sup></b>	<b>\$3.9Bn PORTFOLIO <sup>1</sup></b>	<b>\$1.6Bn PORTFOLIO <sup>1</sup></b>	<b>\$5.2Bn PORTFOLIO <sup>1</sup></b>
Colony Interest: 71% Senior Housing, MOB, SNFs, Hospitals	Colony Interest: 94% Extended Stay and Premium- Branded Select Service Hotels	Colony Interest - Light Industrial: 34% Critical last mile of logistics chain Colony Interest - Bulk Industrial: 51% Integral to highly-functional distribution networks <sup>(2)</sup>	Colony Interest: Various % Includes interests in CLNC & NRE, GP co-investments and other real estate equity & debt

## INVESTMENT MANAGEMENT: ~\$29Bn Third Party Assets Under Management

Institutional Funds - \$9.9Bn	Public Vehicles - \$5.1Bn	Retail - \$3.5Bn	Affiliates (REIM) - \$10.3Bn
<ul style="list-style-type: none"> <li>• Colony Industrial Fund</li> <li>• Real Estate Credit</li> <li>• Opportunistic Real Estate</li> <li>• Other co-investment vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• External manager of two NYSE listed REITs (Colony Credit Real Estate and NorthStar Realty Europe<sup>(3)</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>• Primarily NorthStar Healthcare Income</li> <li>• Colony S2K joint venture</li> </ul>	<ul style="list-style-type: none"> <li>• Minority interests in other real estate investment management platforms</li> <li>• Primarily interests in Digital Colony and RXR Realty</li> </ul>

Notes:

Real Estate Vertical and Investment Management totals may not sum to total Assets Under Management due to rounding.

(1) Represents pro rata carrying value of assets as of March 31, 2019.

(2) Bulk Industrial pro rata carrying value of assets was \$190 million as of March 31, 2019.

(3) The Company entered into an agreement with NRE to terminate the management agreement. Upon termination, NRE will make a termination payment to the Company of \$70 million, less any incentive fee paid by NRE to the Company through termination.

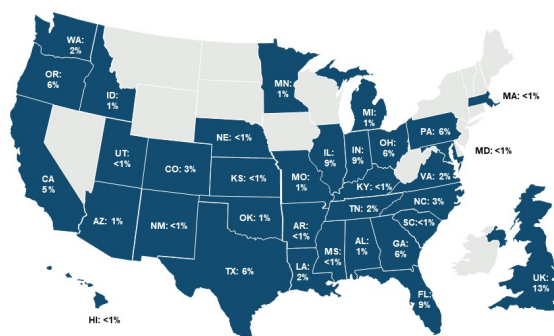
# I. Corporate Overview – Healthcare Real Estate Vertical

- Diversified and scaled portfolio; balance sheet portfolio synergistic with ~\$4Bn AUM Healthcare non-traded REIT managed by CLNY

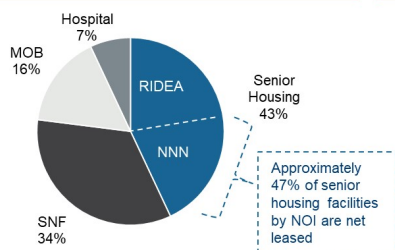
## Consolidated Key Stats as of 3/31/19

Property Count	413
Beds / Units	~23,300
MOB Total SF	3.8MM
1Q19 Consolidated NOI	\$76MM
Sr. Housing - Operating Occupancy	86.7%
MOB Occupancy	82.4%
NNN Rent Coverage	1.4x
% of NOI - NNN	61%
CLNY Ownership	71%

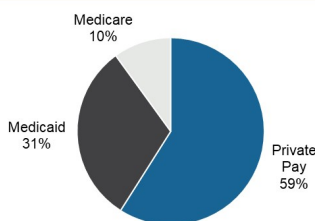
## Geographic Overview (% of 1Q19 NOI)



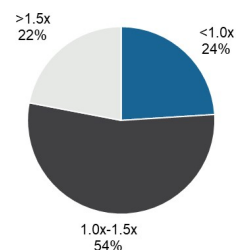
## Sub-Sector Composition <sup>1,2</sup>



## Revenue Mix <sup>1,2</sup>



## NNN Rent Coverage <sup>1,3</sup>



Notes:

- (1) Data as of March 31, 2019 unless otherwise noted.
- (2) Based on NOI for the quarter ended March 31, 2019, at CLNY share.
- (3) Overall percentages are weighted by December 31, 2018 trailing twelve month NOI exposure in each category.

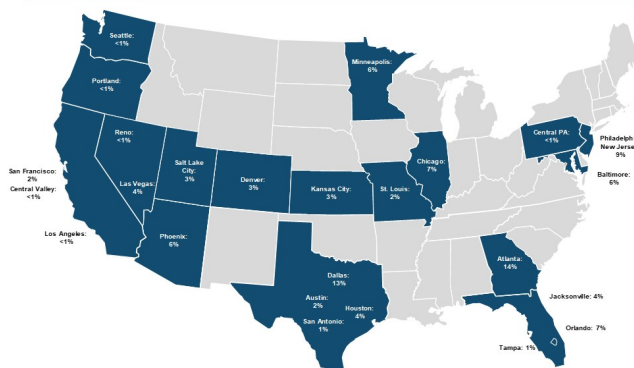
# I. Corporate Overview – Industrial Real Estate Vertical

- Vertically integrated industrial portfolio comprising 58MM square feet

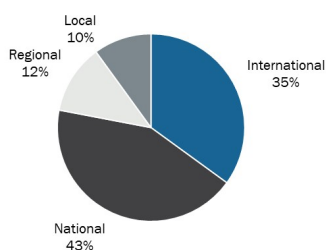
## Consolidated Key Stats as of 3/31/19

	Light <sup>1</sup>	Bulk <sup>1</sup>
Buildings	413	6
Rentable SF	53.9MM	4.2MM
1Q19 Consolidated NOI <sup>2</sup>	\$55MM	\$1MM
Leased	91.8%	67.4%
WALT (years)	3.8	12.0
1Q19 Acquisitions	\$788MM	\$372MM
CLNY Ownership	34%	51%

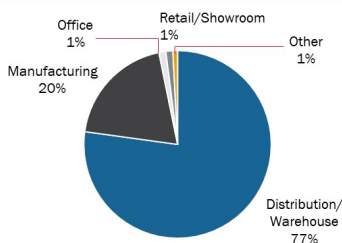
## Geographic Overview (% of 1Q19 NOI) <sup>3</sup>



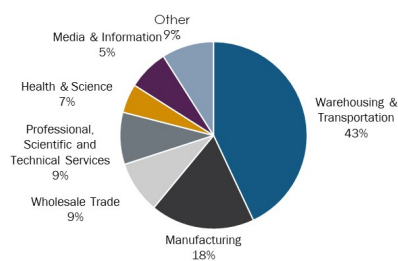
## Tenant Type <sup>3,4</sup>



## Tenant Use <sup>3,4</sup>



## Tenant Industry <sup>3,4</sup>



### Notes:

- During the first quarter 2019, the Company closed on the acquisition of forty-eight light and six bulk industrial buildings, of which four light industrial buildings are expected to close throughout the remainder of 2019.
- During the first quarter 2019, this segment's NOI included partial quarter financial results related to the newly acquired portfolio of light and bulk industrial buildings for the period of February 27, 2019 to March 31, 2019.
- Represents light industrial portfolio data only.
- Tenant Type, Use and Industry data based on % of total leased square feet for the quarter ended March 31, 2019.

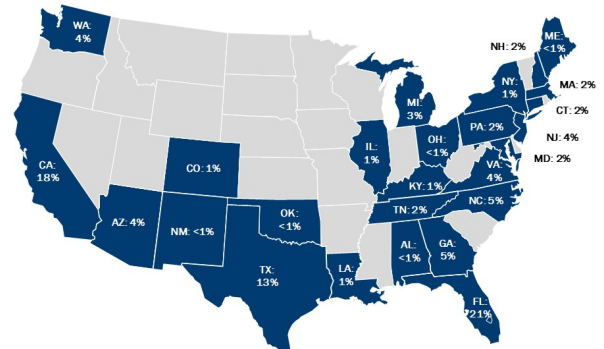
# I. Corporate Overview – Hospitality Real Estate Vertical

- Attractive select service portfolio with strong cash flow profile and leading operator relationships

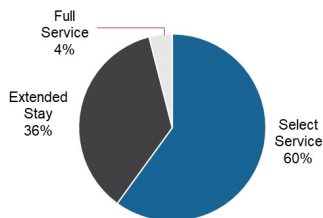
## Consolidated Key Stats as of 3/31/19

Hotels	167
Keys	~22,100
1Q19 Consolidated NOI before FF&E Reserve	\$61MM
1Q19 Occupancy	69.7%
1Q19 ADR	\$129
1Q19 RevPAR	\$90
1Q19 NOI Margin	31%
CLNY Ownership	94%

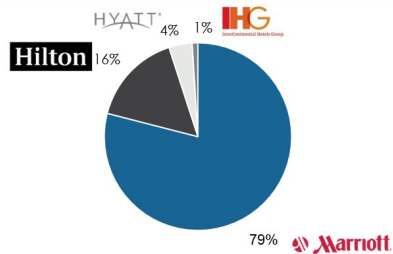
## Geographic Overview (% of 1Q19 NOI before FF&E Reserve)



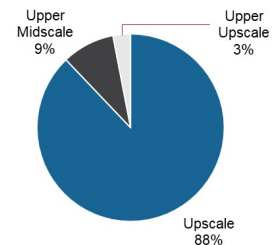
## Hotel Type <sup>1</sup>



## Brand <sup>1</sup>



## Chain Scale <sup>1</sup>



Notes:  
(1) Based on room count.

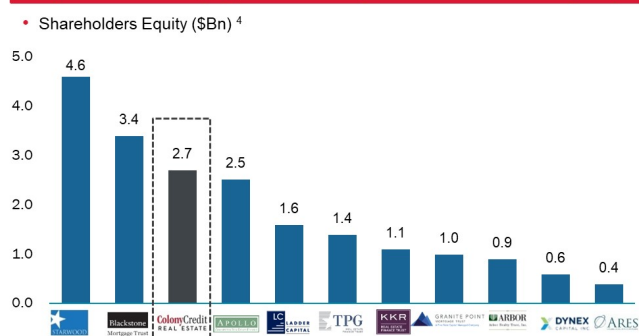
# I. Corporate Overview – Colony Credit Real Estate (CLNC)

- Scaled, diversified real estate credit REIT externally managed by CLNY

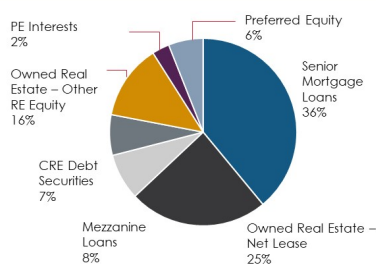
## Key Stats as of 3/31/19

Monthly Dividend / Share	\$0.145
Annualized Dividend / Share	\$1.74
Total At-Share Assets <sup>1</sup>	\$5.5Bn
Book Equity Value <sup>1</sup>	\$2.7Bn
Debt-to-Asset Ratio <sup>2</sup>	46%
Net Debt-to-Equity Ratio <sup>3</sup>	0.9x
CLNY Ownership	36%

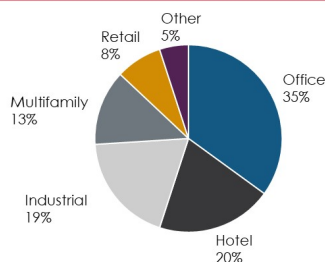
## Top CRE Mortgage REITs by Shareholders Equity



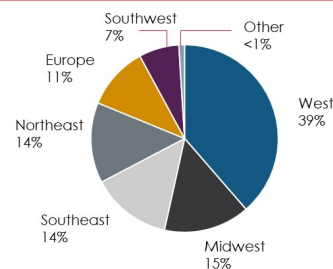
## Investment Type <sup>5</sup>



## Property Type <sup>5</sup>



## Geography <sup>5</sup>



### Notes:

- (1) Represents total assets and GAAP book equity value at CLNC share as of March 31, 2019. Includes noncontrolling interest in operating partnership and excludes noncontrolling interest in investment entities.
- (2) Debt-to-asset ratio based on total outstanding secured debt agreements (UPB) at CLNC share divided by total assets at CLNC share as of March 31, 2019.
- (3) Represents CLNC's share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC share divided by total shareholders' equity as of March 31, 2019; shareholders' equity includes noncontrolling interest in operating partnership and excludes noncontrolling interest in investment entities.
- (4) Excludes noncontrolling interest and preferred stock at liquidation preference and includes operating partnership interest; based on company filings as of March 31, 2019; except for Arbor Realty Trust, Inc. which is based on company filings as of December 31, 2018 as March 31, 2019 company filings not yet released.
- (5) Based on carrying values at CLNC share as of March 31, 2019; excludes CMBS, mortgage loans held in securitization trusts and Private Equity interests (except for Investment Type chart).



# I. Corporate Overview – Other Equity and Debt

- Total \$3.2Bn Assets and \$2.0Bn Net Equity; Non-Strategic OED totals \$1.9Bn of assets and \$1.1Bn of net equity, which will be monetized in near term to simplify the balance sheet and generate capital for strategic initiatives

## Selected Assets



Tolka Loan Portfolio – Strategic  
(Dublin, Ireland)

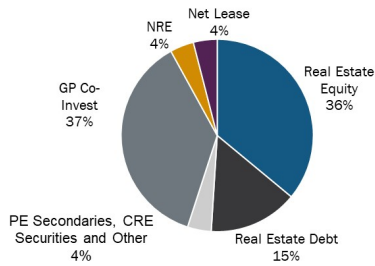


One California Plaza –Strategic  
(Los Angeles)

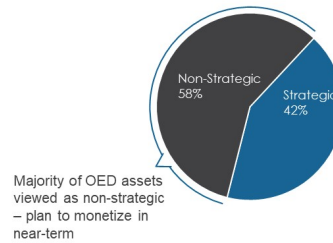


THL Hotel Portfolio – Non-Strategic  
(U.S., Nationwide)

## Asset Type <sup>1</sup>



## Strategy Type <sup>2</sup>



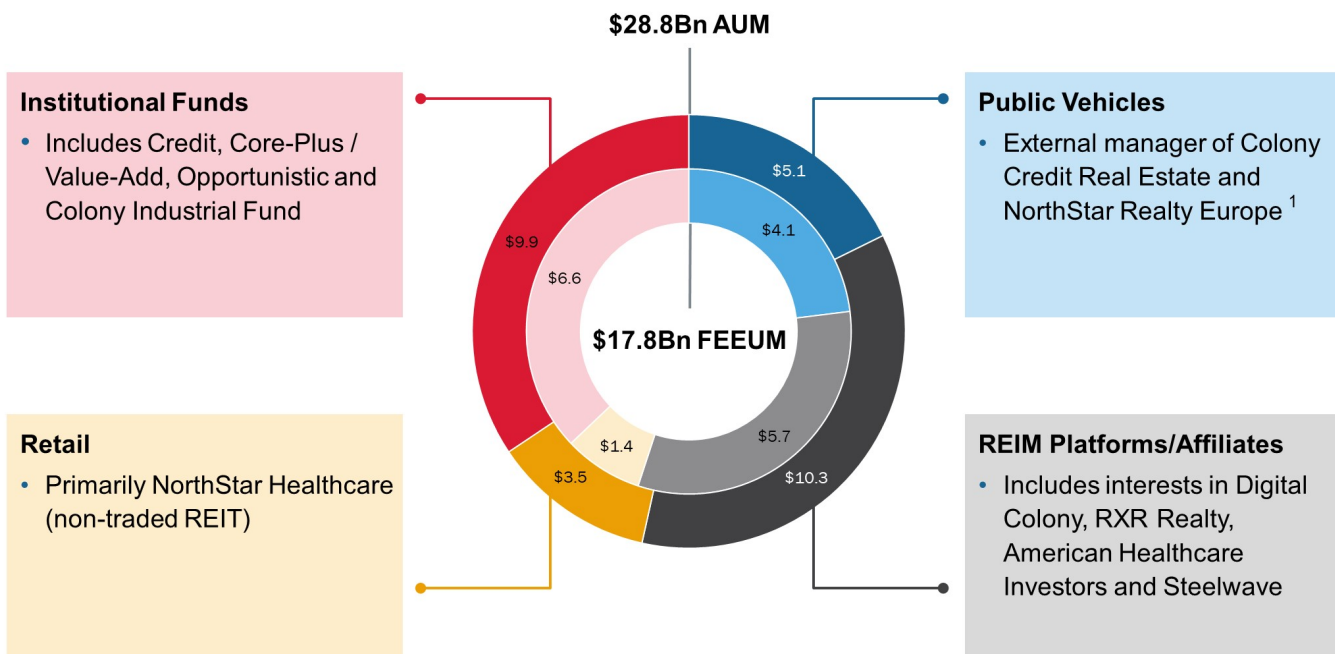
Notes:

(1) Based on total undepreciated carrying value of equity of \$2.0 billion as of March 31, 2019.

(2) Based on undepreciated carrying value of equity of non-strategic and strategic investments of \$1.1 billion and \$812 million, respectively, as of March 31, 2019.

# I. Corporate Overview – Investment Management

- Diversified sources of third party capital across multiple product offerings and asset classes within real estate



Notes:

(1) The Company entered into an agreement with NRE to terminate the management agreement. Upon termination, NRE will make a termination payment to the Company of \$70 million, less any incentive fee paid by NRE to the Company through termination.

# I. Corporate Overview – Investment Management (Cont'd)

- History of being a first mover on large scale real estate investment management opportunities

## SINGLE FAMILY RENTAL

**Colony**AmericanHomes

**Thesis:** *Generational single family home mispricing presented tremendous buy vs. rent dynamics with significant single family rental demand from a population unable to buy homes*

- Began buying homes in March 2012
- Acquired ~20,000 homes before merger with Starwood Waypoint Homes
- Raised \$1.7Bn of new LP capital raised in a closed end fund with final divestment in Q217

## INDUSTRIAL

**COLONY  
INDUSTRIAL**

**Thesis:** *Identified supply constrained light industrial asset class, which is the critical “last-mile” of logistics, as a beneficiary of accelerating e-commerce demand*

- Acquired \$1.6Bn Cobalt Capital Partners portfolio in Dec. 2014
- Utilized balance sheet to commit to initial acquisition
- Now have \$821MM of balance sheet capital alongside \$1.7Bn billion of third party capital
- High growth permanent capital vehicle in an open-end fund structure

## DIGITAL

**digitalcolony**

**Thesis:** *Capitalize on unabated growth in mobile & internet data traffic through investment in underserved and underpenetrated digital infrastructure asset class with best-in-class operator Digital Bridge*

- Aggregate fund commitments of \$4Bn as of March 31, 2019
- Attractive third-party capital ratio of over 12:1
- Completed four investments totaling more than \$1.2 billion of deal value to date

## Ila. Financial Overview - Summary Metrics

(\$ and shares in thousands, except per share data and as noted; as of or for the three months ended March 31, 2019, unless otherwise noted) (Unaudited)

### Financial Data

Net income (loss) attributable to common stockholders	\$	(102,113)
Net income (loss) attributable to common stockholders per basic share		(0.21)
Core FFO <sup>(1)</sup>		47,713
Core FFO per basic share		0.09
Q2 2019 dividend per share		0.11
Annualized Q2 2019 dividend per share		0.44

### Balance Sheet, Capitalization and Trading Statistics

Total consolidated assets	\$	23,221,033
CLNY OP share of consolidated assets		15,648,517
Total consolidated debt <sup>(2)</sup>		10,913,905
CLNY OP share of consolidated debt <sup>(2)</sup>		7,556,572
Shares and OP units outstanding as of March 31, 2019		516,864
Shares and OP units outstanding as of May 7, 2019		516,958
Share price as of May 7, 2019		5.14
Market value of common equity & OP units as of May 7, 2019		2,657,164
Liquidation preference of perpetual preferred equity		1,436,605
Insider ownership of shares and OP units		6.3%
Total Assets Under Management ("AUM")	\$	43.4 billion
Fee Earning Equity Under Management ("FEEUM")	\$	17.8 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) First quarter 2019 Core FFO included net investment losses of \$27.7 million.

(2) Represents principal balance and excludes debt issuance costs, discounts and premiums.

# IIb. Financial Overview - Summary of Segments

(\$ in thousands; as of or for the three months ended March 31, 2019, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
<b>Healthcare Real Estate</b>		
Q1 2019 net operating income <sup>(1)(2)</sup>	\$ 76,245	\$ 54,058
Annualized net operating income	304,980	216,232
Investment-level non-recourse financing <sup>(3)</sup>	3,243,943	2,311,226
<b>Industrial Real Estate</b>		
Q1 2019 net operating income <sup>(2)(4)</sup>	55,839	18,953
Annualized net operating income <sup>(4)</sup>	223,356	75,812
Investment-level non-recourse financing <sup>(3)</sup>	1,928,287	687,887
<b>Hospitality Real Estate</b>		
Q1 2019 NOI before FF&E Reserve <sup>(2)</sup>	60,580	57,128
TTM NOI before FF&E Reserve <sup>(5)</sup>	286,867	270,516
Investment-level non-recourse financing <sup>(3)</sup>	2,659,536	2,488,663

Notes:

- (1) NOI includes \$0.9 million consolidated or \$0.6 million CLNY OP share of interest earned related to \$50 million consolidated or \$35 million CLNY 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 March 31, 2019.
- (2) For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.
- (3) Represents unpaid principal balance.
- (4) During the first quarter 2019, this segment's NOI included partial quarter financial results related to the newly acquired portfolio of light and bulk industrial buildings for the period of February 27, 2019 to March 31, 2019.
- (5) TTM = trailing twelve month.

## Iib. Financial Overview - Summary of Segments (cont'd)

(\$ in thousands except as noted; as of or for the three months ended March 31, 2019, unless otherwise noted)

	Consolidated amount	CLNY OP share of consolidated amount
<b>CLNC</b>		
Net carrying value of 36% interest	\$ 1,027,345	\$ 1,027,345
<b>Other Equity and Debt<sup>(1)</sup></b>		
1) Strategic Investments		
a) GP co-investments - net carrying value	1,976,082	723,610
b) Net carrying value of 11% interest in NRE	88,058	88,058
2) Net lease real estate equity		
a) Q1 2019 net operating income	1,391	1,385
b) Investment-level non-recourse financing <sup>(2)</sup>	108,355	107,727
3) Other real estate equity		
a) Undepreciated carrying value of real estate assets <sup>(3)</sup>	2,051,249	1,044,037
b) Investment-level non-recourse financing <sup>(2)</sup>	1,272,315	666,608
c) Carrying value - equity method investments (including Albertsons)	407,623	328,236
4) Real estate debt		
a) Carrying value - consolidated <sup>(4)</sup>	354,666	251,562
b) Investment-level non-recourse financing <sup>(2)</sup>	—	—
c) Carrying value - equity method investments	23,057	15,537
d) Carrying value - real estate assets (REO within debt portfolio) and other <sup>(3)</sup>	38,624	23,355
5) CRE securities and real estate PE fund investments		
a) Carrying value		69,765
<b>Investment Management</b>		
Third-party AUM (\$ in millions)		28,825
FEEUM (\$ in millions)		17,751
Q1 2019 fee revenue and REIM platform equity method earnings		41,553
<b>Net Assets</b>		
Cash and cash equivalents, restricted cash and other assets <sup>(5)</sup>	1,363,033	1,001,961
Accrued and other liabilities and dividends payable <sup>(6)</sup>	968,799	775,918
Net assets	\$ 394,234	\$ 226,043

Notes:

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

(2) Represents unpaid principal balance.

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

(4) Excludes \$50 million consolidated or \$35 million CLNY OP share carrying value of healthcare real estate development loans.

(5) Other assets excludes \$11 million consolidated or \$7 million CLNY OP share of deferred financing costs and \$77 million consolidated or \$42 million CLNY OP share of restricted cash which is included in the undepreciated carrying value of the hotel portfolio in Other Real Estate Equity shown on page 38.

(6) Accrued and other liabilities exclude \$41 million consolidated and CLNY OP share of deferred tax liabilities and other liabilities which are not due in cash and \$111 million of derivative liability which is included in the debt of Other GP Co-investments shown on page 37.

# IIIa. Financial Results - Consolidated Balance Sheet

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

	As of March 31, 2019
<b>Assets</b>	
Cash and cash equivalents	\$ 321,199
Restricted cash	326,635
Real estate, net	14,536,041
Loans receivable, net	1,596,673
Equity and debt investments	2,769,616
Goodwill	1,534,561
Deferred leasing costs and intangible assets, net	546,903
Assets held for sale	786,467
Other assets	757,752
Due from affiliates	45,186
<b>Total assets</b>	<b>\$ 23,221,033</b>
<b>Liabilities</b>	
Debt, net	\$ 10,712,788
Accrued and other liabilities	1,037,166
Intangible liabilities, net	141,744
Liabilities related to assets held for sale	22,435
Dividends and distributions payable	83,996
<b>Total liabilities</b>	<b>11,998,129</b>
Commitments and contingencies	
<b>Redeemable noncontrolling interests</b>	<b>7,463</b>
<b>Equity</b>	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,436,605 liquidation preference; 250,000 shares authorized; 57,464 shares issued and outstanding	1,407,495
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 484,775 shares issued and outstanding	4,848
Class B, 1,000 shares authorized; 734 shares issued and outstanding	7
Additional paid-in capital	7,610,947
Distributions in excess of earnings	(2,176,730)
Accumulated other comprehensive income	22,138
Total stockholders' equity	6,868,705
Noncontrolling interests in investment entities	3,996,206
Noncontrolling interests in Operating Company	350,530
<b>Total equity</b>	<b>11,215,441</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$ 23,221,033</b>

## IIIb. Financial Results - Noncontrolling Interests' Share Balance Sheet

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

	As of March 31, 2019
<b>Assets</b>	
Cash and cash equivalents	\$ 109,802
Restricted cash	79,303
Real estate, net	5,258,107
Loans receivable, net	766,806
Equity and debt investments	521,594
Deferred leasing costs and intangible assets, net	181,709
Assets held for sale	444,749
Other assets	210,446
<b>Total assets</b>	<b>\$ 7,572,516</b>
<b>Liabilities</b>	
Debt, net	\$ 3,313,367
Accrued and other liabilities	192,882
Intangible liabilities, net	47,874
Liabilities related to assets held for sale	14,724
<b>Total liabilities</b>	<b>3,568,847</b>
Commitments and contingencies	
<b>Redeemable noncontrolling interests</b>	<b>7,463</b>
<b>Equity</b>	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,436,605 liquidation preference; 250,000 shares authorized; 57,464 shares issued and outstanding	—
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 484,775 shares issued and outstanding	—
Class B, 1,000 shares authorized; 734 shares issued and outstanding	—
Additional paid-in capital	—
Distributions in excess of earnings	—
Accumulated other comprehensive income	—
Total stockholders' equity	—
Noncontrolling interests in investment entities	3,996,206
Noncontrolling interests in Operating Company	—
Total equity	3,996,206
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$ 7,572,516</b>



# IIIc. Financial Results - Consolidated Segment Operating Results

Three Months Ended March 31, 2019

(\$ in thousands) (unaudited)	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
<b>Revenues</b>								
Property operating income	\$ 144,690	\$ 81,232	\$ 196,555	\$ —	\$ 117,653	\$ —	\$ —	\$ 540,130
Interest income	931	180	5	—	43,662	701	771	46,250
Fee income	—	—	—	—	—	33,500	—	33,500
Other income	153	960	55	—	1,373	8,276	2,206	13,023
<b>Total revenues</b>	<b>145,774</b>	<b>82,372</b>	<b>196,615</b>	<b>—</b>	<b>162,688</b>	<b>42,477</b>	<b>2,977</b>	<b>632,903</b>
<b>Expenses</b>								
Property operating expense	64,302	22,337	136,345	—	70,095	—	—	293,079
Interest expense	47,527	14,627	42,065	—	31,853	—	13,444	149,516
Investment and servicing expense	3,108	530	1,584	—	6,496	3,956	3,305	18,979
Transaction costs	—	—	—	—	773	1,731	—	2,504
Placement fees	—	—	—	—	—	309	—	309
Depreciation and amortization	40,131	39,445	36,248	—	24,783	8,669	1,521	150,797
Provision for loan loss	—	—	—	—	3,611	—	—	3,611
Impairment loss	—	—	3,850	—	21,772	—	—	25,622
<b>Compensation expense</b>								
Cash and equity-based compensation	1,387	2,659	1,237	—	1,336	11,550	16,007	34,176
Carried interest and incentive compensation	—	—	—	—	—	1,051	—	1,051
Administrative expenses	266	1,629	667	—	2,301	867	18,284	24,014
<b>Total expenses</b>	<b>156,721</b>	<b>81,227</b>	<b>221,996</b>	<b>—</b>	<b>163,020</b>	<b>28,133</b>	<b>52,561</b>	<b>703,658</b>
<b>Other income (loss)</b>								
Gain on sale of real estate assets	—	22,848	139	—	29,314	—	—	52,301
Other gain (loss), net	1,867	(8)	1	—	8,047	55	(59,039)	(49,077)
Equity method earnings	—	—	—	5,513	24,608	3,944	—	34,065
Equity method earnings—carried interest	—	—	—	—	—	4,422	—	4,422
<b>Income (loss) before income taxes</b>	<b>(9,080)</b>	<b>23,985</b>	<b>(25,241)</b>	<b>5,513</b>	<b>61,637</b>	<b>22,765</b>	<b>(108,623)</b>	<b>(29,044)</b>
Income tax benefit (expense)	1,874	169	(836)	—	(2,074)	12	(256)	(1,111)
<b>Net income (loss)</b>	<b>(7,206)</b>	<b>24,154</b>	<b>(26,077)</b>	<b>5,513</b>	<b>59,563</b>	<b>22,777</b>	<b>(108,879)</b>	<b>(30,155)</b>
Net income (loss) attributable to noncontrolling interests:								
Redeemable noncontrolling interests	—	—	—	—	1,444	—	—	1,444
Investment entities	739	17,310	(1,608)	—	32,648	899	—	49,988
Operating Company	(483)	416	(1,488)	335	1,549	1,330	(8,270)	(6,611)
<b>Net income (loss) attributable to Colony Capital, Inc.</b>	<b>(7,462)</b>	<b>6,428</b>	<b>(22,981)</b>	<b>5,178</b>	<b>23,922</b>	<b>20,548</b>	<b>(100,609)</b>	<b>(74,976)</b>
Preferred stock dividends	—	—	—	—	—	—	27,137	27,137
<b>Net income (loss) attributable to common stockholders</b>	<b>\$ (7,462)</b>	<b>\$ 6,428</b>	<b>\$ (22,981)</b>	<b>\$ 5,178</b>	<b>\$ 23,922</b>	<b>\$ 20,548</b>	<b>\$ (127,746)</b>	<b>\$ (102,113)</b>

# III. Financial Results - Noncontrolling Interests' Share Segment Operating Results

Three Months Ended March 31, 2019

(\$ in thousands) (unaudited)	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
<b>Revenues</b>								
Property operating income	\$ 40,899	\$ 52,884	\$ 11,725	\$ —	\$ 58,395	\$ —	\$ —	\$ 163,903
Interest income	283	116	—	—	27,640	—	—	28,039
Fee income	—	—	—	—	—	—	—	—
Other income	46	—	6	—	382	—	—	434
<b>Total revenues</b>	<b>41,228</b>	<b>53,000</b>	<b>11,731</b>	<b>—</b>	<b>86,417</b>	<b>—</b>	<b>—</b>	<b>192,376</b>
<b>Expenses</b>								
Property operating expense	17,767	15,001	8,260	—	33,590	—	—	74,618
Interest expense	13,642	9,292	2,628	—	13,029	—	—	38,591
Investment and servicing expense	833	330	115	—	2,227	—	—	3,505
Transaction costs	—	—	—	—	619	—	—	619
Placement fees	—	—	—	—	—	—	—	—
Depreciation and amortization	11,565	25,278	2,306	—	13,313	—	—	52,462
Provision for loan loss	—	—	—	—	1,766	—	—	1,766
Impairment loss	—	—	—	—	14,151	—	—	14,151
Compensation expense								
Cash and equity-based compensation	36	65	—	—	111	—	—	212
Carried interest and incentive compensation	—	—	—	—	—	—	—	—
Administrative expenses	77	614	30	—	1,096	2	—	1,819
<b>Total expenses</b>	<b>43,920</b>	<b>50,580</b>	<b>13,339</b>	<b>—</b>	<b>79,902</b>	<b>2</b>	<b>—</b>	<b>187,743</b>
<b>Other income (loss)</b>								
Gain on sale of real estate assets	—	14,785	—	—	16,121	—	—	30,906
Other gain (loss), net	567	(5)	—	—	1,143	—	—	1,705
Equity method earnings (losses)	—	—	—	—	11,425	(5)	—	11,420
Equity method earnings—carried interest	—	—	—	—	—	1,217	—	1,217
<b>Income (loss) before income taxes</b>	<b>(2,125)</b>	<b>17,200</b>	<b>(1,608)</b>	<b>—</b>	<b>35,204</b>	<b>1,210</b>	<b>—</b>	<b>49,881</b>
Income tax benefit (expense)	470	110	—	—	(1,112)	—	—	(532)
<b>Net income (loss)</b>	<b>(1,655)</b>	<b>17,310</b>	<b>(1,608)</b>	<b>—</b>	<b>34,092</b>	<b>1,210</b>	<b>—</b>	<b>49,349</b>
Non-pro rata allocation of income (loss) to NCI	2,394	—	—	—	—	(311)	—	2,083
<b>Net income (loss) attributable to noncontrolling interests</b>	<b>\$ 739</b>	<b>\$ 17,310</b>	<b>\$ (1,608)</b>	<b>\$ —</b>	<b>\$ 34,092</b>	<b>\$ 899</b>	<b>\$ —</b>	<b>\$ 51,432</b>

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

Three Months Ended March 31, 2019										
(\$ in thousands) (Unaudited)	OP pro rata share by segment							Total OP pro rata share	Amounts attributable to noncontrolling interests	CLNY consolidated as reported
	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments			
Net income (loss) attributable to common stockholders	\$ (7,462)	\$ 6,428	\$ (22,981)	\$ 5,178	\$ 23,922	\$ 20,548	\$ (127,746)	\$ (102,113)	\$ —	\$ (102,113)
Net income (loss) attributable to noncontrolling common interests in Operating Company	(483)	416	(1,488)	335	1,549	1,330	(8,270)	(6,611)	—	(6,611)
<b>Net income (loss) attributable to common interests in Operating Company and common stockholders</b>	<b>(7,945)</b>	<b>6,844</b>	<b>(24,469)</b>	<b>5,513</b>	<b>25,471</b>	<b>21,878</b>	<b>(136,016)</b>	<b>(108,724)</b>	<b>—</b>	<b>(108,724)</b>
<b>Adjustments for FFO:</b>										
Real estate depreciation and amortization	29,833	14,118	33,942	10,262	12,548	1,889	—	102,592	51,810	154,402
Impairment of real estate	—	—	3,850	—	7,621	—	—	11,471	14,151	25,622
Gain from sales of real estate	—	(8,063)	(139)	—	(16,345)	—	—	(24,547)	(30,687)	(55,234)
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	—	(35,274)	(35,274)
<b>FFO</b>	<b>\$ 21,888</b>	<b>\$ 12,899</b>	<b>\$ 13,184</b>	<b>\$ 15,775</b>	<b>\$ 29,295</b>	<b>\$ 23,767</b>	<b>\$ (136,016)</b>	<b>\$ (19,208)</b>	<b>\$ —</b>	<b>\$ (19,208)</b>
<b>Additional adjustments for Core FFO:</b>										
(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 <sup>(1)</sup>	—	—	—	—	(8,004)	—	—	(8,004)	(3,131)	(11,135)
(Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	—	—	—	—	—	2,542	—	2,542	—	2,542
CLNC Core Earnings & NRE Cash Available for Distribution adjustments <sup>(2)</sup>	—	—	—	(12,098)	(1,890)	—	—	(13,988)	—	(13,988)
Equity-based compensation expense	361	749	355	671	444	1,944	2,829	7,353	—	7,353
Straight-line rent revenue and expense	(1,682)	(820)	280	—	(509)	45	(43)	(2,729)	(2,766)	(5,495)
Amortization of acquired above- and below-market lease values	(1,929)	(339)	(3)	(171)	(62)	—	—	(2,504)	(1,362)	(3,866)
Amortization of deferred financing costs and debt premiums and discounts	4,104	343	3,988	52	3,390	76	1,628	13,581	4,731	18,312
Unrealized fair value gains or losses on interest rate and foreign currency hedges, and foreign currency remeasurements	(1,314)	3	—	—	202	—	59,269	58,160	(17)	58,143
Acquisition and merger-related transaction costs	—	—	—	71	474	1,731	—	2,276	619	2,895
Merger integration and restructuring costs <sup>(3)</sup>	—	—	—	—	—	—	769	769	—	769
Amortization and impairment of investment management intangibles	—	—	—	—	—	8,662	—	8,662	—	8,662
Non-real estate depreciation and amortization	—	49	—	—	—	7	1,521	1,577	—	1,577
Amortization of gain on remeasurement of consolidated investment entities	—	—	—	—	1,889	—	—	1,889	1,890	3,779
Deferred tax (benefit) expense, net	—	—	—	—	—	(2,483)	(180)	(2,663)	—	(2,663)
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	—	36	36
<b>Core FFO</b>	<b>\$ 21,428</b>	<b>\$ 12,884</b>	<b>\$ 17,804</b>	<b>\$ 4,300</b>	<b>\$ 25,229</b>	<b>\$ 36,291</b>	<b>\$ (70,223)</b>	<b>\$ 47,713</b>	<b>\$ —</b>	<b>\$ 47,713</b>

Notes:

- (1) Net of \$43.4 million consolidated or \$24.3 million CLNY OP share 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) Represents adjustments to align the Company's Core FFO with CLNC's definition of Core Earnings and NRE's definition of Cash Available for Distribution ("CAD") to reflect the Company's percentage interest in the respective company's earnings. These adjustments include provisions for loan losses, realized gains and losses plus other differences that are included/excluded in CLNC's core earnings and NRE's CAD.
- (3) Merger integration and restructuring costs represent costs and charges incurred during the integration of Colony, NSAM and NRF and from the corporate restructuring and reorganization plan. These integration and restructuring 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 and restructuring and reorganization plan. The majority of these costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.

# IVa. Capitalization - Overview

(\$ in thousands; except per share data; as of March 31, 2019, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
<b>Debt (UPB)</b>		
\$750,000 Revolving credit facility	\$ —	\$ —
Convertible/exchangeable senior notes	616,105	616,105
Corporate aircraft promissory note	36,660	36,660
Trust Preferred Securities ("TruPS")	280,117	280,117
<b>Investment-level debt:</b>		
Healthcare	3,243,943	2,311,226
Industrial	1,928,287	687,887
Hospitality	2,659,536	2,488,663
Other Equity and Debt	2,149,257	1,135,914
Total investment-level debt	<u>9,981,023</u>	<u>6,623,690</u>
<b>Total debt</b>	<b>\$ 10,913,905</b>	<b>\$ 7,556,572</b>

## **Perpetual preferred equity, redemption value**

<b>Total perpetual preferred equity</b>	<b>\$ 1,436,605</b>
---	---------------------

## **Common equity as of May 7, 2019**

	<u>Price per share</u>	<u>Shares / Units</u>	
Class A and B common stock	\$ 5.14	485,787	\$ 2,496,945
OP units	5.14	31,171	160,219
<b>Total market value of common equity</b>			<b>\$ 2,657,164</b>
<b>Total market capitalization</b>			<b>\$ 11,650,341</b>

# IVb. Capitalization - Investment-Level Debt Overview

(\$ in thousands; as of or for the three months ended March 31, 2019, unless otherwise noted)

## Non-recourse investment-level debt overview

	Fixed / Floating	Consolidated		CLNY OP share of consolidated amount	
		Unpaid principal balance	Unpaid principal balance	Wtd. avg. years remaining to maturity	Wtd. avg. interest rate <sup>(1)</sup>
Healthcare	Fixed	\$ 2,130,999	\$ 1,486,341	1.7	4.6%
Healthcare	Floating	1,112,944	824,885	3.1	6.5%
Light Industrial <sup>(2)</sup>	Fixed	1,371,514	460,094	9.2	3.8%
Light Industrial <sup>(2)</sup>	Floating	321,773	107,943	4.5	3.9%
Bulk Industrial	Floating	235,000	119,850	4.9	4.5%
Hospitality	Fixed	12,559	12,245	2.4	13.0%
Hospitality	Floating	2,646,977	2,476,418	3.8	5.6%
<b>Other Equity and Debt</b>					
Net lease real estate equity	Fixed	108,355	107,727	3.7	5.0%
Other real estate equity	Fixed	72,154	21,347	3.5	3.2%
Other real estate equity	Floating	1,200,161	645,261	3.2	5.1%
GP Co-investments	Floating	767,712	361,405	2.8	4.2%
GP Co-investments	Fixed	875	174	4.3	2.4%
<b>Total investment-level debt</b>		<b>\$ 9,981,023</b>	<b>\$ 6,623,690</b>	<b>3.5</b>	<b>5.2%</b>

### Fixed / Floating Summary

Fixed	\$ 3,696,456	\$ 2,087,928
Floating	6,284,567	4,535,762
<b>Total investment-level debt</b>	<b>\$ 9,981,023</b>	<b>\$ 6,623,690</b>

Notes:

(1) Based on 1-month LIBOR of 2.50% and 3-month LIBOR of 2.60% for floating rate debt.

(2) \$300 million consolidated or \$101 million CLNY OP share of Light Industrial floating rate (LIBOR plus 135bps) term debt is categorized as fixed rate debt to reflect interest rate swaps resulting in an effective fixed rate of 3.50%.

## IVc. Capitalization - Revolving Credit Facility Overview

(\$ in thousands, except as noted; as of March 31, 2019)

### Revolving credit facility

Maximum principal amount	\$	750,000
Amount outstanding		—
Initial maturity		January 11, 2021
Fully-extended maturity		January 10, 2022
Interest rate		LIBOR + 2.25%

Financial covenants as defined in the Credit Agreement:

	<b>Covenant level</b>
Consolidated Tangible Net Worth	Minimum \$4,550 million
Consolidated Fixed Charge Coverage Ratio <sup>(1)</sup>	Minimum 1.30 to 1.00
Interest Coverage Ratio <sup>(2)</sup>	Minimum 3.00 to 1.00
Consolidated Leverage Ratio	Maximum 0.65 to 1.00

Company status: As of March 31, 2019, CLNY is meeting all required covenant threshold levels

Notes:

(1) In the event the Fixed Charge Coverage Ratio is between 1.50 and 1.30 to 1.00, the borrowing base formula will be discounted by 10%.

(2) Interest Coverage Ratio represents the ratio of the sum of (1) earnings from borrowing base assets and (2) certain investment management earnings divided by the greater of (a) actual interest expense on the revolving credit facility and (b) the average balance of the facility multiplied by 7.0% for the applicable quarter.

# Ivd. Capitalization - Corporate Securities Overview

(\$ in thousands, except per share data; as of March 31, 2019, 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)
<b>Total convertible debt</b>	<b>\$ 616,105</b>						

## 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%
<b>Total TruPS</b>	<b>\$ 280,117</b>		

## Perpetual preferred stock

Description	Liquidation preference	Shares outstanding (In thousands)	Callable period
Series B 8.25% cumulative redeemable perpetual preferred stock	\$ 152,855	6,114	Callable
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
<b>Total preferred stock</b>	<b>\$ 1,436,605</b>	<b>57,464</b>	

Notes:

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

# Ive. Capitalization - Debt Maturity and Amortization Schedules

(\$ in thousands; as of March 31, 2019)

Consolidated debt	Fixed / Floating	Payments due by period <sup>(1)</sup>					Total
		2019	2020	2021	2022	2023 and after	
\$750,000 Revolving credit facility	Floating	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Convertible/exchangeable senior notes	Fixed	—	—	402,500	—	213,605	616,105
Corporate aircraft promissory note	Fixed	1,603	2,243	2,359	2,480	27,975	36,660
TruPS	Floating	—	—	—	—	280,117	280,117
<i>Investment-level debt:</i>							
Healthcare	Fixed	1,725,019	6,809	8,083	9,068	382,020	2,130,999
Healthcare	Floating	373,270	52,612	399,606	150,757	136,699	1,112,944
Light Industrial <sup>(2)</sup>	Fixed	632	875	2,689	6,736	1,360,582	1,371,514
Light Industrial <sup>(2)</sup>	Floating	—	—	—	1	321,772	321,773
Bulk Industrial	Floating	—	—	—	—	235,000	235,000
Hospitality	Fixed	—	—	12,559	—	—	12,559
Hospitality	Floating	—	132,250	207,927	1,630,000	676,800	2,646,977
Other Equity and Debt	Fixed	38,652	14,519	25,949	19,595	82,668	181,383
Other Equity and Debt	Floating	224,560	73,268	271,792	1,036,493	361,761	1,967,874
<b>Total consolidated debt</b>		<b>\$ 2,363,736</b>	<b>\$ 282,576</b>	<b>\$ 1,333,464</b>	<b>\$ 2,855,130</b>	<b>\$ 4,078,999</b>	<b>\$ 10,913,905</b>
<i>Pro rata debt</i>							
	Fixed / Floating	2019	2020	2021	2022	2023 and after	Total
\$750,000 Revolving credit facility	Floating	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Convertible/exchangeable senior notes	Fixed	—	—	402,500	—	213,605	616,105
Corporate aircraft promissory note	Fixed	1,603	2,243	2,359	2,480	27,975	36,660
TruPS	Floating	—	—	—	—	280,117	280,117
<i>Investment-level debt:</i>							
Healthcare	Fixed	1,201,303	4,781	5,675	6,366	268,216	1,486,341
Healthcare	Floating	264,354	42,577	316,919	105,837	95,198	824,885
Light Industrial <sup>(2)</sup>	Fixed	212	293	902	2,260	456,427	460,094
Light Industrial <sup>(2)</sup>	Floating	—	—	—	—	107,943	107,943
Bulk Industrial	Floating	—	—	—	—	119,850	119,850
Hospitality	Fixed	—	—	12,245	—	—	12,245
Hospitality	Floating	—	132,250	202,729	1,464,639	676,800	2,476,418
Other Equity and Debt	Fixed	29,431	5,254	9,122	6,746	78,695	129,248
Other Equity and Debt	Floating	81,910	28,215	245,475	528,496	122,570	1,006,666
<b>Total pro rata debt</b>		<b>\$ 1,578,813</b>	<b>\$ 215,613</b>	<b>\$ 1,197,926</b>	<b>\$ 2,116,824</b>	<b>\$ 2,447,396</b>	<b>\$ 7,556,572</b>

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) \$300 million consolidated or \$101 million CLNY OP share of Light Industrial floating rate (LIBOR plus 135bps) term debt is categorized as fixed rate debt to reflect interest rate swaps resulting in an effective fixed rate of 3.50%.



# Va. Healthcare Real Estate - Summary Metrics and Operating Results

(\$ in thousands; as of or for the three months ended March 31, 2019, unless otherwise noted)

<b>Net operating income</b>	<b>Consolidated amount</b>	<b>CLNY OP share of consolidated amount<sup>(1)</sup></b>
<b>Net operating income:</b>		
Senior Housing - Operating	\$ 17,335	\$ 12,291
Medical Office Buildings	12,424	8,809
<b>Triple-Net Lease:</b>		
Senior Housing <sup>(2)</sup>	15,379	10,904
Skilled Nursing Facilities	25,744	18,252
Hospitals	5,363	3,802
<b>Total net operating income</b>	<b>\$ 76,245</b>	<b>\$ 54,058</b>

<b>Portfolio overview</b>	<b>Total number of buildings</b>	<b>Capacity</b>	<b>% Occupied<sup>(3)</sup></b>	<b>TTM Lease Coverage<sup>(4)</sup></b>	<b>WA Remaining Lease Term</b>
Senior Housing - Operating	108	6,388 units	86.7%	N/A	N/A
Medical Office Buildings	108	3.8 million sq. ft.	82.4%	N/A	4.5
<b>Triple-Net Lease:</b>					
Senior Housing	84	4,231 units	82.1%	1.3x	11.4
Skilled Nursing Facilities	99	11,829 beds	82.4%	1.2x	5.7
Hospitals	14	872 beds	58.5%	2.3x	9.7
<b>Total</b>	<b>413</b>				

## Same store financial/operating results related to the segment

	<b>% Occupied<sup>(3)</sup></b>		<b>TTM Lease Coverage<sup>(4)</sup></b>		<b>NOI</b>		
	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>12/31/2018</b>	<b>9/30/2018</b>	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>% Change</b>
Senior Housing - Operating	86.7%	86.8%	N/A	N/A	\$ 17,335	\$ 15,698	10.4 %
Medical Office Buildings	82.4%	82.3%	N/A	N/A	12,424	12,618	(1.5)%
<b>Triple-Net Lease:</b>							
Senior Housing	82.1%	82.1%	1.3x	1.4x	15,379	15,311	0.4 %
Skilled Nursing Facilities	82.4%	82.4%	1.2x	1.2x	25,744	25,837	(0.4)%
Hospitals	58.5%	58.1%	2.3x	3.4x <sup>(5)</sup>	5,363	4,786	12.1 %
<b>Total</b>					<b>\$ 76,245</b>	<b>\$ 74,250</b>	<b>2.7 %</b>

### Notes:

(1) CLNY OP Share represents Consolidated NOI multiplied by CLNY OP's interest of 71% as of March 31, 2019.

(2) NOI includes \$0.9 million consolidated or \$0.6 million CLNY OP share of interest earned related to \$50 million consolidated or \$35 million CLNY 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 March 31, 2019. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.

(3) 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.

(4) Represents the ratio of the tenant's/operator's EBITDAR to cash rent payable to the Company's Healthcare Real Estate segment on a trailing twelve month basis. Refer to Important Notes Regarding Non-GAAP Financial Measures and Definitions pages in this presentation for additional information regarding the use of tenant/operator EBITDAR.

(5) September 30, 2018 TTM Lease Coverage included an extraordinary Hospital Quality Assurance Fee received by one of our hospital operators during the fourth quarter of 2017.

# Vb. Healthcare Real Estate - Portfolio Overview

(As of or for the three months ended March 31, 2019, unless otherwise noted)

## Triple-Net Lease Coverage<sup>(1)</sup>

December 31, 2018 TTM Lease Coverage	# of Leases	% of Triple-Net Lease TTM NOI as of December 31, 2018				WA Remaining Lease Term
		Senior Housing	Skilled Nursing Facilities & Hospitals	% Triple-Net Lease NOI		
Less than 0.99x	7	6%	18%	24%	5 yrs	
1.00x - 1.09x	1	—%	10%	10%	8 yrs	
1.10x - 1.19x	1	4%	—%	4%	9 yrs	
1.20x - 1.29x	1	—%	11%	11%	9 yrs	
1.30x - 1.39x	3	20%	9%	29%	12 yrs	
1.40x - 1.49x	—	—%	—%	—%	—	
1.50x and greater	4	2%	20%	22%	5 yrs	
<b>Total / W.A.</b>	<b>17</b>	<b>32%</b>	<b>68%</b>	<b>100%</b>	<b>8 yrs</b>	

## Revenue Mix<sup>(2)</sup>

	December 31, 2018 TTM		
	Private Pay	Medicare	Medicaid
Senior Housing - Operating	86%	4%	10%
Medical Office Buildings	100%	—%	—%
<i>Triple-Net Lease:</i>			
Senior Housing	66%	—%	34%
Skilled Nursing Facilities	25%	20%	55%
Hospitals	14%	42%	44%
<b>W.A.</b>	<b>59%</b>	<b>10%</b>	<b>31%</b>

Notes:

(1) Represents the ratio of the tenant's/operator's EBITDAR to cash rent payable to the Company's Healthcare Real Estate segment on a trailing twelve month basis. Refer to Important Notes Regarding Non-GAAP Financial Measures and Definitions pages in this presentation for additional information regarding the use of tenant/operator EBITDAR. 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.

(2) 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.

## Vb. Healthcare Real Estate - Portfolio Overview (cont'd)

(\$ in thousands; as of or for the three months ended March 31, 2019, unless otherwise noted)

### Top 10 Geographic Locations by NOI

	Number of buildings	NOI
United Kingdom	45	\$ 10,021
Indiana	55	6,966
Illinois	35	6,932
Florida	27	6,613
Pennsylvania	11	4,924
Texas	31	4,749
Georgia	22	4,530
Ohio	35	4,350
Oregon	31	4,245
California	14	4,078
<b>Total</b>	<b>306</b>	<b>\$ 57,408</b>

### 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	81	\$ 14,266	87.6%	N/A	N/A
Caring Homes (U.K.) <sup>(1)</sup>	Sr. Housing / NNN	45	10,021	87.3%	1.4x	15 yrs
Sentosa	SNF / NNN	11	4,924	85.0%	1.2x	9 yrs
Wellington Healthcare	SNF / NNN	11	4,030	90.0%	1.1x	8 yrs
Millers	SNF / NNN	28	3,925	70.9%	2.1x	N/A
Frontier	Sr. Housing / RIDEA / NNN	20	3,459	83.1%	N/A	N/A
Opis	SNF / NNN	11	2,857	91.1%	1.4x	5 yrs
Grace	SNF / NNN	9	2,653	81.0%	0.9x	2 yrs
Consulate	SNF / NNN	10	2,435	86.0%	0.9x	9 yrs
Avanti Hospital Systems	Hospital	5	2,361	53.0%	3.2x	9 yrs
<b>Total</b>		<b>231</b>	<b>\$ 50,931</b>			

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

# Vla. Industrial Real Estate - Summary Metrics and Operating Results

(\$ in thousands; as of or for the three months ended March 31, 2019, unless otherwise noted)

	Consolidated amount <sup>(1)</sup>	CLNY OP share of consolidated amount <sup>(1)</sup>
<b>Net operating income</b>		
Light Industrial <sup>(2)</sup>	\$ 54,579	\$ 18,310
Bulk Industrial <sup>(2)</sup>	1,260	643
Total Industrial <sup>(2)</sup>	\$ 55,839	\$ 18,953

	Light	Bulk	Total
<b>Portfolio overview</b>			
Total number of buildings	413	6	419
Rentable square feet (thousands)	53,881	4,183	58,064
% leased at end of period	91.8%	67.4%	
Average remaining lease term	3.8	12.0	

	Q1 2019	Q4 2018	% Change
<b>Light industrial same store financial/operating results</b>			
Same store number of buildings	314	314	—
% leased at end of period	94.9%	95.6%	(0.7)%
NOI	\$ 41,836	\$ 41,593	0.6 %

	Acquisition / Disposition date	Number of buildings	Rentable square feet (thousands)	% leased	Purchase price / Sales price
<b>Recent acquisitions &amp; dispositions</b>					
<b>Q1 2019 acquisitions:</b>					
Las Vegas industrial portfolio	1/24/2019	2	424	92.5%	\$ 38,000
New Jersey industrial property	1/31/2019	1	271	100.0%	62,000
National light industrial portfolio	2/27/2019	44	6,916	77.6%	682,950
National bulk industrial portfolio	2/27/2019	6	4,183	67.4%	371,600
Land for development	Various	N/A	N/A	N/A	5,609
<b>Total / W.A.</b>		<b>53</b>	<b>11,794</b>	<b>75.0%</b>	<b>\$ 1,160,159</b>

<b>Q1 2019 dispositions:</b>					
National light industrial portfolio	2/20/2019	34	2,256	N/A	\$ 135,667
<b>Total / W.A.</b>		<b>34</b>	<b>2,256</b>	<b>N/A</b>	<b>\$ 135,667</b>

<b>Q2 2019 acquisitions:</b>					
Land for development	Various	N/A	N/A	N/A	\$ 15,150
<b>Total / W.A.</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 15,150</b>

Notes:

(1) CLNY OP Share represents Consolidated NOI multiplied by CLNY OP's light industrial portfolio interest of 34% and bulk industrial portfolio interest of 51% as of March 31, 2019. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.

(2) During the first quarter 2019, this segment's NOI included partial quarter financial results related to the newly acquired portfolio of light and bulk industrial buildings for the period of February 27, 2019 to March 31, 2019.

# Vlb. Industrial Real Estate - Portfolio Overview

(\$ in thousands; as of or for the three months ended March 31, 2019, unless otherwise noted)

<b>Top 10 Geographic Locations by NOI - Light Industrial Portfolio</b>	<b>Number of buildings</b>	<b>Rentable square feet (thousands)</b>	<b>NOI</b>	<b>% leased at end of period</b>
Atlanta	53	6,859	\$ 7,573	98.9%
Dallas	63	6,982	7,195	95.7%
Orlando	17	2,851	3,720	98.8%
Chicago	37	5,128	3,583	85.3%
New Jersey, South / Philadelphia	26	3,236	3,441	90.6%
Minneapolis	18	2,814	3,421	96.8%
Phoenix	27	3,100	3,405	97.0%
Baltimore	23	2,956	3,193	93.7%
Jacksonville	11	2,011	2,188	99.9%
Houston	18	1,604	1,990	83.6%
<b>Total / W.A.</b>	<b>293</b>	<b>37,541</b>	<b>\$ 39,709</b>	<b>94.4%</b>

## Top 10 Tenant Base by Industry - Light Industrial Portfolio

<b>Industry</b>	<b>Total leased square feet (thousands)</b>	<b>% of total</b>
Warehousing & Transportation	21,274	43.0%
Manufacturing	8,970	18.2%
Professional, Scientific & Technical Services	4,521	9.1%
Wholesale Trade	4,296	8.7%
Health & Science	3,300	6.7%
Media & Information	2,562	5.2%
Construction & Contractors	2,123	4.3%
Retail Trade	1,623	3.3%
Entertainment & Recreation	679	1.4%
Public Administration & Government	67	0.1%
<b>Total</b>	<b>49,415</b>	<b>100.0%</b>

# VIIa. Hospitality Real Estate - Summary Metrics and Operating Results

(\$ in thousands; as of or for the three months ended March 31, 2019, unless otherwise noted)

<b>NOI before FF&amp;E Reserve</b>	<b>Consolidated amount</b>	<b>CLNY OP share of consolidated amount<sup>(1)</sup></b>
NOI before FF&E Reserve:		
Select Service	\$ 34,181	\$ 32,233
Extended Stay	22,847	21,545
Full Service	3,552	3,350
<b>Total NOI before FF&amp;E Reserve<sup>(2)</sup></b>	<b>\$ 60,580</b>	<b>\$ 57,128</b>

## Portfolio overview by type

	Number of hotels	Number of rooms	Avg. qtr. % occupancy	Avg. daily rate (ADR)	RevPAR	Q1 2019 NOI before FF&E Reserve	NOI before FF&E Reserve margin
Select service	97	13,194	67.1%	\$ 126	\$ 84	\$ 34,181	30.8%
Extended stay	66	7,936	74.1%	130	96	22,847	32.3%
Full service	4	966	70.0%	171	120	3,552	24.5%
<b>Total / W.A.</b>	<b>167</b>	<b>22,096</b>	<b>69.7%</b>	<b>\$ 129</b>	<b>\$ 90</b>	<b>\$ 60,580</b>	<b>30.8%</b>

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

Brand	Avg. qtr. % occupancy		Avg. daily rate (ADR)		RevPAR		NOI before FF&E Reserve		
	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018	% Change
Marriott	68.2%	69.2%	\$ 130	\$ 129	\$ 89	\$ 89	\$ 47,172	\$ 46,883	0.6 %
Hilton	73.3%	73.8%	126	124	93	91	9,857	8,746	12.7 %
Other	80.4%	78.2%	127	127	102	99	3,551	3,563	(0.3)%
<b>Total / W.A.</b>	<b>69.7%</b>	<b>70.4%</b>	<b>\$ 129</b>	<b>\$ 128</b>	<b>\$ 90</b>	<b>\$ 90</b>	<b>\$ 60,580</b>	<b>\$ 59,192</b>	<b>2.4 %</b>

Notes:

(1) CLNY OP Share represents Consolidated NOI before FF&E Reserve multiplied by CLNY OP's interest of 94% as of March 31, 2019.

(2) Q1 2019 FF&E reserve was \$8.7 million consolidated or \$8.2 million CLNY OP share. For a reconciliation of net income/(loss) attributable to common stockholders to NOI please refer to the appendix to this presentation.

## VIIb. Hospitality Real Estate - Portfolio Overview

(\$ in thousands; as of March 31, 2019, unless otherwise noted)

<b>Top 10 Geographic Locations by NOI before FF&amp;E Reserve</b>	<b>Number of hotels</b>	<b>Number of rooms</b>	<b>Number of rooms-select service</b>	<b>Number of rooms-extended stay</b>	<b>Number of rooms-full service</b>	<b>NOI before FF&amp;E Reserve</b>
Florida	12	2,065	1,187	291	587	\$ 13,013
California	18	2,254	1,243	1,011	—	10,990
Texas	28	3,230	1,952	1,278	—	7,466
North Carolina	7	981	831	150	—	3,138
Georgia	7	974	694	280	—	3,118
New Jersey	12	1,884	718	942	224	2,493
Washington	5	664	160	504	—	2,484
Virginia	11	1,473	1,210	263	—	2,441
Arizona	3	418	298	120	—	2,216
Michigan	6	809	601	208	—	1,894
<b>Total / W.A.</b>	<b>109</b>	<b>14,752</b>	<b>8,894</b>	<b>5,047</b>	<b>811</b>	<b>\$ 49,253</b>

## VIIIa. CLNC

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(\$ in thousands, except as noted and per share data; as of March 31, 2019, unless otherwise noted)

**Colony Credit Real Estate, Inc. (NYSE: CLNC)**

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
CLNY OP interest in CLNC as of May 7, 2019	36.4%	36.4%
CLNC shares beneficially owned by OP and common stockholders	48.0 million	48.0 million
CLNC share price as of May 7, 2019	\$ 15.68	\$ 15.68
Total market value of CLNC shares	\$ 752,085	\$ 752,085
Net carrying value - CLNC	\$ 1,027,345	\$ 1,027,345



# IX. Other Equity and Debt Summary

(\$ in thousands; as of March 31, 2019)

	Consolidated amount		CLNY OP share of consolidated amount	
	Assets	Equity	Assets	Equity
<b>Strategic<sup>(1)</sup></b>				
GP co-investments	\$ 2,855,958	\$ 1,976,082	\$ 1,196,473	\$ 723,611
11% interest in NRE	88,058	88,058	88,058	88,058
<b>Strategic Subtotal</b>	<b>2,944,016</b>	<b>2,064,140</b>	<b>1,284,531</b>	<b>811,669</b>
<b>Non-Strategic<sup>(1)</sup></b>				
Other real estate equity	2,458,871	1,186,515	1,372,273	703,666
Net lease real estate equity	183,171	74,804	182,174	74,447
Real estate debt	416,346	416,346	290,455	290,455
CRE securities and real estate PE fund investments	69,765	69,765	69,765	69,765
<b>Non-Strategic Subtotal</b>	<b>3,128,153</b>	<b>1,747,430</b>	<b>1,914,667</b>	<b>1,138,333</b>
<b>Other Equity and Debt Total</b>	<b>\$ 6,072,169</b>	<b>\$ 3,811,570</b>	<b>\$ 3,199,198</b>	<b>\$ 1,950,002</b>

Notes:

(1) For consolidated real estate equity assets, amounts include all components related to real estate assets, including tangible real estate and lease-related intangibles, and excludes accumulated depreciation, and for all other assets, amounts represent carrying value of investments.

# IXa. Other Equity and Debt - Strategic Investments

(\$ in thousands, except as noted and per share data; as of March 31, 2019, unless otherwise noted)

	Consolidated amount	CLNY OP share of consolidated amount
<b>NorthStar Realty Europe Corp. (NYSE: NRE)</b>		
CLNY OP interest in NRE as of May 7, 2019	11.1%	11.1%
NRE shares beneficially owned by OP and common stockholders	5.6 million	5.6 million
NRE share price as of May 7, 2019	\$ 17.30	\$ 17.30
Total market value of NRE shares	\$ 97,511	\$ 97,511
Carrying value - NRE	\$ 88,058	\$ 88,058

## CLNY's GP Co-investments in CDCF IV Investments - CLNY's Most Recent Flagship Institutional Credit Fund

Assets - carrying value <sup>(1)</sup>	\$ 1,770,614	\$ 317,833
Debt - UPB	508,240	101,227
Net carrying value	\$ 1,262,374	\$ 216,606

## NBV by Geography:

U.S.	28.7%	17.3%
Europe	71.3%	82.7%
Total	100.0%	100.0%

## Other GP Co-investments <sup>(2)</sup>

Assets - carrying value <sup>(3)</sup>	\$ 1,085,344	\$ 878,640
Debt - UPB <sup>(4)</sup>	371,636	371,636
Net carrying value	\$ 713,708	\$ 507,004

### Notes:

(1) \$763 million consolidated or \$117 million CLNY OP share of assets are classified as Loans Receivable on the Company's balance sheet.

(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.

(3) \$418 million consolidated or \$390 million CLNY OP share of assets are classified as Loans Receivable on the Company's balance sheet.

(4) Includes \$111 million of derivative liability.

# IXb. Other Equity and Debt - Net Lease and Other Real Estate Equity

(\$ in thousands; as of March 31, 2019, unless otherwise noted)

<i>Net Lease Real Estate Equity</i>	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNY OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			NOI <sup>(1)</sup>	NOI <sup>(1)</sup>		
U.S. office	3	674	\$ 1,391	\$ 1,385	85.7%	5.6
<b>Total / W.A.</b>	<b>3</b>	<b>674</b>	<b>\$ 1,391</b>	<b>\$ 1,385</b>	<b>85.7%</b>	<b>5.6</b>

<i>Other Real Estate Equity</i>	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNY OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			Undepreciated carrying value	Undepreciated carrying value		
U.S.:						
Office	9	785	\$ 149,797	\$ 142,370	64.5%	5.3
Hotel <sup>(2)</sup>	89	N/A	1,194,861	658,658	67.9%	N/A
Europe:						
Office	16	545	76,490	38,245	80.2%	12.1
Mixed / Retail	129	4,089	630,101	204,764	57.1%	4.4
<b>Total / W.A.</b>	<b>243</b>	<b>5,419</b>	<b>\$ 2,051,249</b>	<b>\$ 1,044,037</b>	<b>60.5%</b>	<b>5.3</b>

## *Unconsolidated joint ventures (Other RE Equity)*

Preferred equity:

Multifamily		\$ 202,801	\$ 202,801
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Equity & Other:

Albertsons		89,129	44,565
Residential Land		70,965	36,142
Other		28,742	28,742
Corporate CLO Equity		15,986	15,986
<b>Total</b>		<b>\$ 407,623</b>	<b>\$ 328,236</b>

Notes:

(1) Excludes a \$1.9 million consolidated and CLNY OP share tenant termination fee received and NOI related to an asset sold during the first quarter 2019.

(2) Includes \$77 million consolidated or \$42 million CLNY OP share of restricted cash.

## IXc. Other Equity and Debt - Real Estate Debt

(\$ in thousands, except as noted; as of March 31, 2019, unless otherwise noted)

### Portfolio Overview<sup>(1)</sup>

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
<b>Non-PCI loans<sup>(2)</sup></b>		
Carrying value - consolidated	\$ 328,608	\$ 236,107
Carrying value - equity method investments	22,053	14,533
<b>PCI loans<sup>(2)</sup></b>		
Carrying value - consolidated	26,058	15,455
Carrying value - equity method investments	1,004	1,004
<b>Other</b>		
Carrying value - real estate assets (REO)	38,624	23,355
<b>Total Portfolio</b>		
Carrying value - consolidated	354,666	251,562
Carrying value - equity method investments	23,057	15,537
Carrying value - real estate assets (REO)	38,624	23,355
Non-recourse investment-level financing (UPB)	—	—

Notes:

(1) Excludes \$50 million consolidated or \$35 million CLNY OP share carrying value of healthcare real estate development loans.

(2) Strategic Non-PCI and PCI loans that are classified as Loans Receivable on the Company's balance sheet are categorized within GP co-investments in this supplemental financial presentation.

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

(\$ in thousands; as of or for the three months ended March 31, 2019, unless otherwise noted)

### Non-strategic real estate debt by loan type<sup>(1)</sup>

	Consolidated amount	CLNY OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
<b>Non-PCI loans<sup>(2)</sup></b>				
<i>Fixed rate</i>				
First mortgage loans	\$ 36,488	\$ 18,244	—%	1.2
Second mortgage loans / B-notes	173,495	97,548	9.2%	2.0
Mezzanine loans	63,387	60,672	—%	1.6
Corporate	27,778	27,778	8.2%	7.8
<b>Total fixed rate non-PCI loans</b>	<b>301,148</b>	<b>204,242</b>	<b>5.5%</b>	<b>2.6</b>
<i>Variable rate</i>				
First mortgage loans	45,575	45,575	8.7%	1.7
<b>Total variable rate non-PCI loans</b>	<b>45,575</b>	<b>45,575</b>	<b>8.7%</b>	<b>1.7</b>
<b>Total non-PCI loans</b>	<b>346,723</b>	<b>249,817</b>		
Allowance for loan losses	(18,115)	(13,710)		
<b>Total non-PCI loans, net of allowance for loan losses</b>	<b>328,608</b>	<b>236,107</b>		
<b>PCI loans<sup>(2)</sup></b>				
First mortgage loans	40,390	20,936		
Mezzanine loans	3,671	3,671		
<b>Total PCI loans</b>	<b>44,061</b>	<b>24,607</b>		
Allowance for loan losses	(18,003)	(9,152)		
<b>Total PCI loans, net of allowance for loan losses</b>	<b>26,058</b>	<b>15,455</b>		
<b>Total loans receivable, net of allowance for loan losses</b>	<b>\$ 354,666</b>	<b>\$ 251,562</b>		

Notes:

(1) Excludes \$50 million consolidated or \$35 million CLNY OP share carrying value of healthcare real estate development loans.

(2) Strategic Non-PCI and PCI loans that are classified as Loans Receivable on the Company's balance sheet are categorized within GP co-investments in this supplemental financial presentation.

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

(\$ in thousands; as of or for the three months ended March 31, 2019, unless otherwise noted)

### Non-strategic real estate debt by collateral type<sup>(1)</sup>

	Consolidated amount	CLNY OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
<b>Non-PCI Loans<sup>(2)</sup></b>				
Retail	\$ 130,462	\$ 123,145	3.2%	1.4
Office	135,729	67,865	13.2%	2.8
Land	34,639	17,319	—%	1.2
Corporate	27,778	27,778	8.2%	7.8
<b>Total non-PCI loans, net of allowance for loan losses</b>	<b>328,608</b>	<b>236,107</b>	<b>6.4%</b>	<b>2.5</b>
<b>PCI Loans<sup>(2)</sup></b>				
Retail	16,000	8,237		
Office	4,629	3,825		
Other	5,429	3,393		
<b>Total PCI loans, net of allowance for loan losses</b>	<b>26,058</b>	<b>15,455</b>		
<b>Total loans receivable, net of allowance for loan losses</b>	<b>\$ 354,666</b>	<b>\$ 251,562</b>		

Notes:

(1) Excludes \$50 million consolidated or \$35 million CLNY OP share carrying value of healthcare real estate development loans.

(2) Strategic Non-PCI and PCI loans that are classified as Loans Receivable on the Company's balance sheet are categorized within GP co-investments in this supplemental financial presentation.

# IXd. Other Equity and Debt - CRE Securities and Real Estate PE Fund Interests

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(\$ in thousands; as of March 31, 2019)

## Portfolio Overview

	Carrying Value	
Deconsolidated CDO bonds	\$	64,212
CMBS		198
Real estate PE fund interests		5,355

## Core FFO

Q1 2019 aggregate Core FFO <sup>(1)</sup>	\$	3,032
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Notes:

(1) Excludes \$2.0 million consolidated and CLNY OP share of impairments.

# Xa. Investment Management - Summary Metrics

(\$ in thousands, except as noted; as of March 31, 2019)

	Q1 2019 Fee Revenue - CLNY OP Share
<b>Overview</b>	
Institutional funds	\$ 13,110
Colony Credit Real Estate (NYSE:CLNC)	11,219
NorthStar Realty Europe (NYSE:NRE)	3,887
Retail companies	5,284
Non-wholly owned REIM platforms (equity method earnings) <sup>(1)</sup>	8,053
<b>Total reported fee revenue and REIM platform equity method earnings</b>	<b>\$ 41,553</b>
<b>Operating Results</b>	
<b>Revenues</b>	
Total fee revenue and REIM earnings of investments in unconsolidated ventures	\$ 41,553
Interest and Other income	8,977
<b>Expenses</b>	
Investment and servicing expense	3,956
Transaction costs	1,731
Placement fees	309
Depreciation and amortization	8,669
Compensation expense	
Cash and equity-based compensation	11,550
Carried interest and incentive compensation	1,051
Administrative expenses	865
<b>Total expenses</b>	<b>28,131</b>
Other gain (loss), net	55
Equity method earnings	(3,793)
Equity method earnings—carried interest	3,205
Income tax benefit (expense)	12
<b>Net income attributable to common interests in OP and common stockholders</b>	<b>21,878</b>
Real estate depreciation and amortization	1,889
(Gains) and losses from sales of businesses and impairment write-downs associated with the Investment Management segment	2,542
Equity-based compensation expense	1,944
Straight-line rent revenue and expense	45
Amortization of deferred financing costs and debt premiums and discounts	76
Acquisition and merger-related transaction costs	1,731
Amortization and impairment of investment management intangibles	8,662
Non-real estate depreciation and amortization	7
Deferred tax (benefit) expense, net	(2,483)
<b>Core FFO</b>	<b>\$ 36,291</b>

Notes:

(1) Includes \$3 million of unrealized carried interest from a REIM platform.



# Xb. Investment Management – Assets Under Management

(\$ in millions, except as noted; as of March 31, 2019, unless otherwise noted)

Segment	Products (FEEUM)	Description	AUM CLNY OP Share	FEEUM CLNY OP Share	Fee Rate
Institutional Funds	• Credit (\$2.6 billion)	<ul style="list-style-type: none"> <li>• 27 years of institutional investment management experience</li> <li>• Sponsorship of private equity funds and vehicles earning asset management fees and performance fees</li> <li>• More than 300 investor relationships</li> <li>• Colony Industrial Open-End Fund</li> </ul>	\$ 9,893	\$ 6,580	.8%
	• Core plus / value-added (\$0.2 billion)				
	• Opportunistic (\$0.5 billion)				
	• Colony Industrial (\$1.9 billion)				
	• Other co-investment vehicles (\$1.3 billion)				
Public Companies	• Colony Credit Real Estate, Inc. (\$3.0 billion)	<ul style="list-style-type: none"> <li>• CLNC: NYSE-listed credit focused REIT</li> <li>• NRE: NYSE-listed European equity REIT</li> </ul>	5,126	4,068	1.5%
	• NorthStar Realty Europe Corp. (\$1.0 billion)	<ul style="list-style-type: none"> <li>• Contracts with base management fees with potential for incentive fees</li> </ul>			
Retail Companies	• NorthStar Healthcare (\$1.3 billion) <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Manage public non-traded vehicles earning asset management and performance fees</li> </ul>	3,470	1,365 <sup>(1)</sup>	1.5%
	• CC Real Estate Income Funds <sup>(2)(3)</sup>				
Non-Wholly Owned REIM Platforms	• Digital Real Estate Infrastructure Co-sponsored Vehicle	<ul style="list-style-type: none"> <li>• CLNY recognizes at-share earnings from underlying non-wholly owned REIM platforms</li> <li>• 50% investment in Digital Colony, the Company's digital real estate infrastructure vehicle established in partnership with Digital Bridge with an aggregate \$4 billion of committed capital</li> </ul>	10,336	5,738	N/A
	• RXR Realty	<ul style="list-style-type: none"> <li>• 27% investment in RXR Realty, a real estate owner, developer and investment management company with \$18 billion of AUM</li> </ul>			
	• American Healthcare Investors	<ul style="list-style-type: none"> <li>• 43% investment in American Healthcare Investors, a healthcare investment management firm and sponsor of non-traded vehicles with \$3 billion of AUM</li> </ul>			
	• Steelwave				
	• Hamburg Trust				
<b>Total</b>			<b>\$ 28,825</b>	<b>\$ 17,751</b>	

Notes:

(1) FEEUM of NorthStar Healthcare Income represents its most recently published Net Asset Value.

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

(3) In February 2019, the board of directors of CC Real Estate Income Fund approved a plan to dissolve, liquidate and terminate CCREIF and distribute the net proceeds of such liquidation to its shareholders. There is no assurance to the timing or completion of the liquidation.

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## APPENDICES

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# XIa. Appendices - 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 based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at March 31, 2019. AUM further includes a) uncalled capital commitments and b) includes the Company's pro-rata share of each affiliate non wholly-owned real estate investment management platform's assets as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, 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.

## **CLNY Operating Partnership ("CLNY OP")**

The operating partnership through which the Company conducts all of its activities and holds substantially all of its assets and liabilities. CLNY 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) the Company's pro-rata share of fee bearing equity of each affiliate as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. 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.

**Healthcare same store portfolio:** defined as properties in operation throughout the full periods presented under the comparison and included 413 properties in the comparisons. Properties acquired or disposed during these periods are excluded for the same store portfolio and same store results exclude certain non-recurring uncollectible rent.

**Industrial same store portfolio:** consisted of 314 buildings. The same store portfolio is defined once a year at the beginning of the current calendar year and includes buildings that were owned, stabilized and held-for-use throughout the entirety of both the current and prior calendar years. Properties acquired, disposed or held-for-sale after the same store portfolio is determined are excluded. Stabilized properties are defined as properties owned for more than one year or are greater than 90% leased. Same store NOI excludes lease termination fee revenue.

**Hospitality same store portfolio:** defined as hotels in operation throughout the full periods presented under the comparison and included 167 hotels.

**NOI:** Net Operating Income. NOI for the Company's real estate 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.

**NOI before FF&E Reserve:** For our hospitality real estate segment, NOI before FF&E Reserve represents NOI before the deduction of reserve contributions for the repair, replacement and refurbishment of furniture, fixtures, and equipment ("FF&E"), which are typically 4% to 5% of revenues, and required under certain debt agreements and/or franchise and brand-managed hotel agreements.

# XIa. Appendices - Definitions

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## **Earnings Before Interest, Tax, Depreciation, Amortization and Rent ("EBITDAR")**

Represents earnings before interest, taxes, depreciation, amortization and rent for facilities accruing to the tenant/operator of the property (not the Company) for the period presented. The Company uses EBITDAR in determining TTM Lease Coverage for triple-net lease properties in its Healthcare Real Estate segment. EBITDAR has limitations as an analytical tool. EBITDAR does not reflect historical cash expenditures or future cash requirements for facility capital expenditures or contractual commitments. In addition, EBITDAR does not represent a property's net income or cash flow from operations and should not be considered an alternative to those indicators. The Company utilizes EBITDAR as a supplemental measure of the ability of the Company's operators/tenants to generate sufficient liquidity to meet related obligations to the Company.

## **TTM Lease Coverage**

Represents the ratio of EBITDAR to recognized cash rent for owned facilities on a trailing twelve month basis. TTM Lease Coverage is a supplemental measure of a tenant's/operator's ability to meet their cash rent obligations to the Company. However, its usefulness is limited by, among other things, the same factors that limit the usefulness of EBITDAR.

**ADR:** Average Daily Rate

**RevPAR:** Revenue per Available Room

**UPB:** Unpaid Principal Balance

**PCI:** Purchased Credit-Impaired

**REIM:** Real Estate Investment Management

# XIb. Appendices - Reconciliation of Net Income (Loss) to NOI

(\$ in thousands; for the three months ended March 31, 2019)

<b>NOI Determined as Follows</b>	<b>Healthcare</b>	<b>Industrial</b>	<b>Hospitality</b>	<b>Other Equity and Debt—Net Lease Properties</b>
Total revenues	\$ 145,774	\$ 82,372	\$ 196,615	\$ 3,072
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(5,227)	(3,232)	310	(361)
Interest income	—	(180)	—	—
Property operating expenses <sup>(1)</sup>	(64,302)	(22,337)	(136,345)	(1,320)
Compensation and administrative expense <sup>(1)</sup>	—	(784)	—	—
NOI <sup>(2)</sup>	\$ 76,245	\$ 55,839	\$ 60,580	\$ 1,391

## **Reconciliation of Net Income (Loss) from Continuing Operations to NOI**

	<b>Healthcare</b>	<b>Industrial</b>	<b>Hospitality</b>
Income (loss) from continuing operations	\$ (7,206)	\$ 24,154	\$ (26,077)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(5,227)	(3,232)	310
Interest income	—	(180)	—
Interest expense	47,527	14,627	42,065
Transaction, investment and servicing costs	3,108	530	1,584
Depreciation and amortization	40,131	39,445	36,248
Impairment loss	—	—	3,850
Compensation and administrative expense	1,653	3,504	1,904
Gain on sale of real estate	—	(22,848)	(139)
Other (gain) loss, net	(1,867)	8	(1)
Income tax (benefit) expense	(1,874)	(169)	836
NOI <sup>(2)</sup>	\$ 76,245	\$ 55,839	\$ 60,580

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.

(2) For hospitality, NOI is before FF&E Reserve.

# XIb. Appendices - Reconciliation of Net Income (Loss) to NOI (cont'd)

(\$ in thousands; for the three months ended March 31, 2019)

## 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
Income from continuing operations	\$ 59,563
Adjustments:	
Property operating income of other real estate equity	(112,507)
Straight-line rent revenue and amortization of above- and below-market lease intangibles for net lease real estate equity	(378)
Interest income	(43,662)
Fee and other income	(1,373)
Property operating expense of other real estate equity	68,593
Interest expense	31,853
Transaction, investment and servicing costs	7,269
Depreciation and amortization	24,783
Provision for loan loss	3,611
Impairment loss	21,772
Compensation and administrative expense	3,637
Gain on sale of real estate assets	(29,314)
Other loss, net	(8,047)
Earnings of investments in unconsolidated ventures	(24,608)
Income tax expense	2,074
NOI of net lease real estate equity	\$ 3,266
Less: tenant termination fee and NOI of an asset sold in Q1 2019	(1,875)
NOI of net lease real estate equity, excluding tenant termination fee and NOI of asset sold	\$ 1,391