

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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 28, 2017

COLONY NORTHSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

001-37980
(Commission
File Number)

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

515 S. Flower Street, 44th Floor
Los Angeles, California
(Address of principal executive offices)

90071
(Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report.)

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

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

Item 2.02 Results of Operations and Financial Condition.

On February 28, 2017, Colony NorthStar, Inc. (the "Company") issued a press release announcing the financial position as of December 31, 2016, and the financial results for the fourth quarter of 2016 for each of NorthStar Asset Management Group Inc., its predecessor, Colony Capital, Inc. ("Colony") and NorthStar Realty Finance Corp. ("NRF"), which closed their merger on January 10, 2017. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On February 28, 2017, the Company made available Supplemental Financial Disclosures for the quarter ended December 31, 2016 for each of Colony and NRF on the Company's website at www.clns.com. Copies of the Supplemental Financial Disclosure for each of Colony and NRF are attached as Exhibit 99.2 and 99.3, respectively, to this Current Report on Form 8-K, which are incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

As of February 28, 2017, representatives of the Company will begin making presentations using slides containing the information attached to this Current Report on Form 8-K as Exhibit 99.4. The Company expects to use these slides, including on the Company's website, in whole or in part, and possibly with modifications, in connection with presentations to investors, analysts and others.

By filing this Current Report on Form 8-K and furnishing this information, the Company makes no admission as to the materiality of any information in this presentation that is required to be disclosed solely by reason of Regulation FD. The information contained in the slides is summary information that is intended to be considered in the context of the Company's Securities and Exchange Commission ("SEC") filings and other public announcements that it may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this presentation, although it may do so from time to time as its management believes is warranted. Any such updating, if applicable, may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in this Current Report on Form 8-K (including Exhibits 99.1, 99.2, 99.3 and 99.4 hereto), shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Use of Website to Distribute Material Company Information

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

Item 9.01 Financial Statements and Exhibits.

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

Exhibit No.	Description
99.1	Press Release dated February 28, 2017
99.2	Supplemental Financial Disclosure for the quarter ended December 31, 2016 for Colony
99.3	Supplemental Financial Disclosure for the quarter ended December 31, 2016 for NRF
99.4	Investor Presentation dated February 28, 2017

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: February 28, 2017

COLONY NORTHSTAR, INC.

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

EXHIBIT INDEX

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**COLONY NORTHSTAR ANNOUNCES
FOURTH QUARTER 2016 FINANCIAL RESULTS
AND POST-MERGER UPDATE**

Los Angeles, CA and New York, NY, February 28, 2017 - Colony NorthStar, Inc. (NYSE:CLNS) and subsidiaries (collectively, "Colony NorthStar" or the "Company") today announced fourth quarter 2016 financial results for its predecessor, NorthStar Asset Management Group Inc. ("NSAM"), Colony Capital, Inc. ("Colony") and NorthStar Realty Finance Corp. ("NRF"), which closed their merger on January 10, 2017. Because the merger closed after December 31, 2016, these results reflect the pre-merger, stand-alone results for each of the three companies.

Updates

- Completed largest real estate merger announced in 2016 to create Colony NorthStar, Inc., a global, diversified equity REIT with \$56 billion of assets under management
- Merger integration substantially complete with greater than 75% of the originally identified \$115 million of annualized synergies and greater than 65% of the estimated \$80 million of annualized cash synergies achieved to date with the balance expected to be achieved by year end on a run rate basis
- Declared a quarterly cash dividend of \$0.27 per CLNS common share of Class A and Class B common stock for the first quarter of 2017, which will be prorated to \$0.24 per share for the period from January 11, 2017 to March 31, 2017
 - In January 2017, former Colony and NRF stockholders received stub dividends for the period from January 1, 2017 through January 10, 2017 and former NSAM stockholders received a one-time special dividend of \$1.16 per NSAM common share
- Completed or under contract asset monetizations include the following:
 - Completed a \$783 million sale of a portfolio of medical office buildings, at an approximate 5.6% cap rate, resulting in net proceeds of \$81 million;
 - Completed a sale of an 18.7% preferred joint venture interest in the Company's healthcare portfolio resulting in net proceeds of \$340 million, representing an implied 6.1% cap rate; and
 - Under contract for the sale of entire manufactured housing communities portfolio for \$2.0 billion, which is expected to generate net proceeds of \$615 million
- Significant liquidity of approximately \$1.2 billion, including \$615 million expected from the sale of the manufactured housing communities portfolio, and more than \$1 billion of additional liquidity expected throughout 2017 from future monetizations of existing non-core investments available for deployment in core verticals and other real estate investments, stock repurchases and/or debt paydowns
- Repaid \$921 million of term loans at NSAM and NRF
- Increased revolving credit facility to \$1.0 billion from \$850 million
- CLNS Board of Directors authorized \$300 million common stock repurchase program
- CLNS added to the MSCI U.S. REIT Index (RMZ) as a top quartile constituent by equity market capitalization
- Updating Core FFO guidance for the year ending 2017 to a range of \$1.40 to \$1.58 per share

"We're off and running as Colony NorthStar Inc. and couldn't be more excited about our future," said Richard B. Saltzman, Chief Executive Officer. "With the tri-party merger closing last month now behind us, we're focused completely on realizing the many benefits of significantly improved scale and capabilities all efficiently housed under one roof. Simultaneously, our aim is to simplify our portfolio investments and business lines as quickly as possible. The resultant streamlined organization will be a leading diversified equity REIT with a concentration in select areas demonstrating the most favorable supply/demand dynamics globally that further benefits from an embedded best-in-class investment management operation. We expect to make substantial progress towards this goal during 2017 and have all of this in place no later than the end of next year."

NSAM Fourth Quarter 2016 Financial and Selected Operating Results

For the fourth quarter 2016, NSAM reported net loss attributable to common stockholders of \$(11.1) million, or \$(0.06) per basic share. CAD was \$37.7 million, or \$0.20 per share.

NSAM's net loss attributable to common stockholders and CAD for the fourth quarter 2016 compared to the third quarter 2016 included, among other things, higher compensation expenses incurred in connection with the closing of the merger of approximately \$(15) million, or \$(0.08) per share.

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

Retail Companies

- Total aggregate asset management and other fees of \$20.7 million earned during the fourth quarter 2016
- Cash available for investment of \$459.2 million as of December 31, 2016
- Total capital raised of approximately \$76.5 million during the fourth quarter 2016 and approximately \$398.8 million during 2016
- Total investments of \$169.6 million during the fourth quarter 2016

<i>(in millions, except as noted)</i>	NorthStar Income	NorthStar Healthcare	NorthStar Income II	NorthStar/RXR NY Metro Real Estate	Total
Capital Raising Status	Completed July 2013	Completed January 2016	Completed November 2016	Active	
Primary Strategy	CRE Debt	Healthcare Equity and Debt	CRE Debt	NY Metro Area CRE Equity and Debt	
Offering Size	\$1.2 billion ⁽¹⁾	\$2.1 billion ⁽¹⁾	\$1.65 billion ⁽¹⁾	\$2.0 billion ⁽¹⁾	\$6.95 billion
Capital Raised					
Q4 2016	\$10.6	\$16.9	\$42.5	\$6.5	\$76.5
Full Year 2016	43.5	68.6	278.2	8.5	398.8
Inception to 12-31-16	1,283.7	1,869.3	1,139.5	10.5	4,303.0
Investments⁽²⁾					
During Q4 2016	46.5	57.5	59.5	6.1	169.6
As of 12-31-16	1,693.5	3,277.7	1,760.7	11.0	6,742.9
Cash as of 12-31-16	153.4	223.1	78.1	4.6	459.2
Fees earned during Q4 2016					
Asset management fees	5.0	8.4	5.3	—	18.7
Acquisition fees	0.4	0.1	0.2	—	0.7
Disposition fees	1.1	0.1	0.1	—	1.3
Total fees	\$6.5	\$8.6	\$5.6	\$—	\$20.7

1) Represents dollar amount of shares registered to offer pursuant to each company's public offering, distribution reinvestment plan, and follow-on public offering.

2) Based on cost for real estate equity investments, which includes net purchase price allocation related to intangibles, deferred costs and other assets, if any, committed principal amount for real estate debt and securities and carrying value plus deferred acquisition prices for limited partnership interests in private equity funds.

New Retail Products

- NorthStar Real Estate Capital Income Fund, a closed-end fund with an aggregate proposed offering amount of \$3.2 billion, which has a registration statement that was declared effective by the SEC in May 2016, will focus mainly on commercial real estate debt investments. This information does not constitute an offer to sell or to purchase any securities.
- NorthStar/Townsend Institutional Real Estate Fund Inc. is a closed-end interval fund with an aggregate proposed offering amount of \$1.0 billion, which filed with the SEC a registration statement on Form N-2. This information does not constitute an offer to sell or to purchase any securities.

Townsend

During the fourth quarter 2016, Townsend generated \$19.3 million of revenues and \$9.8 million of Adjusted EBITDA, on a 100% consolidated basis. The Company has an approximate 84% interest in Townsend.

NorthStar Realty Europe (NYSE: NRE)

Base management fee of \$3.5 million earned during the fourth quarter 2016.

Colony Fourth Quarter 2016 Financial and Selected Operating Results

For the fourth quarter 2016, Colony reported net loss attributable to common stockholders of \$(16.8) million, or \$(0.15) per basic share. Core FFO was \$49.4 million, or \$0.37 per basic share, and FFO was \$(1.0) million, or \$(0.01) per basic share.

Colony's net loss attributable to common stockholders, FFO and Core FFO for the fourth quarter 2016 compared to the third quarter 2016 included, among other things, increased tax provisions of approximately \$(4) million, or \$(0.03) per basic share and increased provisions for loan losses, which are not expected to be recurring, of approximately \$(6) million, or \$(0.05) per basic share.

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

Fourth Quarter 2016 Operating Results and Investment Activity by Segment

Colony held investment interests in five reportable segments: Industrial, Single Family Residential Rentals, Other Real Estate Equity, Real Estate Debt and Investment Management.

Equity: Industrial

Colony's interest in the U.S. industrial portfolio ("Colony U.S. Industrial") was an average 52% during the fourth quarter of 2016. With additional commitments drawn in the open-end fund during the fourth quarter of 2016, Colony's interest in Colony U.S. Industrial is approximately 49% as of December 31, 2016. The Company continues to own a 100% interest in the related operating platform. Colony U.S. Industrial primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

As of December 31, 2016, Colony U.S. Industrial's portfolio consisted of 346 primarily light industrial buildings totaling 37.6 million square feet across 15 major U.S. markets and was 96% leased. During the fourth quarter, Colony U.S. Industrial's same store portfolio produced recurring revenue growth of 2.5% and net operating income growth of 9.1% over the same period last year and sequential quarter-over-quarter recurring revenue growth of 0.5% and net operating income growth of 0.6%. Colony U.S. Industrial's same store portfolio is defined as buildings in operation throughout the full periods presented under the comparison and included 307 and 322 properties in the year-over-year and quarter-over-quarter comparisons, respectively. During the fourth quarter 2016, this segment's net loss attributable to common stockholders was \$(5.2) million, while Core FFO was \$12.2 million.

On September 30, 2016, Colony held a closing for its first open-end fund, which invests in the U.S. industrial market and has received \$311 million of third-party commitments to date representing a 22% interest in the Colony U.S. Industrial portfolio. The Company holds a 49% interest in Colony U.S. Industrial and other long-term third party capital represents the balance of ownership.



Equity: Single Family Residential Rentals

Colony's investment in Single Family Residential Rentals included 15.1 million shares in Colony Starwood Homes (NYSE:SFR), which represents a 14.0% ownership based on the total common shares and OP units outstanding. Separately, Colony owned a \$58 million share of the net book value in Colony American Finance, which represents a 17.4% ownership. As of December 31, 2016, Colony's interest in SFR had a carrying value of \$316 million. Based on SFR's closing share price of \$32.54 on February 24, 2017, the Company's interest in SFR was valued at \$492 million. During the fourth quarter 2016, this segment's net loss attributable to common stockholders was \$(0.5) million, while Core FFO was \$8.6 million.

Other Real Estate Equity

Colony's investment in Other Real Estate Equity included triple net lease investments, real estate acquired in settlement of loans, common equity in real estate or related companies, and preferred equity investments meeting certain risk and return profiles. During the fourth quarter 2016, this segment's net income attributable to common stockholders was \$11.9 million and Core FFO was \$18.8 million.

Real Estate Debt

Colony's investment in Real Estate Debt included originations and acquisitions of senior loans and subordinated debt, including preferred equity investments meeting certain risk and fixed return parameters. During the fourth quarter 2016, this segment's net income attributable to common stockholders was \$31.9 million and Core FFO was \$46.5 million.

Real Estate Investment Management

Colony's Real Estate Investment Management segment included the business and operations of managing Colony-sponsored funds and other investment vehicles for third-party investors. As of December 31, 2016, Colony had \$16.8 billion of AUM and \$6.9 billion of FEEUM compared to \$18.1 billion of AUM and \$7.8 billion of FEEUM as of September 30, 2016. AUM and FEEUM decreased primarily due to the investment realizations in legacy funds being in excess of both new capital commitments and an increase of the fair value of investments under management. For the fourth quarter 2016, this segment's net income attributable to common stockholders for the quarter was \$3.6 million while Core FFO was \$6.4 million.

NRF Fourth Quarter 2016 Financial and Selected Operating Results

For the fourth quarter 2016, NRF reported net income attributable to common stockholders of \$61.6 million, or \$0.34 per basic share. CAD was \$48.4 million, or \$0.26 per share.

NRF net income attributable to common stockholders and CAD for the fourth quarter 2016 compared to the third quarter 2016 included, among other things, the following items: 1) lower earnings due to seasonality in the hotel business of approximately \$(19) million, or \$(0.11) per share; 2) loss of income from assets sold in the third and fourth quarters of approximately \$(7) million, or \$(0.04) per share; 3) lower income from interests in private equity funds of approximately \$(4) million, or \$(0.02) per share; and 4) non-recurring audit and other general and administrative expenses of approximately \$(3) million, or \$(0.02) per share.

For more information and a reconciliation of net income to common stockholders to CAD, please refer to the non-GAAP financial measure definitions and tables at the end of this press release.

NRF Portfolio Results

Same-store results are presented for direct real estate properties that NRF owned during the full quarter ended December 31, 2016 and full quarter ended December 31, 2015. Portfolio results exclude the manufactured housing communities portfolio, which is under contract to be sold.

Healthcare Real Estate

For the fourth quarter 2016, combined healthcare portfolio NOI was \$91.8 million. Same store fourth quarter 2016 NOI was \$80.4 million compared to same store fourth quarter 2015 NOI of \$79.5 million. Applying the average currency exchange rates from the fourth quarter 2015, same store 2016 NOI would have been \$81.5 million.

The following table presents NOI and selected operating metrics by property types in our healthcare real estate segment:

(In millions)	NOI		NOI - Same Store		Occupancy % - Same Store ⁽²⁾		Lease (EBITDAR) Coverage - Same Store ⁽²⁾	
	Q4 2016	Q4 2016	Q4 2016	Q4 2015	Q4 2016	Q4 2015	Q4 2016	Q4 2015
Medical Office Buildings	\$ 26.2	\$ 14.8	\$ 15.0		85.8%	87.7%	N/A	N/A
Senior Housing - Operating	18.3	18.3	17.0		88.1%	90.2%	N/A	N/A
Senior Housing - Triple Net Lease ⁽¹⁾	14.0	14.0	15.0		86.6%	88.1%	1.6x	1.5x
Skilled Nursing Facilities	28.2	28.2	27.5		84.2%	85.2%	1.4x	1.4x
Hospitals	5.1	5.1	5.0		62.8%	67.2%	3.3x	3.0x
Healthcare Real Estate Total	\$ 91.8	\$ 80.4	\$ 79.5					

(1) Applying the average currency exchange rates from the fourth quarter 2015, same store 2016 Senior Housing - Triple Net Lease NOI would have been \$15.1 million and same store 2016 total healthcare real estate NOI would have been \$81.5 million for the fourth quarter 2016.

(2) Occupancy % for Senior Housing - Operating represents average of the presented quarter, MOB's is as of last day in the quarter and for other types represents average of the prior quarter. Lease (EBITDAR) Coverage reflects the ratio of EBITDAR to cash rent on a trailing 12 month basis, as of September 30, 2016 and September 30, 2015.

Hotels

For the fourth quarter 2016, EBITDA was \$57.7 million, RevPAR was \$85, WA occupancy was 69.4% and EBITDA margin was 30.4% compared to EBITDA of \$60.9 million, RevPAR of \$86, WA occupancy of 70.3% and EBITDA margin of 32.1% for the fourth quarter 2015.

Net Lease Real Estate

For the fourth quarter 2016, NOI was \$5.7 million, compared to NOI of \$6.2 million for the fourth quarter 2015. Excluding rent concessions provided to a tenant that renewed its lease during 2016, fourth quarter 2016 NOI would have been \$6.1 million.

Multifamily Real Estate

For the fourth quarter 2016, NOI was \$2.1 million. For the fourth quarter 2016, same store NOI was \$1.7 million, compared to same store NOI of \$1.6 million for the fourth quarter 2015.

Multi-tenant Office Real Estate

For the fourth quarter 2016, NOI was \$2.5 million, compared to NOI of \$2.8 million for the fourth quarter 2015.

Interest in Private Equity Funds

For the fourth quarter 2016, aggregate gross distributions were \$63.5 million, of which \$14.3 million was income earned, and aggregate contributions totaled \$0.2 million. As of December 31, 2016, aggregate portfolio net carrying value was \$413.8 million.

Balance Sheet Real Estate Debt

For the fourth quarter 2016, aggregate portfolio income was \$5.0 million. During the fourth quarter 2016, asset sales and repayments totaled \$2.9 million. As of December 31, 2016, aggregate portfolio carrying value was \$195.9 million.

Subsequent to the fourth quarter 2016, the Company sold a loan at carrying value for \$34.0 million.

Repurchased N-Star CDO Bonds and Other Securities

For the fourth quarter 2016, aggregate portfolio income earned was \$13.3 million, which includes \$3.7 million related to repurchased CDO bonds that are eliminated in consolidation. As of December 31, 2016, the principal amount of the portfolio, excluding repurchased CDO bonds that are eliminated in consolidation, was \$429.8 million. As of December 31, 2016, the principal amount of repurchased CDO bonds that are eliminated in consolidation was \$139.1 million.

N-Star CDO Equity and Other Income

For the fourth quarter 2016, aggregate CDO equity distributions and other income was \$12.1 million.



Asset Monetizations

During the fourth quarter 2016, NRF sold five multifamily properties for \$158 million, at an approximate 6.5% cap rate, which resulted in net proceeds of approximately \$43 million.

During the fourth quarter 2016 and first quarter 2017, NRF sold a subset of its medical office building portfolio for \$783 million, at an approximate 5.6% cap rate, which resulted in net proceeds of approximately \$81 million. This sale included 35 of the original 38 properties expected to be sold.

Subsequent to the fourth quarter 2016, the Company completed the previously announced sale of an 18.7% preferred joint venture interest in its healthcare real estate portfolio, which resulted in net proceeds of approximately \$340 million, representing an implied 6.1% cap rate.

Post-Merger: Colony NorthStar Update

2017 Updated Guidance

The Company is updating its Core FFO guidance for the year ending 2017 to a range of \$1.40 to \$1.58 per share, but does not intend to provide updates to Core FFO guidance going forward. In comparison to the original 2017 guidance that was provided in the Investor Presentation related to the merger filed on June 7, 2016, the update includes lower earnings due primarily to: 1) less third party capital raising; 2) less cash available to deploy into investments resulting from the increase of the NSAM special dividend among other reasons; and, 3) accelerating the replacement of higher-yielding, non-core investments with lower-yielding investments that better fit the strategic direction of the Company. The updated 2017 guidance included in this press release is subject to the cautionary statements and limitations described in the Cautionary Statement Regarding Forward-Looking Statements section at the end of this press release.

Common Stock Repurchase Program

On February 23, 2017, the Company's Board of Directors authorized the Company to purchase up to \$300 million of its outstanding common stock through February 22, 2018.

Common Dividends

On January 20, 2017, the Company paid (i) a dividend of \$0.04444 per share of common stock to former Colony stockholders representing a pro rata dividend for the period from January 1, 2017 through January 10, 2017 of the quarterly dividend rate of \$0.40 per Colony share and (ii) a dividend of \$0.04444 per share of common stock to former NRF stockholders representing a pro rata dividend for the period from January 1, 2017 through January 10, 2017 of the quarterly dividend rate of \$0.40 per NRF share.

On January 27, 2017, the Company paid a one-time special dividend of \$1.16 per share of NSAM common stock to former NSAM stockholders.

On February 23, 2017, the Company's Board of Directors declared a quarterly cash dividend of \$0.27 per share of Class A and Class B common stock for the first quarter of 2017, which will be prorated to \$0.24 per share for the period from January 11, 2017 to March 31, 2017 and paid on April 17, 2017 to respective stockholders of record on March 31, 2017.

Preferred Dividends

On January 16, 2017, the Company paid quarterly cash dividends of (i) \$0.53125 per share of 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, (ii) \$0.46875 per share of 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, and (iii) \$0.4453 per share of 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, in each case, to respective stockholders of record on December 30, 2016.

On February 15, 2017, the Company paid quarterly cash dividends of (iv) \$0.54688 per share of 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, (v) \$0.51563 per share of 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, (vi) \$0.55469 per share of 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, (vii) \$0.53125 per share of 8.50% Series D Cumulative Redeemable Perpetual Preferred Stock, and (viii) \$0.54688 per share of 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, in each case, to respective stockholders of record on February 10, 2017.



On February 23, 2017, the Company's Board of Directors declared (i) quarterly cash dividends of (a) \$0.54688 per share of 8.75% Series A Cumulative Redeemable Perpetual Preferred Stock, (b) \$0.51563 per share of 8.25% Series B Cumulative Redeemable Perpetual Preferred Stock, (c) \$0.55469 per share of 8.875% Series C Cumulative Redeemable Perpetual Preferred Stock, (d) \$0.53125 per share of 8.50% Series D Cumulative Redeemable Perpetual Preferred Stock, and (e) \$0.54688 per share of 8.75% Series E Cumulative Redeemable Perpetual Preferred Stock, in each case, payable on May 15, 2017 to respective stockholders of record on May 10, 2017 and (ii) quarterly cash dividends of (f) \$0.53125 per share of 8.50% Series F Cumulative Redeemable Perpetual Preferred Stock, (g) \$0.46875 per share of 7.50% Series G Cumulative Redeemable Perpetual Preferred Stock, and (h) \$0.4453 per share of 7.125% Series H Cumulative Redeemable Perpetual Preferred Stock, in each case, payable on April 17, 2017 to respective stockholders of record on March 31, 2017.

Asset Monetizations

The Company has entered into a definitive agreement to sell its entire manufactured housing communities portfolio for \$2.0 billion, which will result in net proceeds of approximately \$615 million. This transaction is expected to close in the first quarter 2017; however, there is no assurance this transaction will close on the terms anticipated, if at all.

Liquidity, Financing and Capital Markets

Concurrent with the closing of the merger, NSAM and NRF repaid in entirety their term loan borrowings of \$0.5 billion and \$0.4 billion, respectively, and Colony NorthStar amended and restated Colony's revolving credit facility increasing commitments from \$850 million to \$1.0 billion and renewing the initial term to four years with two 6-month extension options.

As of February 24, 2017, the Company had a total of approximately \$135 million of unrestricted cash, \$500 million of undrawn capacity on its \$1.0 billion revolving credit facility and expects to receive \$615 million of net proceeds from the sale of the manufactured housing communities portfolio.

Stockholders' Equity

As of February 24, 2017, the Company had approximately 564.3 million Class A and B common stock and restricted stock units outstanding and the Company's operating partnership had approximately 34.3 million operating company units outstanding held by members other than the Company or its subsidiaries.

Assets Under Management ("AUM")

As of December 31, 2016 the Company had \$56 billion of AUM, pro forma for NRF asset monetizations as of February 24, 2017:

<i>(In billions)</i>	Amount	% of Grand Total
Balance Sheet (CLNS Pro Rata Share):		
Healthcare	\$ 3.9	7.0%
Industrial	1.2	2.1%
Hospitality	3.5	6.2%
Other Equity and Debt	6.5	11.6%
Balance Sheet Subtotal	15.1	26.9%
Investment Management:		
Institutional Funds	11.0	19.6%
Retail Companies	6.8	12.1%
NorthStar Realty Europe (NYSE:NRE)	2.0	3.6%
Townsend	14.6	26.0%
Pro Rata Corporate Investments	6.6	11.8%
Investment Management Subtotal	41.0	73.1%
Grand Total	\$ 56.1	100.0%

Non-GAAP Financial Measures and Definitions

Colony Fee-Earning Equity Under Management ("FEEUM")

Colony Fee-Earning Equity Under Management refers to the equity for which Colony provided investment management services and from which it derived management fees and/or performance allocations. FEEUM is presented as of December 31, 2016, and included \$0.3 billion of uncalled limited partner capital commitments which did not bear fees. Additionally, \$0.3 billion pertained to FEEUM of Colony's equity-method investment in a German-based asset management platform. Colony's calculations of FEEUM may differ 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.

Colony Assets Under Management

Colony Assets Under Management refers to the assets for which Colony provided investment management services and included assets for which it may or may not charge management fees and/or performance allocations. AUM is presented as of December 31, 2016 and equaled the sum of: a) the gross fair value of investments held directly by Colony or managed by Colony on behalf of its private funds, co-investments, or other investment vehicles; b) leverage, inclusive of debt held by investments and deferred purchases prices; c) uncalled limited partner capital commitments which Colony was entitled to call from investors during the given commitment period at its discretion pursuant to the terms of their respective funds; and d) with respect to majority-owned and substantially controlled investments consolidated by Colony, gross assets attributable to third-party investors. Colony's calculations of AUM may differ from the calculations of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers.

CLNS Assets Under Management

Refers to assets which the Company and its affiliates provides investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is generally based on reported gross carrying value or cost basis of managed investments as reported by each underlying vehicle at December 31, 2016, proforma for NRF asset monetizations, while legacy NRF real estate assets are based on preliminary merger purchase price accounting figures and retail companies and NorthStar Realty Europe are presented as of February 24, 2017. AUM further includes a) uncalled capital commitments and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share assets of each affiliate as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

NSAM Cash Available for Distribution ("CAD")

NSAM believed that CAD provides investors and management with a meaningful indicator of operating performance. NSAM Management also used CAD, among other measures, to evaluate profitability. In addition, the incentive fees to which NSAM was entitled to pursuant to its prior management agreements with each of its NorthStar Listed Companies were determined using such NorthStar Listed Company's CAD as a performance metric. NSAM believed that CAD is useful because it adjusted for a variety of items that are consistent with presenting a measure of operating performance (such as transaction costs, depreciation and amortization, equity-based compensation, unrealized gain (loss) on investments and other, realized gain (loss) on investments and other and asset impairment). NSAM adjusted for transaction costs because these costs are not a meaningful indicator of its operating performance. For instance, these transaction costs include costs such as professional fees associated with new investments or restructuring of investments, which are expenses related to specific transactions.

NSAM calculated CAD by subtracting from or adding to net income (loss) attributable to common stockholders, non-controlling interests attributable to NSAM's Operating Partnership and the following items: equity-based compensation, depreciation and amortization related items, amortization of deferred financing costs, foreign currency gains (losses), impairment on goodwill and other intangible assets, straight-line rent, adjustments for joint ventures and investment funds, unrealized (gain) loss from fair value adjustments, realized gain (loss) on investments and transaction and other costs. These items, if applicable, included any adjustments for unconsolidated ventures. NSAM management also believed that quarterly distributions were principally based on operating performance and its board of directors included CAD as one of several metrics it reviewed to determine quarterly distributions to stockholders.

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

NRF Cash Available for Distribution

NRF believed that CAD provides investors and management with a meaningful indicator of operating performance. NRF also believed that CAD was useful because it adjusted for a variety of items that are consistent with presenting a measure of operating performance (such as transaction costs, N-Star CDO equity interests, depreciation and amortization, equity-based compensation, realized gain (loss) on investments, provision for loan losses, asset impairment, non-recurring bad debt expense and certain interest income and expense items). NRF adjusted for transaction costs because these costs were not a meaningful indicator of its operating performance. For instance, these transaction costs included costs such as professional fees associated with new investments or restructuring of investments, which are expenses related to specific transactions. NRF adjusted for N-Star CDO equity interests to represent the net economic interest generated from the N-Star CDO equity interests. This adjustment was a component of NRF's ongoing return on such investments, and therefore, was adjusted in CAD as it provided investors and management with a meaningful indicator of NRF's operating performance. Furthermore, CAD adjusted N-Star CDO bond discounts to record such investments on an effective yield basis over the expected weighted average life of the investment. N-Star CDO bond discounts related to repurchased CDO bonds of consolidated CDO financing transactions at a discount to par. These CDO bonds typically have a low interest rate and the majority of the return was generated from repurchasing the CDO bonds at a discount to expected recovery value. Because the return generated through the accretion of the discount was a meaningful contributor to NRF's operating performance, such accretion was adjusted in CAD. The computation for the accretion of the discount under U.S. GAAP and CAD was the same. However, for CDO financing transactions that are consolidated under U.S. GAAP, the CDO bonds were not presented as an investment but rather were eliminated in NRF's consolidated financial statements. In addition, NRF adjusted for distributions and adjustments to joint venture partners, which represented the net return generated from NRF investments allocated to our non-controlling interests. For NRF's owned hotels, NRF's CAD calculation did not make an adjustment for furniture, fixtures and equipment (FF&E) reserves. CAD fluctuated from period to period based upon a variety of factors, including, but not limited to, the timing and amount of investments, repayments and asset sales, capital raised, use of leverage, changes in the expected yield of investments and the overall conditions in commercial real estate and the economy generally. Management also believed that quarterly distributions were principally based on operating performance and NRF's board of directors included CAD as one of several metrics it reviewed to determine quarterly distributions to stockholders.

NRF calculated CAD by subtracting from or adding to net income (loss) attributable to common stockholders, non-controlling interests and the following items: depreciation and amortization items including straight-line rental income or expense, amortization of above/below market leases, amortization of deferred financing costs, amortization of discount on financings and other and equity-based compensation; net economic interest generated from N-Star CDO equity interests; accretion of consolidated N-Star CDO bond discounts; net interest income in consolidated N-Star CDOs; unrealized gain (loss) from the change in fair value; realized gain (loss) on investments and other, excluding accelerated amortization related to sales of CDO bonds or other investments; provision for loan losses, net; impairment on depreciable property; non-recurring bad debt expense; acquisition gains or losses; distributions and adjustments related to joint venture partners; transaction costs; foreign currency gains (losses); impairment on goodwill and other intangible assets; and one-time events pursuant to changes in U.S. GAAP and certain other non-recurring items.

CAD should not be considered as an alternative to net income (loss) attributable to common stockholders, determined in accordance with U.S. GAAP, as an indicator of operating performance. In addition, NRF's methodology for calculating CAD involved 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 these companies.

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

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



Colony computed core funds from operations ("Core FFO") by adjusting FFO for the following items, including Colony's share of these items recognized by its unconsolidated partnerships and joint ventures: (i) gains and losses from sales of depreciable real estate, net of depreciation, amortization and impairment previously adjusted for FFO; (ii) stock compensation expense; (iii) effects of straight-line rent revenue and straight-line rent expense on ground leases; (iv) amortization of acquired above- and below-market lease values; (v) amortization of deferred financing costs and debt premiums and discounts; (vi) unrealized fair value gains or losses on derivative instruments and on foreign currency remeasurements; (vii) acquisition-related expenses, merger and integration costs; (viii) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (ix) gain on remeasurement of consolidated investment entities and the effect of amortization thereof; (x) non-real estate depreciation and amortization; (xi) change in fair value of contingent consideration; and (xii) deferred tax effect on the foregoing adjustments. Also, beginning with the first quarter of 2016, Colony's share of Core FFO from its interest in Colony Starwood Homes (NYSE: SFR) represented its percentage interest multiplied by SFR's reported Core FFO, which may differ from Colony's calculation of Core FFO. Refer to SFR's filings for its definition and calculation of Core FFO.

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. Colony'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.

Colony used 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, when compared year over year, captures trends in occupancy rates, rental rates, and operating costs. Colony also believed that, as widely recognized measures of the performance of REITs, FFO and Core FFO would be used by investors as a basis to compare its operating performance with that of other REITs. However, because FFO and Core FFO excludes depreciation and amortization and captures neither the changes in the value of Colony'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 Colony's results from operations, the utility of FFO and Core FFO as measures of Colony's performance was limited. Other equity REITs may not calculate FFO and Core FFO in accordance with the NAREIT definition and, accordingly, Colony's FFO and Core FFO may not be comparable to such other REITs' FFO and Core FFO. Accordingly, FFO and Core FFO should be considered only as supplements to net income as a measure of Colony's performance.

NRF Net Operating Income ("NOI")

NRF believed NOI was a useful metric of the operating performance of its real estate portfolio in the aggregate. Portfolio results and performance metrics represented 100% for all consolidated investments and represented NRF's ownership percentage for unconsolidated joint ventures. Net operating income represented total property and related revenues, adjusted for: (i) amortization of above/below market rent; (ii) straight line rent; (iii) other items such as adjustments related to joint ventures and non-recurring bad debt expense; and (iv) less property operating expenses. However, the usefulness of NOI is limited because it excluded general and administrative costs, interest expense, transaction costs, depreciation and amortization expense, realized gains (losses) from the sale of properties and other items under U.S. GAAP and capital expenditures and leasing costs necessary to maintain the operating performance of properties, all of which may be significant economic costs. 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, NRF's methodology for calculating NOI involved 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 these companies.



Fourth Quarter 2016 Conference Call

The Company will conduct a conference call to discuss the financial results on Wednesday, March 1, 2017 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 Investor Relations section of the Company's website at <http://www.clns.com>. A webcast of the call will be available for 90 days on the Company's website.

For those unable to participate during the live call, a replay will be available starting March 1, 2017, at 10:00 a.m. PT / 1:00 p.m. ET, through March 8, 2017, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use passcode 13653984. International callers should dial (412) 317-6671 and enter the same conference ID number.

About Colony NorthStar, Inc.

Colony NorthStar, Inc. (NYSE:CLNS) is a leading global real estate and investment management firm. The Company resulted from the January 2017 merger between Colony Capital, Inc., NorthStar Asset Management Group Inc. and NorthStar Realty Finance Corp. The Company has significant property holdings in the healthcare, industrial and hospitality sectors, opportunistic equity and debt investments and an embedded institutional and retail investment management business. The Company currently has assets under management in excess of \$56 billion and manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, non-traded and traded real estate investment trusts and registered investment companies. In addition, the Company owns NorthStar Securities, LLC, a captive broker-dealer platform which raises capital in the retail market. The firm maintains principal offices in Los Angeles and New York, with more than 500 employees in offices located across 17 cities in ten countries. The Company will elect to be taxed as a REIT for U.S. federal income tax purposes. For additional information regarding the Company and its management and business, please refer to www.clns.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in and benefits of the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., Colony NorthStar's liquidity, including its ability to complete identified monetization transactions and other potential sales of non-core investments, whether Colony NorthStar will be able to achieve a streamlined organization as a leading diversified equity REIT with a concentration in select areas demonstrating the most favorable supply/demand dynamics globally that further benefits from an embedded best-in-class investment management operation in the anticipated timeframe or ever, the timing of and ability to deploy available capital, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability perform on the RMZ, Colony NorthStar's leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony NorthStar's reports filed from time to time with the Securities and Exchange Commission.



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

Investor Contacts:

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or

Addo Investor Relations
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(FINANCIAL TABLES FOLLOW)



NORTHSTAR ASSET MANAGEMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	
	2016	2015
Assets		
Cash	\$ 131,666	\$ 84,707
Restricted cash	22,477	36,780
Receivables, net	71,423	93,809
Investments in unconsolidated ventures	55,836	88,069
Securities, at fair value	44,210	46,215
Intangible assets, net	201,631	—
Goodwill	243,328	—
Other assets	80,056	25,241
Total assets	\$ 850,627	\$ 374,821
Liabilities		
Term loan, net	\$ 468,425	\$ —
Credit facility	—	100,000
Accounts payable and accrued expenses	85,503	90,160
Commission payable	5,662	6,988
Other liabilities	30,847	930
Total liabilities	590,437	198,078
Commitments and contingencies		
Redeemable non-controlling interests	74,525	—
Equity		
NorthStar Asset Management Group Inc. Stockholders' Equity		
Performance common stock	52	42
Preferred stock	—	—
Common stock	1,884	1,857
Additional paid-in capital	250,997	208,318
Accumulated other comprehensive income (loss)	(280)	—
Retained earnings (accumulated deficit)	(68,541)	(35,152)
Total NorthStar Asset Management Group Inc. stockholders' equity	184,112	175,065
Non-controlling interests	1,553	1,678
Total equity	185,665	176,743
Total liabilities and equity	\$ 850,627	\$ 374,821



NORTHSTAR ASSET MANAGEMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,	
	2016	2015
Revenues		
Asset management and other fees	\$ 90,276	\$ 77,257
Selling commission and dealer manager fees	7,688	39,543
Other income	1,555	75
Total revenues	99,519	116,875
Expenses		
Commission expense	7,629	36,379
Interest expense	6,947	778
Transaction costs	15,314	8,018
Other expenses	2,311	669
General and administrative expenses		
Compensation expense ⁽¹⁾	52,273	33,941
Other general and administrative expenses	10,224	10,462
Total general and administrative expenses	62,497	44,403
Depreciation and amortization	2,666	525
Total expenses	97,364	90,772
Unrealized gain (loss) on investments and other	5,706	(3,852)
Realized gain (loss) on investments and other	(15,353)	—
Income (loss) before equity in earnings (losses) of unconsolidated ventures and income tax benefit (expense)	(7,492)	22,251
Equity in earnings (losses) of unconsolidated ventures	(688)	2,461
Income (loss) before income tax benefit (expense)	(8,180)	24,712
Income tax benefit (expense)	(1,691)	(5,701)
Net income (loss)	(9,871)	19,011
Net (income) loss attributable to non-controlling interests	91	(182)
Net (income) loss attributable to redeemable non-controlling interests	(1,280)	—
Net income (loss) attributable to NorthStar Asset Management Group Inc. common stockholders	\$ (11,060)	\$ 18,829
Earnings (loss) per share:		
Basic	\$ (0.06)	\$ 0.10
Diluted	\$ (0.06)	\$ 0.10
Weighted average number of shares:		
Basic	183,552	186,278
Diluted	185,316	188,576

(1) The three months ended December 31, 2016 and 2015 includes \$16.0 million and \$14.3 million of equity-based compensation expense, respectively.

NORTHSTAR ASSET MANAGEMENT GROUP INC.
CASH AVAILABLE FOR DISTRIBUTION
(In thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,	
	2016	2015 (As Revised) ⁽¹⁾
Net income (loss) attributable common stockholders	\$ (11,060)	\$ 18,829
Non-controlling interests attributable to NSAM's Operating Partnership	(91)	182
Adjustments:		
Equity-based compensation ⁽²⁾	16,040	14,290
Adjustment related to joint ventures ⁽³⁾	3,524	4,232
Unrealized (gain) loss from fair value adjustments and other ⁽⁴⁾	(5,706)	3,852
Realized (gain) loss from fair value adjustments and other ⁽⁵⁾	15,353	—
Transaction costs and other ⁽⁶⁾	15,954	8,220
Depreciation and amortization items ⁽⁷⁾	3,714	859
CAD	\$ 37,728	\$ 50,464
CAD per share ⁽⁸⁾	\$ 0.20	\$ 0.27

(1) CAD presented for the three months ended December 31, 2015 has been revised from previously reported numbers by \$(1.9) million related to deferred taxes which had been a previous adjustment in the computation of CAD. This revision is related to a change in calculation methodology of CAD made during 2016. NSAM had previously reported CAD of \$52.3 million, or \$0.27 per share.

(2) The three months ended December 31, 2016 includes equity-based compensation expense related to grants of NorthStar Realty stock issued prior to the NSAM Spin-off of \$2.4 million, one-time grants issued in connection with the NSAM Spin-off of \$5.8 million, annual grants issued to executives and employees of \$7.4 million and other grants to non-employees of \$0.4 million. The three months ended December 31, 2015 includes equity-based compensation expense related to grants of NorthStar Realty stock issued prior to the NSAM Spin-off of \$3.0 million, one-time grants issued in connection with the NSAM Spin-off of \$7.7 million, annual grants issued to executives and employees of \$3.5 million and other grants to non-employees of \$0.1 million.

(3) The three months ended December 31, 2016 includes an adjustment to add \$1.0 million of equity-based compensation expense, \$2.7 million of depreciation and amortization expense related to unconsolidated ventures and a reduction of \$(0.1) million related to net unrealized and realized gains (losses) on the Townsend Funds. The three months ended December 31, 2015 includes an adjustment to add \$0.2 million of equity-based compensation expense and \$4.0 million of depreciation and amortization expense related to unconsolidated ventures.

(4) Represents the change in fair value for NSAM's investment in NorthStar Listed Companies common stock and foreign exchange gains (losses).

(5) For the three months ended December 31, 2016, amount related to the sale of NSAM's interest in Island Hospitality Management Inc.

(6) The three months ended December 31, 2016 includes an adjustment to add back transaction costs of \$15.3 million which related to the merger with NorthStar Realty and Colony and an impairment of \$0.7 million. The three months ended December 31, 2015 includes \$(0.2) million of straight-line rental expense and \$8.4 million of one-time expenses and transaction costs which includes a buyout and satisfaction of all participating interests related to NorthStar Income for \$8.1 million.

(7) The three months ended December 31, 2016 includes an adjustment to exclude depreciation of \$2.7 million and amortization of deferred financing costs of \$1.0 million. The three months ended December 31, 2015 includes an adjustment to exclude depreciation of \$0.5 million and amortization of deferred financing costs of \$0.4 million.

(8) CAD per share does not take into account any potential dilution from certain restricted stock units and performance stock subject to market based performance metrics not currently achieved.



COLONY CAPITAL, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	
	2016	2015
ASSETS		
Cash	\$ 376,005	\$ 185,854
Loans receivable, net		
Held for investment	3,432,992	4,048,477
Held for sale	29,353	75,002
Real estate assets, net		
Held for investment	3,243,631	3,132,218
Held for sale	223,954	297,887
Equity method investments	953,259	824,597
Other investments	123,182	99,868
Goodwill	680,127	678,267
Deferred leasing costs and intangible assets, net	299,980	325,513
Due from affiliates	9,971	11,713
Other assets	388,538	359,914
Total assets	\$ 9,760,992	\$ 10,039,310
LIABILITIES AND EQUITY		
Liabilities:		
Accrued and other liabilities	\$ 321,225	\$ 325,589
Due to affiliates—contingent consideration	41,250	52,990
Dividends and distributions payable	65,972	65,688
Debt, net	3,122,792	3,587,724
Convertible senior notes, net	592,826	591,079
Total liabilities	4,144,065	4,623,070
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Preferred stock	250	250
Common stock	1,140	1,123
Additional paid-in capital	3,050,582	2,995,243
Distributions in excess of earnings	(246,064)	(131,278)
Accumulated other comprehensive loss	(32,109)	(18,422)
Total stockholders' equity	2,773,799	2,846,916
Noncontrolling interests in investment entities	2,453,938	2,138,925
Noncontrolling interests in Operating Company	389,190	430,399
Total equity	5,616,927	5,416,240
Total liabilities and equity	\$ 9,760,992	\$ 10,039,310



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

	Three Months Ended December 31,	
	2016	2015
Income		
Interest income	\$ 94,355	\$ 127,629
Property operating income	91,612	86,413
Income from equity method investments	27,149	3,421
Fee income	18,384	20,745
Other income	4,122	3,274
Total income	235,622	241,482
Expenses		
Investment and servicing expenses	6,218	7,986
Transaction and merger integration costs	21,967	20,736
Interest expense	43,448	37,550
Property operating expenses	28,992	32,182
Depreciation and amortization	42,406	39,368
Provision for loan losses	17,593	6,538
Impairment loss	6,256	10,425
Compensation expense	31,149	29,513
Administrative expenses	12,939	11,507
Total expenses	210,968	195,805
Gain on sale of real estate assets, net	5,502	2,490
Other gain, net	146	3,112
Income before income taxes	30,302	51,279
Income tax (expense) benefit	(5,647)	6,697
Net income	24,655	57,976
Net income (loss) attributable to noncontrolling interests:		
Investment entities	32,576	23,543
Operating Company	(3,204)	3,595
Net (loss) income attributable to Colony Capital, Inc.	(4,717)	30,838
Preferred dividends	12,093	12,093
Net (loss) income attributable to common stockholders	\$ (16,810)	\$ 18,745
(Loss) Earnings per common share:		
Basic	\$ (0.15)	\$ 0.17
Diluted	\$ (0.15)	\$ 0.17
Weighted average number of common shares outstanding:		
Basic	112,539	111,444
Diluted	112,539	111,444

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

	Three Months Ended December 31,	
	2016	2015 (As Revised) ⁽¹⁾
Net (loss) income attributable to common stockholders	\$ (16,810)	\$ 18,745
Adjustments for FFO attributable to common interests in Operating Company:		
Net (loss) income attributable to noncontrolling common interests in Operating Company	(3,204)	3,595
Real estate depreciation and amortization	44,457	40,700
Impairment of real estate	6,286	8,790
Gain on sales of real estate	(19,920)	(2,673)
Less: Adjustments attributable to noncontrolling interests in investment entities	(11,830)	(15,277)
FFO attributable to common interests in Operating Company and common stockholders	<u>\$ (1,021)</u>	<u>\$ 53,880</u>
Additional adjustments for Core FFO attributable to common interests in Operating Company and common stockholders:		
Gain on sales of real estate, net of depreciation, amortization and impairment previously adjusted for FFO	14,119	1,866
Noncash equity compensation expense	3,442	2,468
Straight-line rent revenue	(3,022)	(3,293)
Loss (gain) on change in fair value of contingent consideration	1,900	(750)
Amortization of acquired above- and below-market lease intangibles, net	81	177
Amortization of deferred financing costs and debt premiums and discounts	11,624	6,865
Unrealized gain on derivatives	(1,933)	(3,748)
Acquisition-related expenses, merger and integration costs	21,930	22,930
Amortization and impairment of investment management intangibles	3,689	9,367
Non-real estate depreciation and amortization	1,214	1,206
Amortization of gain on remeasurement of consolidated investment entities, net	22,427	29,573
Deferred tax benefit, net ⁽³⁾	(2,947)	(4,179)
Net loss on SFR's non-performing loans business ⁽⁴⁾	1,460	—
Less: Adjustments attributable to noncontrolling interests in investment entities	(23,574)	(40,722)
Core FFO attributable to common interests in Operating Company and common stockholders	<u>\$ 49,389</u>	<u>\$ 75,640</u>
FFO per common share / common OP Unit ⁽⁵⁾	<u>\$ (0.01)</u>	<u>\$ 0.40</u>
FFO per common share / common OP Unit—Diluted ⁽⁵⁾	<u>\$ (0.01)</u>	<u>\$ 0.38</u>
Core FFO per common share / common OP Unit ⁽⁵⁾	<u>\$ 0.37</u>	<u>\$ 0.56</u>
Core FFO per common share / common OP Unit—Diluted ⁽⁵⁾	<u>\$ 0.35</u>	<u>\$ 0.52</u>
Weighted average number of common Units outstanding used for FFO and Core FFO per common share and OP Unit ⁽⁵⁾	<u>134,699</u>	<u>133,993</u>
Weighted average number of common Units outstanding used for FFO per common share and OP Unit—Diluted ⁽⁵⁾⁽⁶⁾	<u>134,699</u>	<u>158,687</u>
Weighted average number of common Units outstanding used for Core FFO per common share and OP Unit—Diluted ⁽⁵⁾	<u>159,648</u>	<u>158,687</u>

(1) FFO and Core FFO for the three months ended December 31, 2015 have been revised from previously reported numbers to reflect the changes as further described in Notes (2) and (3). The Company had previously reported FFO of \$54,272, Core FFO of \$76,698, Basic FFO per share of \$0.41, Diluted FFO per share of \$0.39, Core FFO per share of \$0.57 and Diluted Core FFO per share of \$0.53.

(2) Adjustments attributable to noncontrolling interests in investment entities for the three months ended December 31, 2016 and 2015 include a cumulative correction of allocation of loss to noncontrolling interests of \$4,343 and (\$392), respectively.

(3) Adjustment represents the deferred tax effect of noncash equity compensation expense and amortization and impairment of investment management intangibles. Core FFO for the three months ended December 31, 2015 has been revised to include an adjustment of \$666 attributable to the deferred tax effect of noncash equity compensation expense.

(4) Represents OP's share of SFR's net gain on its legacy SWAY non-performing loans business, which is classified as discontinued operations for SFR.

(5) Calculated based on weighted average shares outstanding including participating securities (nonvested shares) and assuming the exchange of all common OP units outstanding for common shares.

- (6) For the three months ended December 31, 2016, excluded from the calculation of diluted FFO per share is the effect of adding back \$6.8 million of interest expense and 24.9 million weighted average shares for the assumed conversion of convertible notes as their inclusion would be antidilutive.



NORTHSTAR REALTY FINANCE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	
	2016	2015
Assets		
Cash and cash equivalents	\$ 1,104,950	\$ 224,101
Restricted cash	166,394	299,288
Operating real estate, net	7,397,231	8,702,259
Real estate debt investments, net	296,544	501,474
Real estate debt investments, held for sale	34,000	224,677
Investments in private equity funds, at fair value	416,919	1,101,650
Investments in unconsolidated ventures	167,778	155,737
Real estate securities, available for sale	445,363	702,110
Receivables, net	52,548	66,197
Receivables, related parties	1,058	2,850
Intangible assets, net	333,000	527,277
Assets of properties held for sale	1,668,305	2,742,635
Other assets	132,799	154,146
Total assets	<u>\$ 12,216,889</u>	<u>\$ 15,404,401</u>
Liabilities		
Mortgage and other notes payable	\$ 6,290,200	\$ 7,164,576
Credit facilities and term borrowings	421,584	654,060
CDO bonds payable, at fair value	256,544	307,601
Exchangeable senior notes	27,410	29,038
Junior subordinated notes, at fair value	194,980	183,893
Accounts payable and accrued expenses	106,120	170,120
Due to related party	874	50,903
Derivative liabilities, at fair value	123,472	103,293
Intangible liabilities, net	110,661	149,642
Liabilities of properties held for sale	1,291,275	2,209,689
Other liabilities	59,934	165,856
Total liabilities	<u>8,883,054</u>	<u>11,188,671</u>
Commitments and contingencies		
Equity		
NorthStar Realty Finance Corp. Stockholders' Equity		
Preferred stock	939,118	939,118
Common stock	1,806	1,832
Additional paid-in capital	5,120,061	5,149,349
Retained earnings (accumulated deficit)	(2,901,966)	(2,309,564)
Accumulated other comprehensive income (loss)	(77,523)	18,485
Total NorthStar Realty Finance Corp. stockholders' equity	<u>3,081,496</u>	<u>3,799,220</u>
Non-controlling interests	252,339	416,510
Total equity	<u>3,333,835</u>	<u>4,215,730</u>
Total liabilities and equity	<u>\$ 12,216,889</u>	<u>\$ 15,404,401</u>



NORTHSTAR REALTY FINANCE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,	
	2016 ⁽¹⁾	2015 ⁽¹⁾
Property and other revenues		
Rental and escalation income	\$ 151,657	\$ 194,384
Hotel related income	189,864	189,912
Resident fee income	73,813	71,930
Other revenue	4,709	18,129
Total property and other revenues	<u>420,043</u>	<u>474,355</u>
Net interest income		
Interest income	29,391	41,497
Interest expense on debt and securities	1,495	2,986
Net interest income on debt and securities	<u>27,896</u>	<u>38,511</u>
Expenses		
Management fee, related party	46,810	47,435
Interest expense—mortgage and corporate borrowings	111,337	126,559
Real estate properties—operating expenses	225,944	241,369
Other expenses	4,364	6,315
Transaction costs	5,885	5,573
Impairment losses	4,363	31,951
Provision for (reversal of) loan losses, net	2,620	3,381
General and administrative expenses		
Compensation expense ⁽²⁾	9,154	10,302
Other general and administrative expenses	5,890	4,711
Total general and administrative expenses	<u>15,044</u>	<u>15,013</u>
Depreciation and amortization	77,648	116,731
Total expenses	<u>494,015</u>	<u>594,327</u>
Other income (loss)		
Unrealized gain (loss) on investments and other	85,482	(25,270)
Realized gain (loss) on investments and other	22,457	(1,671)
Income (loss) before equity in earnings (losses) of unconsolidated ventures and income tax benefit (expense)	<u>61,863</u>	<u>(108,402)</u>
Equity in earnings (losses) of unconsolidated ventures	22,880	47,339
Income tax benefit (expense)	(1,506)	(4,715)
Income (loss) from continuing operations	<u>83,237</u>	<u>(65,778)</u>
Income (loss) from discontinued operations	—	5,756
Net income (loss)	<u>83,237</u>	<u>(60,022)</u>
Net (income) loss attributable to non-controlling interests	(534)	8,799
Preferred stock dividends	(21,060)	(21,059)
Net income (loss) attributable to NorthStar Realty Finance Corp. common stockholders	<u>\$ 61,643</u>	<u>\$ (72,282)</u>
Earnings (loss) per share:		
Income (loss) per share from continuing operations	\$ 0.34	\$ (0.42)
Income (loss) per share from discontinued operations	—	0.03
Basic	<u>\$ 0.34</u>	<u>\$ (0.39)</u>
Diluted	<u>\$ 0.34</u>	<u>\$ (0.39)</u>
Weighted average number of shares: ⁽³⁾		
Basic	\$ 179,956	\$ 185,957
Diluted	<u>\$ 181,811</u>	<u>\$ 187,828</u>

(1) The consolidated financial statements for the three months ended December 31, 2016 represent the Company's results of operations following the NRE Spin-off on October 31, 2015. The three months ended December 31, 2015 include a carve-out of revenues and expenses attributable to NorthStar Europe recorded in discontinued operations.

- (2) The three months ended December 31, 2016 and 2015 includes \$6.4 million and \$3.0 million of equity-based compensation expense, respectively.
- (3) Adjusted for the one-for-two reverse stock split completed on November 1, 2015.

NORTHSTAR REALTY FINANCE CORP.
CASH AVAILABLE FOR DISTRIBUTION
(In thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,	
	2016	2015 (As Revised) ⁽¹⁾
Net income (loss) attributable to common stockholders	\$ 61,643	\$ (72,282)
Non-controlling interests	534	(8,799)
Adjustments:		
Depreciation and amortization items ⁽²⁾	93,001	145,950
N-Star CDO bond discounts ⁽³⁾	3,740	4,483
Net interest income in consolidated N-Star CDOs	(8,210)	(10,196)
Unrealized (gain) loss from fair value adjustments / Provision for (reversal of) loan losses, net	(83,652)	25,837
Realized (gain) loss on investments ⁽⁴⁾	(22,457)	3,296
Distributions / adjustments to joint venture partners	(7,839)	(11,357)
Transaction costs and other ⁽⁵⁾	11,632	45,555
Adjustments related to discontinued operations ⁽⁶⁾	—	1,364
CAD	\$ 48,392	\$ 123,851
CAD per share ⁽⁷⁾	\$ 0.26	\$ 0.66

(1) CAD presented for the three months ended December 31, 2015 has been revised from previously reported numbers by \$(5.9) million related to deferred taxes which had been a previous adjustment in the computation of CAD. This revision is related to a change in calculation methodology of CAD made during 2016. NRF had previously reported CAD of \$118.0 million, or \$0.63 per share.

(2) The three months ended December 31, 2016 includes an adjustment to exclude depreciation and amortization of \$77.8 million (including \$0.2 million related to unconsolidated ventures), straight-line rental income of \$(5.1) million, amortization of above/below market leases of \$1.4 million, amortization of deferred financing costs of \$12.1 million, amortization of discount on financings and other of \$0.4 million and amortization of equity-based compensation of \$6.4 million. The three months ended December 31, 2015 includes an adjustment to exclude depreciation and amortization of \$117.6 million (including \$0.2 million related to unconsolidated ventures and \$0.7 million of cash flow related to community fees), straight-line rental income of \$(7.0) million, amortization of above/below market leases of \$2.9 million, amortization of deferred financing costs of \$15.3 million, amortization of discount on financings and other of \$14.0 million (primarily related to an early loan payoff and \$1.2 million of net year end adjustments) and amortization of equity-based compensation of \$3.0 million.

(3) For CAD, discounts expected to be realized on N-Star CDO bonds for consolidated CDOs are accreted on an effective yield basis based on expected maturity. For deconsolidated N-Star CDOs, N-Star CDO bond accretion is already included in net income attributable to common stockholders.

(4) The three months ended December 31, 2016 includes an adjustment to exclude a \$30.0 million net gain related to the sale of real estate investments, a \$22.4 million gain related to the foreclosure of real estate, \$(29.3) million non-cash loss related to securities in NRF's consolidated CDOs, \$(1.4) million loss related to the sale of manufactured homes and \$0.8 million of other real estate gains. The three months ended December 31, 2015 excludes \$(4.6) million related to securities in NRF's consolidated CDOs, \$0.1 million of foreign currency and \$1.3 million of other real estate gains and includes \$0.7 million related to the liquidation of CDO IV, \$0.6 million related to losses in an unconsolidated venture and \$0.3 million related to tax recovery.

(5) The three months ended December 31, 2016 includes an adjustment to exclude \$5.9 million of transaction costs, \$4.4 million of impairment and include \$1.3 million related to N-Star CDO equity interests. The three months ended December 31, 2015 includes an adjustment to exclude \$5.6 million of transaction costs, \$32.0 million of impairment (including \$25.5 million of goodwill impairment) and \$2.4 million of bad debt expense and include \$5.6 million related to N-Star CDO equity interests.

(6) The three months ended December 31, 2015 includes one month of activity of NorthStar Europe prior to the NRE Spin-off with an adjustment of \$1.4 million to discontinued operations.

(7) CAD per share does not take into account any potential dilution from NRF's outstanding exchangeable notes or restricted stock units subject to performance metrics not currently achieved.



NorthStar Realty Finance Corp.

Reconciliation of Net Income (Loss) to NOI/EBITDA

The following tables present: (1) a reconciliation of NOI to property and other related revenues less property operating expenses for NRF's property types in our real estate segment and (2) a reconciliation of NOI of NRF's real estate segment to net income (loss) for the three months ended December 31, 2016:

<i>(Unaudited, in thousands)</i>	Total	Healthcare ⁽⁶⁾	Hotel	Manufactured Housing ⁽⁶⁾	Net Lease	Multifamily ⁽⁶⁾	Multi-tenant Office
Property and Other Revenues:							
Rental and escalation income	\$ 151,657	\$ 86,525	\$ 33	\$ 49,387	\$ 7,381	\$ 3,364	\$ 4,967
Hotel related income	189,864	—	189,864	—	—	—	—
Resident fee income	73,813	73,813	—	—	—	—	—
Other revenue ⁽¹⁾	3,485	858	875	1,348	71	160	173
Total property and other revenues	418,819	161,196	190,772	50,735	7,452	3,524	5,140
Real estate properties - operating expenses	225,944	67,939	132,198	19,792	1,612	2,068	2,335
Adjustments:							
Interest income ⁽²⁾	2,882	1,375	—	1,507	—	—	—
Equity in earnings ⁽³⁾	238	—	—	—	(84)	322	—
Amortization and other items ⁽⁴⁾	(3,661)	(2,795)	(909)	—	(51)	368	(274)
NOI ⁽⁵⁾	\$ 192,334	\$ 91,837	\$ 57,665	\$ 32,450	\$ 5,705	\$ 2,146	\$ 2,531

(Unaudited, in thousands)

NOI	\$ 192,334
Adjustments:	
Straight-line rental revenue and amortization of above/below-market leases	3,720
Interest expense - mortgage and corporate borrowings	(101,526)
Other expenses	(3,942)
Depreciation and amortization	(77,459)
Unrealized gain (loss) on investments and other	(26,985)
Realized gain (loss) on investments and other	52,499
Equity in earnings (losses) of unconsolidated ventures	22,608
Impairment losses	(4,363)
Income tax benefit (expense)	(1,569)
Other items	(283)
Net income (loss) - Real estate segment	\$ 55,034
Remaining segments ⁽⁷⁾	28,203
Net income (loss)	\$ 83,237

(1) Certain other revenue earned is not included as part of NOI, including collateral management fees for administrative services in NRF's N-Star CDOs, that are not part of NRF's real estate segment.

(2) Primarily represents interest income earned from notes receivable on manufactured homes and loans in NRF's healthcare portfolio.

(3) Includes an adjustment related to NRF's interest in an unconsolidated joint venture in a net lease and multifamily property.

(4) Primarily includes amortization of straight-line rental income, amortization of above/below market leases and non-recurring bad debt.

(5) NRF considers NOI for hotels to be a proxy for earnings before interest, tax, depreciation and amortization (EBITDA).

(6) During 2016, NRF entered into definitive agreements to sell certain of its real estate portfolios, including ten multifamily properties of which all properties were sold as of December 31, 2016, its manufactured housing portfolio and a portion of its medical office building portfolio, of which 34 properties were sold as of December 31, 2016.

(7) Represents the net income (loss) of NRF's remaining segments to reconcile to total net income (loss).



The following table presents NOI by asset class within NRF's healthcare property type for the three months ended December 31, 2016:

<i>(Unaudited, in thousands)</i>	Total	Medical Office Buildings	Senior Housing - Operating	Senior Housing - Triple Net Lease	Skilled Nursing Facilities	Hospitals
Property and Other Revenues:						
Rental and escalation income	\$ 86,525	\$ 38,377	\$ —	\$ 13,561	\$ 28,865	\$ 5,722
Resident fee income	73,813	—	68,100	—	5,713	—
Other revenue	858	846	—	10	—	2
Total property and other revenues	161,196	39,223	68,100	13,571	34,578	5,724
Real estate properties - operating expenses	67,939	11,577	50,030	153	6,039	140
Adjustments:						
Interest income	1,375	7	—	1,070	—	298
Amortization and other items	(2,795)	(1,429)	221	(459)	(371)	(757)
NOI	\$ 91,837	\$ 26,224	\$ 18,291	\$ 14,029	\$ 28,168	\$ 5,125

Supplemental Financial Report

Fourth Quarter 2016



ColonyCapital

A Global Real Estate & Investment Management Company

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.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., Colony NorthStar’s liquidity, including its ability to complete identified monetization transactions and other potential sales of non-core investments, the timing of and ability to deploy available capital, the timing of and ability to complete repurchases of Colony NorthStar’s stock, Colony NorthStar’s ability perform on the RMZ, Colony NorthStar’s leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, adverse economic or real estate developments in Colony NorthStar’s markets, Colony NorthStar’s failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar’s commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the Securities and Exchange Commission (“SEC”). All forward-looking statements reflect the Colony NorthStar’s good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony NorthStar’s reports filed from time to time with the SEC.

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

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

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The endnotes 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 endnotes.

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, and core funds from operations, or Core FFO and pro rata financial information.

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

The Company computes core funds from operations ("Core FFO") by adjusting FFO for the following items, including the Company's share of these items recognized by unconsolidated partnerships and joint ventures: (i) gains and losses from sales of depreciable real estate, net of depreciation, amortization and impairment previously adjusted for FFO; (ii) stock compensation expense; (iii) effects of straight-line rent revenue and straight-line rent expense on ground leases; (iv) amortization of acquired above- and below-market lease values; (v) amortization of deferred financing costs and debt premiums and discounts; (vi) unrealized fair value gains or losses on derivative instruments and on foreign currency remeasurements; (vii) acquisition-related expenses, merger and integration costs; (viii) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (ix) gain on remeasurement of consolidated investment entities and the effect of amortization thereof; (x) non-real estate depreciation and amortization; (xi) change in fair value of contingent consideration; and (xii) deferred tax effect on the foregoing adjustments. Also, beginning with the first quarter of 2016, the Company's share of Core FFO from its interest in Colony Starwood Homes (NYSE:SFR) will represent its percentage interest multiplied by SFR's reported Core FFO, which may differ from the Company's calculation of Core FFO. Refer to SFR's filings for its definition and calculation of Core FFO.

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 the Company's 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, when compared year over year, 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 excludes depreciation and amortization and captures neither the changes in the value of the Company's properties that results 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. Our calculation 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. Accordingly, FFO and Core FFO should be considered only as supplements to net income as a measure of the Company's performance.

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.

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Ia. Overview—Summary Metrics

(\$ and shares in thousands, except per share data)	Three months ended	December 31, 2016	Twelve months ended December 31, 2016
Financial data			
Net income attributable to common stockholders	\$	(16,810)	\$ 67,159
Net income attributable to common stockholders per basic share		(0.15)	0.58
Core FFO		49,389	272,275
Core FFO per basic share		0.37	2.02
FFO		(1,021)	158,462
FFO per basic share		(0.01)	1.18
Balance sheet, capitalization and trading statistics			
Total consolidated assets	\$	9,760,992	
CLNY OP share of consolidated assets		6,256,046	
Total consolidated debt ⁽¹⁾		3,757,646	
CLNY OP share of consolidated debt ⁽¹⁾		2,765,824	
Shares and OP units outstanding as of 1/10/2017		135,654	
Share price as of 1/10/2017		21.52	
Market value of common equity & OP units		2,919,274	
Liquidation preference of preferred equity		625,750	
Insider ownership of shares and OP units		18.1%	
AUM		16.8 billion	
FEEUM		6.9 billion	

Note: See appendix for definitions and acronyms.

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

Ib. Overview—Summary of Segments

(\$ in thousands, unless otherwise noted; as of or for the three months ended December 31, 2016)	Consolidated	amount	CLNY OP share of consolidated amount
Industrial			
1) Undepreciated cost basis of real estate assets ⁽¹⁾⁽²⁾	\$	2,245,564	\$ 1,104,961
Investment-level non-recourse financing ⁽³⁾		1,010,514	497,237
2) Carrying value of Industrial operating platform		20,000	20,000
Net income attributable to common stockholders			(5,215)
Core FFO			12,179
Single Family Residential Rentals			
1) Equity method investments - Colony Starwood Homes (Represents 14.0% interest in SFR)	\$	316,113	\$ 316,113
Colony Starwood Homes shares beneficially owned by OP and common stockholders		15.1 million	15.1 million
2) Equity method investments - Colony American Finance (Represents 17.4% interest in CAF)		57,754	57,754
Net loss attributable to common stockholders			(509)
Core FFO			8,617
Other Real Estate Equity			
1) Undepreciated cost basis of real estate assets, held for investment ⁽¹⁾⁽²⁾	\$	1,451,754	\$ 901,981
2) Undepreciated cost basis of real estate assets, held for sale ⁽¹⁾⁽²⁾		150,515	65,347
Investment-level non-recourse financing ⁽³⁾		908,497	569,167
3) Equity method investments		241,987	193,990
4) Other investments - Albertsons investment		99,736	49,861
Net income attributable to common stockholders			11,885
Core FFO			18,793
Real Estate Debt			
1) Loans receivable held for investment, net	\$	3,432,992	\$ 2,208,852
2) Loans receivable held for sale, net		29,353	28,223
Investment-level financing ⁽³⁾		772,387	633,172
3) Carrying value of real estate assets (REO within debt portfolio) ⁽¹⁾⁽²⁾		77,938	25,113
4) Equity method investments		305,878	135,636
5) Other investments		23,446	4,771
Net income attributable to common stockholders			31,879
Core FFO			46,491
Investment Management			
AUM			\$ 16.8 billion
FEEUM			6.9 billion
Credit Funds			3.6 billion
Core Plus / Value-Add Funds			1.6 billion
Opportunity Funds			1.7 billion
Net income attributable to common common stockholders			3,586
Core FFO			6,423

(1) Includes all components related to real estate assets, including tangible real estate and lease-related intangibles.

(2) Excludes accumulated depreciation.

(3) Represents unpaid principal balance.

Ila. Financial Results—Consolidated Income Statements

(\$ in thousands, except per share data)	2016			
	Q1	Q2	Q3	Q4
Income				
Interest income	\$ 89,361	\$ 103,860	\$ 98,275	\$ 94,355
Property operating income	91,617	95,348	92,505	91,612
Income from equity method investments	2,429	53,113	16,684	27,149
Fee income	16,609	15,505	17,233	18,384
Other income	3,202	2,815	4,054	4,122
Total income	203,218	270,641	228,751	235,622
Expenses				
Transaction, merger integration, investment and servicing expenses	11,421	13,360	11,305	28,185
Interest expense	41,871	42,568	42,196	43,448
Property operating expenses	30,786	29,780	28,903	28,992
Depreciation and amortization	46,142	39,541	43,593	42,406
Provision for loan losses	4,630	6,213	6,569	17,593
Impairment loss	2,079	2,441	941	6,256
Compensation expense	26,867	24,240	29,582	31,149
Administrative expenses	12,771	13,098	12,891	12,939
Total expenses	176,567	171,241	175,980	210,968
Gain on sale of real estate assets, net	51,119	5,844	11,151	5,502
Other (loss) gain, net	14,045	(348)	4,573	146
Income before income taxes	91,815	104,896	68,495	30,302
Income tax (provision) benefit	(784)	(1,760)	3,409	(5,647)
Net income	91,031	103,136	71,904	24,655
Net income attributable to noncontrolling interests—Investment entities	57,595	40,169	32,744	32,576
Net income attributable to noncontrolling interests—Operating Company	3,421	7,918	4,189	(3,204)
Net income attributable to Colony Capital, Inc.	30,015	55,049	34,971	(4,717)
Preferred dividends	11,880	12,093	12,093	12,093
Net income attributable to common stockholders	\$ 18,135	\$ 42,956	\$ 22,878	\$ (16,810)
Net income per common share—Basic	\$ 0.16	\$ 0.38	\$ 0.20	\$ (0.15)
Net income per common share—Diluted	\$ 0.16	\$ 0.36	\$ 0.20	\$ (0.15)
Weighted average number of common shares outstanding—Basic	111,660	112,306	112,423	112,539
Weighted average number of common shares outstanding—Diluted	111,660	137,255	112,423	112,539
FFO attributable to common interests in Operating Company and common stockholders ⁽¹⁾	\$ 36,348	\$ 76,857	\$ 46,278	\$ (1,021)
FFO per common share / common OP Unit ⁽¹⁾	\$ 0.27	\$ 0.57	\$ 0.34	\$ (0.01)
Core FFO attributable to common interests in Operating Company and common stockholders ⁽¹⁾⁽²⁾	\$ 54,935	\$ 98,671	\$ 69,280	\$ 49,389
Core per common share / common OP Unit ⁽¹⁾⁽²⁾	\$ 0.41	\$ 0.73	\$ 0.51	\$ 0.37

(1) Total FFO and Core FFO attributable to common interests in Operating Company and common stockholders have been adjusted from previously reported figures to reflect the correction of over-allocation of loss to noncontrolling interests as follows: reduction of \$0.4 million, \$1.7 million, \$0.7 million for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016, respectively.

(2) In Q2 2016, the Company added the deferred tax effect related to Core FFO adjustments to the definition of Core FFO. As such, the Company has presented revised Core FFO and Core FFO per basic common share / common OP Unit for prior periods to exclude such deferred tax effects to conform to the current quarter calculation of Core FFO.

IIb. Financial Results—Consolidated Segment Balance Sheet

(\$ in thousands; as of December 31, 2016)	Industrial	Single-Family Residential Rentals	Other Real Estate Equity	Real Estate Debt	Investment Management	Amounts not allocated to segments	Total
ASSETS							
Cash	\$ 132,524	\$ —	\$ 75,945	\$ 145,631	\$ 15,704	\$ 6,201	\$ 376,005
Loans receivable, net							
Held for investment	—	—	—	3,432,992	—	—	3,432,992
Held for sale	—	—	—	29,353	—	—	29,353
Real estate assets, net							
Held for investment	1,969,247	—	1,266,132	8,252	—	—	3,243,631
Held for sale	23,504	—	130,929	69,521	—	—	223,954
Equity method investments	—	373,867	241,987	305,878	13,187	18,340	953,259
Other investments	—	—	99,736	23,446	—	—	123,182
Goodwill	20,000	—	—	—	660,127	—	680,127
Deferred leasing costs and intangible assets, net	86,308	—	142,811	165	70,696	—	299,980
Due from affiliates and other assets	36,089	—	45,294	231,125	22,138	63,863	398,509
Total assets	\$ 2,267,672	\$ 373,867	\$ 2,002,834	\$ 4,246,363	\$ 781,852	\$ 88,404	\$ 9,760,992
LIABILITIES & EQUITY							
Liabilities:							
Accrued and other liabilities	\$ 51,456	\$ —	\$ 72,779	\$ 73,511	\$ 70,482	\$ 31,935	\$ 300,163
Intangible liabilities, net	12,134	—	8,928	—	—	—	21,062
Due to affiliates—contingent consideration	—	—	—	—	—	41,250	41,250
Dividends and distributions payable	—	—	—	—	—	65,972	65,972
Debt, net	999,560	—	892,604	766,880	—	463,748	3,122,792
Convertible senior notes, net	—	—	—	—	—	592,826	592,826
Total liabilities	1,063,150	—	974,311	840,391	70,482	1,195,731	4,144,065
Equity:							
Stockholders' equity	529,424	327,865	544,561	1,719,186	623,839	(971,076)	2,773,799
Noncontrolling interests in investment entities	600,815	—	407,555	1,445,568	—	—	2,453,938
Noncontrolling interests in Operating Company	74,283	46,002	76,407	241,218	87,531	(136,251)	389,190
Total equity	1,204,522	373,867	1,028,523	3,405,972	711,370	(1,107,327)	5,616,927
Total liabilities and equity	\$ 2,267,672	\$ 373,867	\$ 2,002,834	\$ 4,246,363	\$ 781,852	\$ 88,404	\$ 9,760,992

IIc. Financial Results—Noncontrolling Interests' Share Segment Balance Sheet

(\$ in thousands; as of December 31, 2016)	Industrial	Single-Family Residential Rentals	Other Real Estate Equity	Real Estate Debt	Investment Management	Amounts not allocated to segments	Total noncontrolling interest share
ASSETS							
Cash	\$ 67,314	\$ —	\$ 42,320	\$ 77,867	\$ —	\$ —	\$ 187,501
Loans receivable held for investment, net	—	—	—	—	—	—	—
Held for investment	—	—	—	1,224,140	—	—	1,224,140
Held for sale	—	—	—	1,130	—	—	1,130
Real estate assets, net	—	—	—	—	—	—	—
Held for investment	1,000,252	—	465,168	4,448	—	—	1,469,868
Held for sale	11,939	—	76,481	48,295	—	—	136,715
Equity method investments	—	—	47,997	170,242	—	—	218,239
Other investments	—	—	49,875	18,675	—	—	68,550
Goodwill	—	—	—	—	—	—	—
Deferred leasing costs and intangible assets, net	43,839	—	60,341	82	—	—	104,262
Due from affiliates and other assets	18,640	—	16,871	59,030	—	—	94,541
Total assets	\$ 1,141,984	\$ —	\$ 759,053	\$ 1,603,909	\$ —	\$ —	\$ 3,504,946
LIABILITIES & EQUITY							
Liabilities:							
Accrued and other liabilities	\$ 27,290	\$ —	\$ 14,893	\$ 20,524	\$ —	\$ —	\$ 62,707
Intangible liabilities, net	6,164	—	5,248	—	—	—	11,412
Due to affiliates—contingent consideration	—	—	—	—	—	—	—
Dividends and distributions payable	—	—	—	—	—	—	—
Debt, net	507,715	—	331,357	137,817	—	—	976,889
Convertible senior notes, net	—	—	—	—	—	—	—
Total liabilities	541,169	—	351,498	158,341	—	—	1,051,008
Equity:							
Stockholders' equity	—	—	—	—	—	—	—
Noncontrolling interests in investment entities	600,815	—	407,555	1,445,568	—	—	2,453,938
Noncontrolling interests in Operating Company	—	—	—	—	—	—	—
Total equity	600,815	—	407,555	1,445,568	—	—	2,453,938
Total liabilities and equity	\$ 1,141,984	\$ —	\$ 759,053	\$ 1,603,909	\$ —	\$ —	\$ 3,504,946

IId. Financial Results—Consolidated Segment Operating Results

(\$ in thousands; for the three months ended December 31, 2016)	Industrial	Single-Family Residential Rentals	Other Real Estate Equity	Real Estate Debt	Investment Management	Amounts not allocated to segments	Total
Income							
Interest income	\$ 2	\$ —	\$ —	\$ 94,317	\$ —	\$ 36	\$ 94,355
Property operating income	51,977	—	38,288	1,347	—	—	91,612
(Loss) income from equity method investments	—	(604)	19,264	8,633	(792)	648	27,149
Fee income	—	—	—	—	18,384	—	18,384
Other income	422	—	197	1,985	600	918	4,122
Total income	52,401	(604)	57,749	106,282	18,192	1,602	235,622
Expenses							
Transaction, merger integration, investment and servicing expenses	36	—	214	6,381	648	20,906	28,185
Interest expense	13,928	—	9,145	9,255	—	11,120	43,448
Property operating expenses	14,288	—	13,161	1,543	—	—	28,992
Depreciation and amortization	23,393	—	14,076	71	3,684	1,182	42,406
Provision for loan losses	—	—	—	17,593	—	—	17,593
Impairment loss	270	—	2,308	3,678	—	—	6,256
Compensation expense	2,923	—	826	2,536	9,557	15,307	31,149
Administrative expenses	595	—	1,732	1,686	1,132	7,794	12,939
Total expenses	55,433	—	41,462	42,743	15,021	56,309	210,968
Gain on sale of real estate assets, net	139	—	4,138	1,225	—	—	5,502
Other (loss) gain, net	(213)	—	2,741	(314)	(168)	(1,900)	146
(Loss) income before income taxes	(3,106)	(604)	23,166	64,450	3,003	(56,607)	30,302
Income tax (expense) benefit	(549)	—	(5,591)	(152)	1,244	(599)	(5,647)
Net (loss) income	(3,655)	(604)	17,575	64,298	4,247	(57,206)	24,655
Net (loss) income attributable to noncontrolling interests:							
Investment entities	2,520	—	3,498	26,558	—	—	32,576
Operating Company	(960)	(95)	2,192	5,861	661	(10,863)	(3,204)
Net (loss) income attributable to Colony Capital, Inc.	(5,215)	(509)	11,885	31,879	3,586	(46,343)	(4,717)
Preferred dividends	—	—	—	—	—	12,093	12,093
Net (loss) income attributable to common stockholders	\$ (5,215)	\$ (509)	\$ 11,885	\$ 31,879	\$ 3,586	\$ (58,436)	\$ (16,810)

Ile. Financial Results—Noncontrolling Interests' Share Segment Operating Results

(\$ in thousands; for the three months ended December 31, 2016)	Industrial	Single-Family Residential Rentals	Other Real Estate Equity	Real Estate Debt	Investment Management	Amounts not allocated to segments	Total noncontrolling interest share
Income							
Interest income	\$ 1	\$ —	\$ —	\$ 39,532	\$ —	\$ —	\$ 39,533
Property operating income	25,156	—	16,057	552	—	—	41,765
Income from equity method investments	—	—	3,191	4,901	—	—	8,092
Fee income	—	—	—	—	—	—	—
Other income	4,113	—	74	1,472	—	—	5,659
Total income	29,270	—	19,322	46,457	—	—	95,049
Expenses							
Transaction, merger integration, investment and servicing expenses	17	—	85	3,917	—	—	4,019
Interest expense	6,663	—	3,549	1,285	—	—	11,497
Property operating expenses	7,127	—	7,600	840	—	—	15,567
Depreciation and amortization	11,174	—	5,984	14	—	—	17,172
Provision for loan losses	—	—	—	10,357	—	—	10,357
Impairment loss	129	—	1,567	2,805	—	—	4,501
Compensation expense	1,057	—	115	426	—	—	1,598
Administrative expenses	284	—	510	863	—	—	1,657
Total expenses	26,451	—	19,410	20,507	—	—	66,368
Gain on sale of real estate assets, net	66	—	2,670	703	—	—	3,439
Other (loss) gain, net	(102)	—	1,514	(89)	—	—	1,323
Income before income taxes	2,783	—	4,096	26,564	—	—	33,443
Income tax (expense) benefit	(263)	—	(598)	(8)	—	—	(869)
Net income (loss) attributable to noncontrolling interests in investment entities	\$ 2,520	\$ —	\$ 3,498	\$ 26,556	\$ —	\$ —	\$ 32,574

II. Financial Results—Segment Reconciliation of Net Income to FFO & Core FFO

(\$ in thousands; for the three months ended December 31, 2016)	OP pro rata share by segment						Total OP pro rata share	Amounts attributable to noncontrolling interests	CLNY consolidated as reported
	Industrial	Single-Family Residential Rentals	Other Real Estate Equity	Real Estate Debt	Investment Management	Amounts not allocated to segments			
Net income (loss) attributable to common stockholders	\$ (5,215)	\$ (509)	\$ 11,885	\$ 31,879	\$ 3,586	\$ (58,436)	\$ (16,810)	\$ —	\$ (16,810)
Net income (loss) attributable to noncontrolling common interests in Operating Company	(960)	(95)	2,192	5,861	661	(10,863)	(3,204)	—	(3,204)
Net income (loss) attributable to common interests in Operating Company and common stockholders	(6,175)	(604)	14,077	37,740	4,247	(69,299)	(20,014)	—	(20,014)
Adjustments for FFO:									
Real estate depreciation and amortization	12,182	5,991	8,819	40	—	—	27,032	17,425	44,457
Impairment of real estate	141	30	691	881	—	—	1,743	4,543	6,286
Gain on sales of real estate	(72)	(184)	(13,320)	(549)	—	—	(14,125)	(5,795)	(19,920)
Less: Adjustments attributable to noncontrolling interests in investment entities ⁽¹⁾	4,343	—	—	—	—	—	4,343	(16,173)	(11,830)
FFO attributable to common interests in Operating Company and common stockholders	\$ 10,419	\$ 5,233	\$ 10,267	\$ 38,112	\$ 4,247	\$ (69,299)	\$ (1,021)	\$ —	\$ (1,021)
Additional adjustments for Core FFO:									
Gain on sale of real estate, net of depreciation, amortization and impairment previously adjusted for FFO	(65)	—	10,076	422	—	—	10,433	3,686	14,119
Noncash equity compensation expense	104	130	74	184	907	2,043	3,442	—	3,442
Straight-line rent revenue	(894)	—	(906)	—	—	—	(1,800)	(1,222)	(3,022)
Loss on change in fair value of contingent consideration	—	—	—	—	—	1,900	1,900	—	1,900
Amortization of acquired above- and below-market lease intangibles, net	159	—	(290)	—	—	—	(131)	212	81
Amortization of deferred financing costs and debt premium and discounts	2,419	1,737	678	2,561	—	932	8,327	3,297	11,624
Unrealized loss (gain) on derivatives	—	94	(1,210)	—	—	—	(1,116)	(817)	(1,933)
Acquisition-related expenses, merger and integration costs	—	(37)	—	434	—	20,469	20,866	1,064	21,930
Amortization and impairment of investment management intangibles	—	—	—	—	3,689	—	3,689	—	3,689
Non-real estate depreciation and amortization	37	—	—	—	—	1,177	1,214	—	1,214
Amortization of gain on remeasurement of consolidated investment entities, net	—	—	188	4,885	—	—	5,073	17,354	22,427
Deferred tax benefit, net	—	—	(84)	(107)	(2,420)	(336)	(2,947)	—	(2,947)
Net loss on SFR's non-performing loans business	—	1,460	—	—	—	—	1,460	—	1,460
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	(23,574)	(23,574)
Core FFO attributable to common interests in Operating Company and common stockholders	\$ 12,179	\$ 8,617	\$ 18,793	\$ 46,491	\$ 6,423	\$ (43,114)	\$ 49,389	\$ —	\$ 49,389

(1) Adjustment attributable to noncontrolling interests in investment entities for the Industrial Platform includes a cumulative correction of an over-allocation of loss to noncontrolling interests in prior periods.

IIIa. Capitalization—Overview

(\$ in thousands, except share and per share data; as of December 31, 2016, unless otherwise noted)

Debt (UPB)	Consolidated amount		CLNY OP share of consolidated amount	
\$850,000 Revolving credit facility	\$	422,600	\$	422,600
5.0% Convertible senior notes due 2023		200,000		200,000
3.875% Convertible senior notes due 2021		402,500		402,500
Corporate aircraft promissory note		41,148		41,148
Investment-level debt		2,691,398		1,699,576
Total CLNY OP share of debt		<u>3,757,646</u>		<u>2,765,824</u>
Preferred equity				
Series A 8.5% cumulative redeemable perpetual preferred stock, redemption value		252,000		252,000
Series B 7.5% cumulative redeemable perpetual preferred stock, redemption value		86,250		86,250
Series C 7.125% cumulative redeemable perpetual preferred stock, redemption value		287,500		287,500
Total redemption value of preferred equity		<u>625,750</u>		<u>625,750</u>
Common equity (as of 1/10/17)				
		Price per share	Shares / Units	
Class A common stock	\$	21.52	114,467	2,463,330
Class B common stock		21.52	525	11,298
OP units		21.52	20,662	444,646
Total market value of common equity				<u>2,919,274</u>
Total capitalization	\$	<u>7,302,670</u>	\$	<u>6,310,848</u>

IIIb. Capitalization—Debt Overview

(\$ in thousands; as of or for the three months ended December 31, 2016)

Debt overview

	Type	Consolidated			CLNY OP share of consolidated amount				
		Unpaid principal balance	Deferred financing costs and discount / premium	Carrying value	Unpaid Principal balance	Deferred financing costs and discount / premium	Carrying value	Weighted-average years remaining to maturity	Weighted-average interest rate
Investment-level debt by segment									
Industrial	Non-recourse	\$ 1,010,514	\$ (10,954)	\$ 999,560	\$ 497,237	\$ (5,392)	\$ 491,845	11.0	3.46%
Other Real Estate Equity	Non-recourse	908,497	(15,893)	892,604	569,167	(7,920)	561,247	7.4	3.61%
Real Estate Debt	Partial recourse ⁽¹⁾	772,387	(5,507)	766,880	633,172	(4,109)	629,063	14.9	3.04%
Total investment-level debt		<u>2,691,398</u>	<u>(32,354)</u>	<u>2,659,044</u>	<u>1,699,576</u>	<u>(17,421)</u>	<u>1,682,155</u>	<u>11.3</u>	<u>3.35%</u>
Corporate debt									
Line of credit	Recourse	422,600	—	422,600	422,600	—	422,600	5.0	3.02%
5.0% Convertible senior notes	Recourse	200,000	(4,364)	195,636	200,000	(4,364)	195,636	6.3	5.00%
3.875% Convertible senior notes	Recourse	402,500	(5,310)	397,190	402,500	(5,310)	397,190	4.0	3.88%
Corporate aircraft promissory note	Recourse	41,148	—	41,148	41,148	—	41,148	8.9	5.02%
Total corporate debt		<u>1,066,248</u>	<u>(9,674)</u>	<u>1,056,574</u>	<u>1,066,248</u>	<u>(9,674)</u>	<u>1,056,574</u>	<u>5.0</u>	<u>3.79%</u>
Total debt outstanding		<u>\$ 3,757,646</u>	<u>\$ (42,028)</u>	<u>\$ 3,715,618</u>	<u>\$ 2,765,824</u>	<u>\$ (27,095)</u>	<u>\$ 2,738,729</u>	<u>7.3</u>	<u>3.52%</u>

(1) \$24 million is recourse debt.

IIIc. Capitalization—Debt Maturity and Amortization Schedules

(\$ in thousands; as of or for the three months ended December 31, 2016)

Consolidated debt maturity and amortization schedule

	Payments due by period ⁽¹⁾						Total
	2017	2018	2019	2020	2021	2022 and after	
Line of credit ⁽²⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 422,600	\$ 422,600
Convertible senior notes	—	—	—	—	402,500	200,000	602,500
Warehouse facilities	17,598	27,860	—	—	—	—	45,458
Corporate aircraft promissory note	1,930	2,029	2,134	2,244	2,360	30,451	41,148
CMBS securitization debt	—	—	—	—	—	497,525	497,525
Scheduled amortization payments on investment-level debt	7,281	7,473	6,046	6,109	5,720	32,389	65,018
Balloon payments on investment-level debt	183,821	297,457	444,924	52,094	103,471	1,001,630	2,083,397
Total	\$ 210,630	\$ 334,819	\$ 453,104	\$ 60,447	\$ 514,051	\$ 2,184,595	\$ 3,757,646

Pro rata debt maturity and amortization schedule

	Payments due by period ⁽¹⁾						Total
	2017	2018	2019	2020	2021	2022 and after	
Line of credit ⁽²⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 422,600	\$ 422,600
Convertible senior notes	—	—	—	—	402,500	200,000	602,500
Warehouse facilities	16,938	27,860	—	—	—	—	44,798
Corporate aircraft promissory note	1,930	2,029	2,134	2,244	2,360	30,451	41,148
CMBS securitization debt	—	—	—	—	—	489,907	489,907
Scheduled amortization payments on investment-level debt	5,812	5,919	5,502	5,563	5,434	32,294	60,524
Balloon payments on investment-level debt	74,428	83,341	213,603	26,047	49,655	657,273	1,104,347
Total	\$ 99,108	\$ 119,149	\$ 221,239	\$ 33,854	\$ 459,949	\$ 1,832,525	\$ 2,765,824

(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) On January 10, 2017, the Company amended and restated its JPM Credit Agreement, which extended the maturity date to January 11, 2021, with two 6-month extension options.

III.d. Capitalization—Investment Level Debt Overview

(\$ and € in thousands; as of December 31, 2016)

Industrial						
	Initial / current maturity date	Fully extended maturity date	Interest rate	Maximum principal amount	Consolidated amount	CLNY OP share of consolidated amount
Industrial acquisition financing	Dec-2018	Dec-2019	L + 2.25% ⁽¹⁾	N/A	\$ 413,012	\$ 203,228
Industrial fixed rate mortgage	Aug-2025	Aug-2025	3.80%	N/A	165,750	81,559
Industrial credit facility ⁽²⁾	Apr-2017	Apr-2017	L + 2.25%	100,000	—	—
Industrial fixed rate mortgage	Apr-2028	Apr-2028	4.04%	N/A	93,450	45,983
Industrial fixed rate mortgage	Aug-2029	Aug-2029	4.11%	N/A	43,687	21,497
Industrial fixed rate mortgage	Oct-2031	Oct-2031	3.60%	N/A	93,000	45,762
Industrial fixed rate mortgage	Oct-2031	Oct-2031	3.65%	N/A	59,000	29,032
Industrial fixed rate mortgage	Oct-2031	Oct-2031	3.65%	N/A	25,000	12,302
Industrial fixed rate mortgage	Nov-2054	Nov-2054	3.60%	N/A	71,460	35,163
Industrial fixed rate mortgage	Dec-2051	Dec-2051	3.60%	N/A	46,155	22,711
Total UPB of debt related to Industrial segment					1,010,514	497,237
Debt issuance costs					(10,954)	(5,392)
Total carrying value of debt related to Industrial segment					\$ 999,560	\$ 491,845

Other Real Estate Equity						
	Initial / current maturity date	Fully extended maturity date	Interest rate	Maximum principal amount	Consolidated amount	CLNY OP share of consolidated amount
<u>NNN investments</u>						
Office - Minnesota	Jan-2024	Jan-2024	4.84%	N/A	\$ 86,836	\$ 86,185
Office - France	Nov-2022	Nov-2022	1.89%	N/A	16,542	16,542
Office - Norway	Jun-2025	Jun-2025	3.91%	N/A	185,600	185,600
Education - Switzerland	Dec-2029	Dec-2029	2.72%	N/A	115,368	115,368
Total UPB of debt related to NNN investments, held for investment					404,346	403,695
<u>Other real estate assets</u>						
Office - Arizona	Jul-2018	Jul-2020	L + 2.65%	N/A	15,431	7,716
Mixed use - Italy	Nov-2018	Nov-2018	4.02%	N/A	82,974 ⁽³⁾	23,257
Industrial - Spain	Jan-2021	Jan-2021	3M EUR + 3.00%	N/A	47,195	21,429
Industrial - Spain	Jun-2022	Jun-2022	3M EUR + 2.80%	N/A	24,274	11,022
Office portfolio - UK	Aug-2018	Aug-2020	3M GBP L + 2.50%	N/A	66,874	33,437
Office - UK	Feb-2020	Feb-2020	3M GBP L + 2.35%	N/A	11,688	5,844
Office, Industrial and Retail Portfolio - UK	Jul-2020	Jul-2020	3M GBP L + 2.50%	N/A	24,975	12,488
Office, Industrial and Retail Portfolio - UK	Nov-2018	Nov-2020	3M GBP L + 3.28%	N/A	171,510	34,108
Total UPB of debt related to other real estate assets, held for investment					444,921	149,301
Total UPB of debt related to other real estate assets, held for sale					59,230	16,171
Total UPB of debt related to Other Real Estate Equity segment					908,497	569,167
Total debt issuance costs and discount					(15,893)	(7,920)
Total carrying value of debt related to Other Real Estate Equity segment					\$ 892,604	\$ 561,247

(1) Interest rate increases to 1-month LIBOR plus 2.5% after December 2018.

(2) In February 2017, the Company extended the maturity date to April 2017.

(3) Seller provided zero-interest financing on acquired portfolio of properties, requiring principal payments of €15,750, €35,438 and €27,562 in Nov 2016, Nov 2017 and Nov 2018, respectively, of which CLNY and OP share is 28%. A discount was established at inception and is being accreted to debt principal as interest expense. As of December 31, 2016, the Company was in negotiations with the seller to restructure the financing arrangement and no principal payment was made in November 2016.

III.d. Capitalization—Investment Level Debt Overview (cont'd)

(\$ in thousands; as of December 31, 2016)

Real Estate Debt

	Initial / current maturity date	Fully-extended maturity date	Interest rate	Maximum principal amount	Consolidated amount	CLNY OP share of consolidated amount
Non-PCI						
CMBS 2015-FL3	Sept-2032	Sept-2032	L + 2.36%	N/A	\$ 200,070	\$ 200,070
CMBS 2014-FL2	Nov-2031	Nov-2031	L + 2.01%	N/A	145,421	139,965
CMBS MF2014-1	Apr-2050	Apr-2050	2.54%	N/A	94,408	94,408
CMBS 2014-FL1	Apr-2031	Apr-2031	L + 1.78%	N/A	57,626	55,464
April 2015 warehouse facility	Apr-2018	Apr-2019	L + 2.50% - L+2.75%	\$ 250,000	27,860	27,860
Freddie Mac portfolio	Dec-2017	Dec-2019	L + 2.85%	N/A	46,252	33,795
February 2014 warehouse facility ⁽¹⁾	Mar-2017	Mar-2017	L + 2.50%	150,000	17,598	16,937
Austin Hotel ⁽²⁾	Oct-2019	Oct-2021	L + 3.50%	N/A	58,183	29,092
Total UPB of debt related to Non-PCI loans					\$ 647,418	\$ 597,591
PCI						
Project London loan portfolio	Apr-2017	Apr-2019	L + 3.75%	N/A	\$ 20,770	\$ 10,385
Metro loan portfolio	Apr-2017	Apr-2018	L + 3.75%	N/A	6,843	3,421
California first mortgage portfolio I	Aug-2017	Aug-2018	L + 3.75%	N/A	2,897	1,448
Midwest loan portfolio	Jun-2017	Jun-2017	L + 4.00%	N/A	3,268	1,761
California first mortgage portfolio II	Sept-2017	Sept-2018	L + 3.25%	N/A	2,686	1,343
CRE loan portfolio 2016	Dec-2020	Dec-2022	L + 2.50%	N/A	35,750	7,275
Total UPB of debt related to PCI loans					\$ 72,214	\$ 25,633
Subscription line	Apr-2017	Apr-2016	L + 1.60%	N/A	52,755	9,948
Total UPB of debt related to Real Estate Debt segment					\$ 772,387	\$ 633,172
Total debt issuance costs					(5,507)	(4,109)
Total carrying value of debt related to Real Estate Debt segment					\$ 766,880	\$ 629,063

(1) In February 2017, the Company extended the maturity date to March 2017.

(2) A mortgage loan originated by the Company was restructured into a senior and junior note, with the senior note assumed by a third party lender. The Company accounted for the transfer of the senior note as a financing transaction. The senior note bears interest at 1-month LIBOR plus 3.5% or at a minimum of 4.0%, and is subject to two 1-year extension options on its initial term exercisable by the borrower.

IIIe. Capitalization—Credit Facility, Convertible Debt & Preferred Stock Overview

(\$ and shares in thousands; as of or for the three months ended December 31, 2016)

Credit facility		
Revolving credit facility ⁽¹⁾		
Maximum principal amount	\$	850,000
Amount outstanding		422,600
Initial maturity		March 31, 2020
Fully-extended maturity		March 31, 2021
Interest rate		LIBOR + 2.25%
	Covenant level	Actual level at December 31, 2016
Financial covenants as defined in the Credit Agreement:		
Consolidated Tangible Net Worth	Minimum \$1,915 million	\$2,523 million
Consolidated Fixed Charge Coverage Ratio	Minimum 1.50 to 1.00	2.61 to 1.00
Consolidated Interest Coverage Ratio	Minimum 3.00 to 1.00	15.01 to 1.00
Consolidated Leverage Ratio	Maximum 0.65 to 1.00	0.40 to 1.00

Convertible debt								
Description	Outstanding principal	Issuance date	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 2013	April 15, 2023	5.00% fixed	\$ 23.35	42.8183	8,564	On or after April 22, 2020
3.875% Convertible senior notes	402,500	January and June 2014	January 15, 2021	3.875% fixed	\$ 24.56	40.7089	16,385	On or after January 22, 2019
	<u>\$ 602,500</u>							

Preferred stock					
Description	Liquidation preference	Issuance date	Dividend rate	Shares outstanding	Redemption period
Series A 8.5% cumulative redeemable perpetual	\$ 252,000	March 2012	8.500%	10,080	On or after March 27, 2017
Series B 7.5% cumulative redeemable perpetual	86,250	June 2014	7.500%	3,450	On or after June 19, 2019
Series C 7.125% cumulative redeemable perpetual	287,500	April 2015	7.125%	11,500	On or after April 13, 2020
	<u>\$ 625,750</u>			<u>25,030</u>	

(1) On January 10, 2017, the Company amended and restated its JPM Credit Agreement, which increased the principal amount provided for under its secured revolving credit facility to \$1 billion, with an option for additional increase up to \$1.5 billion, subject to agreement by the lenders and customary closing conditions. The maturity date on the credit facility was extended to January 11, 2021, with two 6-month extension options, each subject to a fee of 0.10% of the commitment amount upon exercise. There was no change to the existing interest rate and unused commitment fee rates on the credit facility.

IVa. Industrial—Summary Metrics

(\$ in thousands, except per share; as of or for the three months ended December 31, 2016)

Financial results related to the segment

Net Income attributable to common stockholders	\$	(5,215)
Net Income attributable to common stockholders per basic share		(0.05)
Core FFO		12,179
Core FFO per basic common share		0.09
FFO		10,419
FFO per basic common share		0.08

Portfolio overview

Number of buildings	346		
Rentable square feet	37,613		
% leased at end of period	96%		
	<table> <tr> <th style="text-align: left;">Consolidated amount</th> <th style="text-align: left;">CLNY OP share of consolidated amount</th> </tr> </table>	Consolidated amount	CLNY OP share of consolidated amount
Consolidated amount	CLNY OP share of consolidated amount		
Undepreciated cost basis of real estate assets ⁽¹⁾	\$ 2,245,564		
Debt (UPB)	1,010,514		
Debt / undepreciated cost basis	45%		
Carrying value of Industrial operating platform	\$ 20,000		

Recent acquisitions

Property / portfolio name	Acquisition date	Number of buildings	Rentable square feet	% leased	Purchase price
Q4 2016 acquisitions					
Dallas industrial portfolio	Oct-2016	3	230,391	88%	\$ 20,950
Orlando industrial portfolio	Oct-2016	3	479,100	84%	47,900
Dallas industrial portfolio	Dec-2016	2	250,317	100%	19,300
Orlando industrial property	Dec-2016	1	163,200	100%	13,800
Orlando industrial portfolio	Dec-2016	3	218,413	100%	10,525
Total		12	1,341,421	92%	\$ 112,475
Q1 2017 acquisitions					
Austin industrial portfolio	Jan-2017	3	468,405	100%	50,600
Orlando industrial portfolio	Feb-2017	4	946,379	100%	67,100
Total		7	1,414,784	100%	\$ 117,700

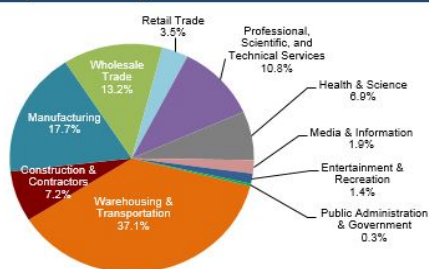
(1) Includes all components related to the real estate assets, including tangible real estate and lease-related intangibles. Excludes accumulated depreciation.

IVb. Industrial—Portfolio and Lease Overview

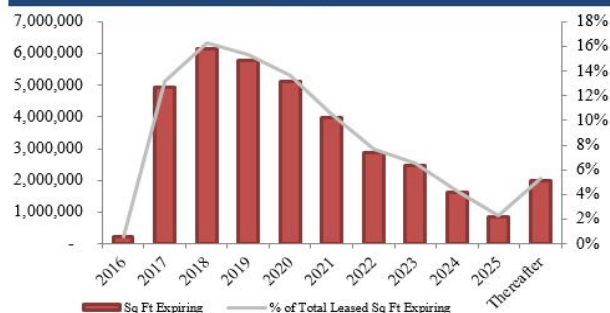
(As of or for the three months ended December 31, 2016)

Location Markets	Property type	Number of buildings	Rentable square feet (in thousands)	Annualized base rent (in thousands)	Percentage leased	Number of leases	Lease expiration	Year acquired
<i>United States</i>								
Atlanta	Industrial	82	8,105	\$ 32,998	96%	237	1/2017 to 4/2030	2014-2015
Austin	Industrial	4	236	1,614	96%	14	2/2017 to 8/2025	2014
Chicago	Industrial	34	3,972	16,744	94%	50	1/2017 to 12/2026	2014
Dallas	Industrial	70	7,191	29,643	97%	186	2/2017 to 1/2027	2014-2016
Denver	Industrial	8	1,128	4,935	99%	24	1/2017 to 3/2026	2014
Houston	Industrial	21	1,713	8,863	96%	51	1/2017 to 8/2026	2014
Kansas City	Industrial	9	1,664	5,976	100%	23	4/2017 to 11/2024	2014
Baltimore	Industrial	5	431	2,014	89%	8	5/2017 to 5/2027	2015-2016
Minneapolis	Industrial	18	2,814	13,186	96%	59	1/2017 to 10/2025	2014-2016
New Jersey South/Philadelphia	Industrial	30	3,328	14,081	93%	67	1/2017 to 4/2027	2014-2015
Orlando	Industrial	14	2,085	10,009	96%	38	1/2017 to 12/2027	2014-2016
Phoenix	Industrial	18	1,705	8,000	97%	53	1/2017 to 8/2024	2014-2016
Salt Lake City	Industrial	16	1,269	5,150	93%	33	1/2017 to 11/2023	2014
St. Louis	Industrial	8	1,355	4,681	90%	16	6/2017 to 7/2024	2014
Tampa	Industrial	9	617	3,208	97%	35	1/2017 to 1/2024	2014
Total / Weighted average		346	37,613	\$ 161,102	96%	894		

Tenant Base by Industry



Portfolio Lease Rollover



Highly diversified portfolio in which the top 10 tenants compose only 8.1% of the total portfolio with the largest tenant representing only 0.9% of the total portfolio by scheduled base rent

Va. Single Family Residential Rentals—Summary Metrics

(\$ in thousands, except per share and unless otherwise noted; as of or for the three months ended December 31, 2016)

Financial results related to the segment

Net income attributable to common stockholders	\$	(509)
Net income attributable to common stockholders per basic share		0.00
Core FFO		8,617
Core FFO per basic common share		0.06
FFO		5,233
FFO per basic common share		0.04

Balance sheet

Equity method investments - Colony Starwood Homes	\$	316,113
Equity method investments - Colony American Finance		57,754

Ownership in SFR and CAF

Colony Starwood Homes shares beneficially owned by OP and common stockholders	15.1 million
CLNY OP interest in SFR as of December 31, 2016	14.0%
CLNY OP interest in CAF as of December 31, 2016	17.4%

Note: Refer to SFR filing for additional information.

Vla. Other Real Estate Equity—Summary Metrics

(\$ in thousands, except per share data; as of or for the three months ended December 31, 2016)

Financial results related to the segment

Net Income attributable to common stockholders	\$	11,885
Net Income attributable to common stockholders per basic share		0.11
Core FFO		18,793
Core FFO per basic share		0.14
FFO		10,267
FFO per basic share		0.08

Portfolio overview

<u>Real estate assets (cost basis)</u>	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
NNN assets held for investment ⁽¹⁾⁽²⁾	\$ 624,059	\$ 623,139
Other real estate assets held for investment ⁽¹⁾	827,695	278,842
Real estate assets held for sale ⁽¹⁾	150,515	65,347
Total real estate assets (cost basis)	1,602,269	967,328
<u>Investment-level non-recourse financing (UPB)</u>		
NNN investments held for investment	\$ 404,346	\$ 403,695
Other real estate assets held for investment	444,921	149,301
Other real estate assets held for sale	59,230	16,171
Total investment-level non-recourse financing (UPB)	908,497	569,167
<u>Unconsolidated investments</u>		
Equity method investments	\$ 241,987	\$ 193,990
Other investments - Albertsons investment	99,736	49,861
Number of post-IPO shares in Albertsons pursuant to preliminary prospectus dated October 2, 2015	N/A	8.45 million
CLNY OP % ownership interest in post-IPO AB Acquisition LLC based on preliminary prospectus dated October 2, 2015	N/A	2.17%

(1) Includes all components related to the asset, including tangible real estate and lease-related intangibles.

(2) CLNY OP share of Q4 NOI was \$10.3 million.

Vlb. Other Real Estate Equity—Portfolio Overview

(\$ in thousands; as of December 31, 2016)

Summary of real estate

Location	Property type	Number of buildings	Rentable square feet (thousands)	Consolidated			CLNY OP share of consolidated amount			Percentage leased (end of period)	Number of leases	Lease expiration	Year acquired or foreclosed
				Real estate assets & intangibles, net ⁽¹⁾	Cost basis of real estate assets ⁽¹⁾⁽²⁾	Investment-level non-recourse debt (UPB)	Real estate assets & intangibles, net ⁽¹⁾	Cost basis of real estate assets ⁽¹⁾⁽²⁾	Investment-level non-recourse debt (UPB)				
NNN investments													
Minnesota	Office	1	502	\$ 107,416	\$ 122,750	\$ 86,836	\$ 106,611	\$ 121,830	\$ 86,185	100%	1	9/2020	2013
France	Office	3	187	34,079	35,259	16,542	34,079	35,259	16,542	100%	1	11/2027	2015
Norway	Office	26	1,291	307,492 ⁽⁴⁾	293,319	185,600	307,492	293,319	185,600	100%	1	6/2030	2015
Switzerland	Education	20	304	163,722	172,731	115,368	163,722	172,731	115,368	100%	2	1/2035	2015
Total NNN investments		50	2,284	612,709	624,059	404,346	611,904	623,139	403,695				
Other real estate assets													
Arizona	Office	1	458	41,315	46,428	15,431	20,657	23,214	7,716	64%	20	3/2017 to 6/2022	2013
Italy ⁽³⁾	Mixed Use	77	570	124,880	129,723	82,974	35,005	36,362	23,257	34%	43	6/2018 to 5/2023	2014
Spain	Industrial	36	2,608	132,204	139,079	71,469	60,027	63,148	32,451	100%	36	12/2017 to 12/2029	2014, 2016
United Kingdom & France	Office	38	1,114	132,875	144,872	78,562	61,405	67,336	39,281	78%	109	2/2017 to 11/2070	2014, 2015, 2016
United Kingdom	Mixed Use	55	2,872	349,703	367,593	196,485	84,655	88,782	46,596	89%	244	1/2017 to 3/2040	2015, 2016
Total other real estate assets		207	7,622	780,977	827,695	444,921	261,749	278,842	149,301				
Total other real estate assets held for investment		257	9,906	1,393,686	1,451,754	849,267	873,653	901,981	552,996				
Total other real estate assets held for sale		49	1,931	137,258	150,515	59,230	60,549	65,347	16,171				
Total real estate assets		306	11,837	\$ 1,530,944	\$ 1,602,269	\$ 908,497	\$ 934,202	\$ 967,328	\$ 569,167				

(1) Includes all components related to the asset, including tangible real estate and lease-related intangibles.

(2) Excludes accumulated depreciation.

(3) Excludes one building with approximately 218,000 square feet that is subject to development.

(4) The carrying value of real estate assets and intangibles, net includes \$27.5 million of capitalized taxes, for which there is a corresponding and offsetting deferred tax liability.

VIIa. Real Estate Debt—Summary Metrics

(\$ in thousands, except per share data; as of or for the three months ended December 31, 2016)

Financial results related to the segment

Net income attributable to common stockholders	\$	31,879
Net income attributable to common stockholders per basic share		0.28
Core FFO		46,491
Core FFO per basic common share		0.35
FFO		38,112
FFO per basic common share		0.28

Portfolio Overview

<u>Non-PCI loans</u>	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
Loans receivables held for investment, net	\$ 2,963,560	\$ 2,050,650
Loans receivables held for sale, net	29,353	28,223
Non-recourse investment-level financing (UPB)	647,418	597,591
Equity method investments	302,364	132,122
<u>PCI loans</u>		
Loans receivables held for investment, net	469,432	158,202
Non-recourse investment-level financing (UPB)	72,214	25,633
Equity method investments	3,514	3,514
<u>Other</u>		
Carrying value of real estate ⁽¹⁾	77,938	25,113
Other investments	23,446	4,771
Subscription line (UPB)	52,755	9,948

(1) Includes all components related to the asset, including tangible real estate and lease-related intangibles.

VIIb. Real Estate Debt—Portfolio by Loan Type

(\$ in thousands, as of or for the three months ended December 31, 2016)

Loans receivable held for investment by loan type

	Consolidated		CLNY OP share of consolidated amount			
	Unpaid principal balance	Net carrying amount	Unpaid principal balance	Net carrying amount	Weighted average coupon	Weighted average maturity in years
Non-PCI loans						
<i>Fixed rate</i>						
First mortgage loans	\$ 688,789	\$ 669,907	\$ 329,940	\$ 319,542	8.4%	3.9
Securitized mortgage loans	105,586	107,609	105,586	107,609	6.4%	15.4
Second mortgage loans / B-notes	205,443	211,848	121,530	124,686	9.7%	4.0
Mezzanine loans	372,247	369,207	174,055	173,651	11.9%	2.7
Total fixed rate non-PCI loans	1,372,065	1,358,571	731,111	725,488	9.2%	5.3
<i>Variable rate</i>						
First mortgage loans	458,622	451,844	359,185	357,856	8.4%	0.7
Securitized mortgage loans	775,963	776,156	762,501	762,645	5.7%	2.7
Second mortgage loans / B-notes	36,175	35,807	18,088	17,903	9.6%	1.4
Mezzanine loans	348,035	347,469	192,911	192,562	11.1%	0.7
Total variable rate non-PCI loans	1,618,795	1,611,276	1,332,685	1,330,966	7.3%	1.9
Total non-PCI loans	2,990,860	2,969,847	2,063,796	2,056,454		
Allowance for loan losses	—	(6,287)	—	(5,804)		
Total non-PCI loans, net of allowance for loan losses	2,990,860	2,963,560	2,063,796	2,050,650		
PCI loans						
Mortgage loans	748,930	521,905	238,015	168,284		
Securitized mortgage loans	8,146	6,836	8,146	6,836		
Total PCI loans	757,076	528,741	246,161	175,120		
Allowance for loan losses	—	(59,309)	—	(16,918)		
Total PCI loans, net of allowance for loan losses	757,076	469,432	246,161	158,202		
Total loans receivable, net of allowance for loan losses	\$ 3,747,936	\$ 3,432,992	\$ 2,309,957	\$ 2,208,852		

VIIc. Real Estate Debt—Portfolio by Collateral Type

(\$ in thousands, as of or for the three months ended December 31, 2016)

Loans receivable held for investment by collateral type

	Consolidated		CLNY OP share of consolidated amount		
	Unpaid principal balance	Net carrying amount	Unpaid principal balance	Net carrying amount	Weighted average coupon
<i>Non-PCI Loans</i>					
Residential	\$ 59,574	\$ 59,343	\$ 29,787	\$ 29,672	12.8%
Multifamily	459,507	453,541	419,841	415,417	5.7%
Office	523,665	517,287	370,941	370,832	7.2%
Retail	681,355	678,888	504,305	502,940	8.1%
Hospitality	875,659	867,231	503,137	497,740	9.4%
Industrial	9,390	9,397	9,197	9,204	5.7%
Other commercial	209,633	208,950	140,550	140,383	8.1%
Land	172,077	168,923	86,038	84,462	11.2%
Total non-PCI loans, net of allowance for loan losses	2,990,860	2,963,560	2,063,796	2,050,650	7.9%
<i>PCI Loans</i>					
Residential	48,861	25,934	16,498	10,158	
Multifamily	191,733	135,319	65,548	47,639	
Office	85,098	42,192	39,081	15,545	
Retail	132,940	100,250	49,128	39,750	
Hospitality	60,169	42,625	11,195	7,932	
Industrial	82,681	63,893	31,356	25,148	
Other commercial	85,316	42,854	18,066	8,243	
Land	70,278	16,365	15,289	3,787	
Total PCI loans, net of allowance for loan losses	757,076	469,432	246,161	158,202	
Total loans receivable, net of allowance for loan losses	\$ 3,747,936	\$ 3,432,992	\$ 2,309,957	\$ 2,208,852	

VIIIa. Investment Management—Summary Metrics

(\$ in thousands unless otherwise noted; as of or for three months ended December 31, 2016)

AUM	\$	16.8 billion
FEEUM		6.9 billion
Credit Funds		3.6 billion
Core Plus / Value-Add Funds		1.6 billion
Opportunity Funds		1.7 billion
Income:		
Total income	\$	18,192
Expenses:		
Transaction, integration, investment and servicing expenses		648
Amortization		3,684
Compensation expense		9,557
Administrative expenses		1,132
Total expenses		15,021
Other gain, net		(168)
Income tax benefit		1,244
Net income attributable to common interests in OP and common stockholders		4,247
Add: Noncash equity compensation expense		907
Add: Unrealized gain on derivatives		—
Add: Amortization of investment management intangibles		3,689
Deduct: Deferred tax benefit effect on amortization and impairment of investment management intangibles		(2,420)
Core FFO	\$	6,423

IX. Definitions

- a) **Assets Under Management ("AUM")** refers to the assets for which the Company provides investment management services and includes assets for which it may or may not charge management fees and/or performance allocations. AUM is presented as of December 31, 2016 and equals the sum of: a) the gross fair value of investments held directly by the Company or managed by the Company on behalf of its private funds, co-investments, or other investment vehicles; b) leverage, inclusive of debt held by investments and deferred purchases prices; c) uncalled limited partner capital commitments which the Company is entitled to call from investors during the given commitment period at its discretion pursuant to the terms of their respective funds; and d) with respect to majority-owned and substantially controlled investments the Company consolidates gross assets attributable to third-party investors. The Company's calculations of AUM may differ 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.
- b) **Colony Capital, Inc. ("CLNY")**
- c) **Colony Starwood Homes ("SFR")**
- d) **Colony American Finance ("CAF")**
- e) **Fee-Earning Equity Under Management ("FEEUM")** refers to the equity for which the Company provides investment management services and from which it derives management fees and/or performance allocations. FEEUM is presented as of December 31, 2016. FEEUM includes \$0.3 billion of uncalled limited partner capital commitments which will not bear fees until such capital is called at the Company's discretion. Additionally, \$0.3 billion pertains to FEEUM of our equity-method investment in a German-based asset management platform. The Company's calculations of FEEUM may differ 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.
- f) **Net Operating Income ("NOI")** is property operating income less property operating expenses adjusted for non-cash items, including straight-line rents and above/below market lease amortization.
- g) **Operating Company ("OP")** refers to Colony Capital Operating Company, LLC, an operating subsidiary of the Company. The Company is structured as an umbrella partnership real estate investment trust, or UPREIT, in which its wholly-controlled subsidiary, Colony Capital Operating Company, LLC (the "OP"), directly or indirectly holds substantially all of the Company's assets and directly or indirectly conducts substantially all of the Company's business.
- h) **Purchased Credit-Impaired ("PCI")** loans are loans that were acquired at a discount with evidence of underlying credit deterioration and for which it is probable that all contractually required payments will not be collected.
- i) **Unpaid Principal Balance ("UPB")**



NorthStar
REALTY FINANCE

Supplemental
Information
Fourth Quarter 2016

February 28, 2017



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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.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., Colony NorthStar's liquidity, including its ability to complete identified monetization transactions and other potential sales of non-core investments, the timing of and ability to deploy available capital, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability perform on the RMZ, Colony NorthStar's leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Colony NorthStar's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony NorthStar's reports filed from time to time with the SEC.

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

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

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

The endnotes 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 endnotes.



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CLNS Merger Update



- ❑ Completed largest real estate merger announced in 2016 to create Colony NorthStar, Inc. (“CLNS”), a global, diversified equity REIT with \$56 billion of assets under management
- ❑ Merger integration substantially complete with greater than 75% of the originally identified \$115 million of annualized synergies and greater than 65% of the estimated \$80 million of annualized cash synergies achieved to date with the balance expected to be achieved by year end on a run rate basis
- ❑ CLNS declared a quarterly cash dividend of \$0.27 per CLNS common share of Class A and Class B common stock for the first quarter of 2017, which will be prorated to \$0.24 per share for the period from January 11, 2017 to March 31, 2017
 - In January 2017, former Colony and NRF stockholders received stub dividends for the period from January 1, 2017 through January 10, 2017 and former NSAM stockholders received a one-time special dividend of \$1.16 per NSAM common share
- ❑ Significant liquidity of approximately \$1.2 billion, including \$615 million expected from the sale of the manufactured housing communities portfolio, and more than \$1 billion of additional liquidity expected throughout 2017 from future monetizations of existing non-core investments available for deployment in core verticals and other real estate investments, stock repurchases and/ or debt paydowns
- ❑ Repaid \$921 million of term loans at NSAM and NRF
- ❑ CLNS increased revolving credit facility to \$1.0 billion from \$850 million
- ❑ CLNS Board of Directors authorized \$300 million common stock repurchase program
- ❑ CLNS added to the MSCI U.S. REIT Index (RMZ) as a top quartile constituent by equity market capitalization



NRF Fourth Quarter Highlights



- ❑ Because the merger closed after December 31, 2016, results in this presentation reflect the pre-merger, stand-alone results for NRF
- ❑ U.S. GAAP net income of \$0.34 per basic share
- ❑ Cash available for distribution ("CAD") of \$0.26 per share
- ❑ Completed or under contract asset monetizations include the following:
 - Completed a \$783 million sale of a portfolio of medical office buildings, at an approximate 5.6% cap rate, resulting in net proceeds of \$81 million;
 - Completed a sale of an 18.7% preferred joint venture interest in the Company's healthcare portfolio resulting in net proceeds of \$340 million, representing an implied 6.1% cap rate; and
 - Under contract for the sale of entire manufactured housing communities portfolio for \$2.0 billion, which is expected to generate net proceeds of \$615 million



Financial Statements

Balance Sheet



	As of
	December 31, 2016
<i>(\$ in millions, except per share data)</i>	
<i>(Unaudited)</i>	
ASSETS	
Cash and cash equivalents	\$ 1,105
Restricted cash	166
Operating real estate, net	7,397
Real estate debt investments, net	297
Real estate debt investments, held for sale	34
Investments in private equity funds, at fair value	417
Investments in unconsolidated ventures	168
Real estate securities, available for sale	445
Receivables, net	53
Receivables, related parties	1
Intangible assets, net	333
Assets of properties held for sale	1,668
Other assets	133
Total Assets	\$ 12,217
LIABILITIES	
Mortgage and other notes payable	\$ 6,290
Credit facilities and term borrowings	422
CDO bonds payable, at fair value	257
Exchangeable senior notes	27
Junior subordinated notes, at fair value	195
Accounts payable and accrued expenses	106
Due to related party	1
Derivative liabilities, at fair value	123
Intangible liabilities, net	111
Liabilities of properties held for sale	1,291
Other liabilities	60
Total Liabilities	8,883
EQUITY	
NorthStar Realty Finance Corp. Stockholders' Equity	
Preferred stock	939
Common stock	2
Additional paid-in capital	5,120
Retained earnings (accumulated deficit)	(2,902)
Accumulated other comprehensive income (loss)	(77)
Total NorthStar Realty Finance Corp. Stockholders' Equity	3,082
Non-controlling interests	252
Total Equity	3,334
Total Liabilities and Equity	\$ 12,217



Financial Statements

Income Statement



	Three Months Ended December 31, 2016
<i>(\$ in millions, except per share)</i>	
<i>(Unaudited)</i>	
Property and other revenues	
Rental and escalation income	\$ 151
Hotel related income	190
Resident fee income	74
Other revenue	5
Total property and other revenues	420
Net interest income	
Interest income	29
Interest expense on debt and securities	1
Net interest income on debt and securities	28
Expenses	
Management fee, related party	47
Interest expense - mortgage and corporate borrowings	111
Real estate properties – operating expenses	226
Other expenses	4
Transaction costs	6
Impairment losses	4
Provision for (reversal of) loan losses, net	3
<u>General and administrative expenses</u>	
Compensation expense	9 *
Other general and administrative expenses	6
Total general and administrative expenses	15
Depreciation and amortization	78
Total expenses	494
Other income (loss)	
Unrealized gain (loss) on investments and other	86
Realized gain (loss) on investments and other	22
Income (loss) before equity in earnings (losses) of unconsolidated ventures and income tax benefit (expense)	62
Equity in earnings (losses) of unconsolidated ventures	23
Income tax benefit (expense)	(2)
Income (loss) from continuing operations	83
Net income (loss)	83
Net (income) loss attributable to non-controlling interests	(0)
Preferred stock dividends	(21)
Net income (loss) attributable to NorthStar Realty Finance Corp. common stockholders	\$ 62
Earnings (loss) per share:	
Income (loss) per share from continuing operations	\$ 0.34
Basic	\$ 0.34
Diluted	\$ 0.34
Weighted average number of shares (in millions):	
Basic	180
Diluted	182

- Compensation expense includes \$6.4 million of equity-based compensation expense.



Financial Statements

CAD Reconciliation⁽¹⁾



<i>(\$ in millions, except per share data)</i> <i>(unaudited)</i>	Three Months Ended December 31, 2016	
Net income (loss) attributable to common stockholders	\$	62
Non-controlling interests		0
Adjustments:		
Depreciation and amortization items		93
N-Star CDO bond discounts		4
Net interest income in consolidated N-Star CDOs		(8)
Unrealized (gain) loss from fair value adjustments / Provision for (reversal of) loan losses, net		(84)
Realized (gain) loss on investments		(23)
Distributions / adjustments to joint venture partners		(8)
Transaction costs and other		12
CAD	\$	48
CAD per share	\$	0.26
Weighted average shares (in millions)		183.2



Capitalization⁽²⁾



As of February 24, 2017
(\$ in millions)

Debt	December 31, 2016 Amount	Pro Forma Amount
Mortgage Notes	\$ 7,575	\$ 6,301 *
Unconsolidated Real Estate JV Mortgage Notes	49	37 *
Loan Facilities (non-recourse amount)	52	52
<i>Non-Recourse Debt Subtotal</i>	<u>7,676</u>	<u>6,390</u>
Exchangeable Senior Notes	29	29
Corporate Term Facility	425	- *
Trust Preferred Securities	195	195
<i>Recourse Debt Subtotal</i>	<u>649</u>	<u>224</u>
Total Debt	8,325	6,614
Equity	Market Value	Pro Forma Amount
Common Equity (NYSE: NRF) including LTIP units and RSUs not subject to performance hurdles	2,957	2,957 **
Class A Preferred Stock	63	63
Class B Preferred Stock	351	351
Class C Preferred Stock	127	127
Class D Preferred Stock	205	205
Class E Preferred Stock	260	260
<i>Preferred Stock</i>	<u>1,006</u>	<u>1,006</u> **
Joint Venture Minority Interests	252	252
Total Equity	4,215	4,215
Total Capitalization	\$ 12,540	\$ 10,829

* Pro forma for mortgage notes of assets sold subsequent to the fourth quarter 2016 and the payoff of the corporate term facility in January 2017.

** Common equity reflects data as of market close on January 10, 2017 (date prior to merger closing) and preferred stock reflects data as of February 24, 2017.



Real Estate Financing Overview⁽³⁾



(\$ in millions)

Real Estate Financing by Type

Type	December 31, 2016				February 24, 2017			
	Principal Amount	% of Total	WA Current Interest Rate	WA Maturity (in years)	Pro Forma for Asset Monetization Initiatives	% of Total	Pro Forma WA Current Interest Rate	Pro Forma WA Maturity (in years)
Healthcare	\$ 3,367	44%	4.7%	4.2	\$ 3,356	53%	4.7%	4.2
Hotel	2,628	34%	4.2%	3.3	2,628	41%	4.2%	3.3
Manufactured Housing	1,263	17%	4.3%	6.7	-	-	-	-
Net Lease	179	2%	5.0%	4.5	167	3%	5.0%	4.8
Multifamily	72	1%	3.9%	6.6	72	1%	3.9%	6.6
Multi-Tenant Office	115	2%	2.9%	3.5	115	2%	2.9%	3.5
Non-Recourse Real Estate Financing Total	\$ 7,624	100%	4.4%	4.3	\$ 6,338	100%	4.5%	3.9

Real Estate Financing Scheduled Principal Repayments and Maturities

Year of Maturity	December 31, 2016			February 24, 2017		
	Principal Amount	% of Total	WA Current Interest Rate	Pro Forma for Asset Monetization Initiatives	% of Total	Pro Forma WA Current Interest Rate
2017	\$ 110	1%	5.4%	\$ 95	1%	5.7%
2018	300	4%	5.0%	281	4%	5.0%
2019	4,720	62%	4.3%	4,688	74%	4.3%
2020	380	5%	4.5%	358	6%	4.5%
2021 and thereafter	2,114	28%	4.5%	916	14%	4.8%
Non-Recourse Real Estate Financing Total	\$ 7,624	100%	4.4%	\$ 6,338	100%	4.5%



Real Estate Portfolio



Real Estate Fourth Quarter and Full Year 2016 NOI / EBITDA Summary ⁽⁴⁾



(\$ in millions)

Real Estate 2016 Summary*

Type	# of Properties/ Hotels/Communities	NOI/EBITDA *	
		Q4 2016	FY 2016
Healthcare			
Senior Housing - Operating	109	\$ 18	\$ 76
<i>Triple-Net Lease</i>			
Senior Housing	82	14	58
Skilled Nursing Facilities	107	28	114
Hospitals	14	5	20
Subtotal Triple-Net Lease	203	47	192
MOB's	114	15	58
Healthcare Total	426	80	326
Hotel Total	167	58	284
Net Lease Total	21	6	22
Multifamily Total	2	2	7
Multi-tenant Office Total	13	3	12
Real Estate NOI/EBITDA Grand Total	629	\$ 149	\$ 651

- * Pro forma for asset monetization initiatives (including in contract) from January 1, 2016 through February 24, 2017; please refer to endnote #4 in the Appendix for additional information.



Real Estate Healthcare⁽⁵⁾



(\$ in millions)

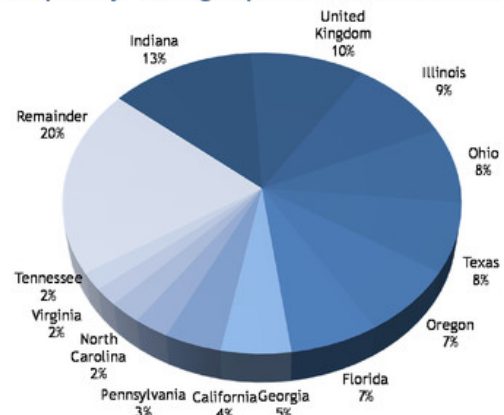
Healthcare Real Estate Summary by Type

Type	# of Properties	Capacity	Q4 2016 Occupancy	9/30/16 TTM Lease (EBITDAR) Coverage	Avg. Remaining Lease Term as of 12/31/16	Q4 2016	
						NOI	NOI Margin
Senior Housing - Operating	109	6,300 Units	88%	n/a	n/a	\$ 18	27%
<i>Triple-Net Lease</i>							
Senior Housing	82	4,305 Units	87%	1.6x	11.6	14	n/a
Skilled Nursing Facilities	107	12,554 Beds	84%	1.4x	7.7	28	n/a
Hospitals	14	817 Beds	63%	3.3x	12.0	5	n/a
Subtotal Triple-Net Lease	203	17,676 Bed/Units	84%	1.7x	9.6	47	
MOB's	114	4,024 Sq. Ft.(in '000s)	86%	n/a	4.9	26	n/a
Total	426			1.7x	7.9	\$ 92	27%

Healthcare Real Estate by Geography

Location	# of Properties	# of Beds	MOB Sq. Ft. (in '000s)
Florida	28	3,089	172
Illinois	39	3,060	319
United Kingdom	43	2,127	0
Indiana	55	2,070	936
Pennsylvania	11	1,911	0
Oregon	31	1,875	0
California	18	1,221	75
Ohio	35	1,108	272
Texas	32	1,053	554
Georgia	22	923	300
North Carolina	10	808	0
Virginia	8	723	0
Tennessee	8	631	62
Remainder	86	3,377	1,334
Total	426	23,976	4,024

Property Geographic Distribution





Real Estate Healthcare – Same Property Results⁽⁵⁾



(\$ in millions)

Same Property Operating Metrics Year over Year Comparison

Property Type	# of Properties	Occupancy		TTM Lease (EBITDAR) Coverage	
		4Q 2016	4Q 2015	9/30/2016	9/30/2015
Senior Housing - Operating	109	88%	90%	n/a	n/a
<i>Triple-Net Lease</i>					
Senior Housing	82	87%	88%	1.6x	1.5x
Skilled Nursing Facilities	107	84%	85%	1.4x	1.4x
Hospitals	14	63%	67%	3.3x	3.0x
Subtotal Triple-Net Lease	203	84%	85%	1.7x	1.6x
MOB's	114	86%	88%	n/a	n/a
Total	426			1.7x	1.6x

Same Property NOI Year over Year Comparison

Property Type	4Q 2016	4Q 2015	% Change
Senior Housing - Operating	\$ 18.3	\$ 17.0	7.7%
<i>Triple-Net Lease</i>			
Senior Housing	14.0	15.0	-6.5% *
Skilled Nursing Facilities	28.2	27.5	2.6%
Hospitals	5.1	5.0	3.3%
Subtotal Triple-Net Lease	47.3	47.4	-0.2%
MOB's	14.8	15.0	-1.8%
Total	\$ 80.4	\$ 79.5	1.2% *

- * Applying the average currency exchange rates from the fourth quarter 2015, same store 2016 Senior Housing - Triple Net Lease NOI would have been \$15.1 million and same store 2016 total healthcare real estate NOI would have been \$81.5 million for the fourth quarter 2016.



Real Estate Healthcare⁽⁵⁾



(\$ in millions)

Revenue Mix

Property Type	9/30/16 TTM		
	Private Pay	Medicare	Medicaid
Senior Housing - Operating	85%	4%	11%
<i>Triple-Net Lease</i>			
Senior Housing	64%	0%	36%
Skilled Nursing Facilities	22%	20%	58%
Hospitals	13%	37%	50%
Subtotal Triple-Net Lease	33%	16%	51%
MOB's	100%	0%	0%
Total	62%	9%	29%

Top 10 Operators/ Tenants by NOI

Operator / Tenant	Property Type	Primary Segment	# of Properties	Capacity	Q4 2016 Occupancy	9/30/16 TTM		Q4 2016	
						Lease (EBITDAR) Coverage	Avg. Remaining Lease Term as of 12/31/16	NOI	% of Total NOI
Senior Lifestyle	Sr. Housing	RIDEA	82	4,920	88%	n/a	n/a	\$ 14	16%
Caring Homes (UK)	Sr. Housing	NNN	43	2,127	90%	1.8x	14.3	7	8%
Mid-Atlantic Healthcare	SNF	NNN	11	1,911	90%	1.5x	12.3	5	5%
Wellington Healthcare	SNF	NNN	11	1,364	90%	1.1x	10.1	4	5%
Frontier	Sr. Housing	RIDEA>NNN	20	1,347	86%	n/a	n/a	4	4%
Miller	SNF	NNN	28	2,070	73%	2.1x	0.5	4	4%
Symphony / NuCare	SNF	NNN	9	1,540	77%	1.1x	5.0	3	4%
Consulate	SNF	NNN	10	1,107	94%	1.4x	11.0	3	3%
Opis	SNF	NNN	11	1,515	90%	1.3x	7.0	3	3%
Grace	SNF	NNN	9	1,228	85%	1.0x	4.0	3	3%
Top 10 Operators/Tenants by NOI Total			234	19,129		1.5x	8.6	\$ 50	54%



Real Estate Healthcare Triple-Net Lease Portfolio Coverage⁽⁵⁾



Triple-Net Lease Coverage

9/30/16 TTM Lease Coverage	% of Total Portfolio Annualized 4Q 2016 NOI				Avg. Remaining Lease Term as of 12/31/16 (Years)
	# of Leases	Senior Housing	Skilled Nursing Facilities & Hospitals	% Total NOI	
Less than 0.99x	1	2%	-	2%	6 yrs
1.00x - 1.09x	4	2%	8%	10%	6 yrs
1.10x - 1.19x	2	-	6%	6%	10 yrs
1.20x - 1.29x	2	2%	3%	5%	9 yrs
1.30x - 1.39x	-	-	-	-	--
1.40x - 1.49x	3	-	9%	9%	12 yrs
1.50x and greater	6	9%	10%	19%	7 yrs
Total	18	15%	36%	51%	10 yrs



Real Estate Hotel⁽⁶⁾



(\$ in millions)

Hotel Real Estate Summary by Type

Type	# of Hotels	# of Rooms	Q4 2016				EBITDA Margin
			Occupancy Rate	Avg. Daily Rate (ADR)	RevPAR	EBITDA	
Select Service	97	13,194	66%	\$ 118	\$ 79	\$ 31	29%
Extended Stay	66	7,935	74%	129	96	24	35%
Full Service	4	962	71%	139	98	3	17%
Total	167	22,091	69%	\$ 123	\$ 85	\$ 58	30%

Hotel Real Estate by Geography

Location	# of Hotels	# of Rooms	# of Rooms by Type:			Q4 2016
			Select Service	Extended Stay	Full Service	EBITDA
California	18	2,254	1,243	1,011	-	\$ 10
Florida	12	2,060	1,186	291	583	6
Texas	28	3,230	1,952	1,278	-	5
New Jersey	12	1,884	718	942	224	5
New York	8	1,010	710	300	-	3
North Carolina	7	981	831	150	-	3
Washington	5	664	160	504	-	3
Virginia	11	1,473	1,210	263	-	3
Michigan	6	809	601	208	-	2
Georgia	7	974	694	280	-	2
New Hampshire	6	662	339	323	-	2
Maryland	7	953	666	132	155	2
Connecticut	5	604	412	192	-	1
Pennsylvania	5	610	394	216	-	1
Other	30	3,923	2,078	1,845	-	10
Total	167	22,091	13,194	7,935	962	\$ 58



Real Estate Hotel – Same Property Results⁽⁶⁾



(\$ in millions)

Same Property Operating Metrics Year over Year Comparison

Brand	# of Hotel	# of Rooms	Occupancy		ADR		RevPAR	
			Q4 2016	Q4 2015	Q4 2016	Q4 2015	Q4 2016	Q4 2015
Courtyard	64	9,455	65%	66%	\$ 118	\$ 117	\$ 77	\$ 77
Residence Inn	47	5,733	75%	76%	131	128	98	98
Homewood Suites	9	1,110	77%	73%	119	113	92	82
Hilton Garden Inn	8	1,095	72%	69%	128	127	92	88
Hampton Inn	11	1,268	72%	73%	115	116	83	85
Hyatt House	5	650	78%	79%	149	145	116	115
Other	23	2,780	67%	69%	125	126	83	87
Total	167	22,091	69%	70%	\$ 123	\$ 122	\$ 85	\$ 86

Same Property EBITDA Year over Year Comparison

Brand	# of Hotel	# of Rooms	EBITDA		
			Q4 2016	Q4 2015	% Change
Courtyard	64	9,455	\$ 22.1	\$ 22.6	-2.4%
Residence Inn	47	5,733	18.7	20.5	-8.5%
Homewood Suites	9	1,110	3.2	2.6	24.0%
Hilton Garden Inn	8	1,095	3.0	2.8	10.6%
Hampton Inn	11	1,268	2.8	3.5	-21.0%
Hyatt House	5	650	2.7	2.8	-3.7%
Other	23	2,780	5.1	6.1	-16.6%
Total	167	22,091	\$ 57.7	\$ 60.9	-5.3%



Real Estate Hotel



	Brand	Segment	Hotels	Rooms	% of Total Rooms
	COURTYARD Marriott	Select Service	64	9,455	43%
	Residence Inn Marriott	Extended Stay	47	5,733	26%
	FAIRFIELD INN Marriott	Select Service	6	509	2%
	SPRINGHILL SUITES Marriott	Select Service	4	389	2%
	TownePlace Suites Marriott	Extended Stay	2	170	<1%
	MARRIOTT	Full Service	1	367	2%
	WESTIN HOTELS & RESORTS	Full Service	1	224	1%
	Sheraton	Full Service	1	155	<1%
	FOUR POINTS BY SHERATON	Full Service	1	216	1%
	aloft A VISION OF W HOTELS	Select Service	2	241	1%
		Hilton Garden Inn	Select Service	11	1,268
Hampton Inn		Select Service	8	1,095	5%
HOMEWOOD SUITES BY HILTON		Extended Stay	9	1,110	5%
	Marriott and Hilton Total		157	20,932	95%



Real Estate Net Lease⁽⁷⁾



(\$ in millions)

Net Lease Real Estate Summary by Type

Type	# of Properties	Sq. Ft. (in '000s)	Q4 2016		
			Occupancy	Avg. Remaining Lease Term (in years)	NOI
Office	11	1,710	91%	4.4	\$ 4
Retail	10	468	100%	7.1	2
Total	21	2,178	93%	5.0	\$ 6

Top 10 Net Lease Real Estate by Geography

Location	# of Properties	Sq. Ft. (in '000s)
Colorado	4	590
California	2	179
Indiana	2	388
Ohio	1	199
South Carolina	1	165
New Jersey	1	121
Utah	1	118
New Hampshire	3	116
Massachusetts	2	104
Maine	1	53
Total	18	2,033



(\$ in millions)

Same Property Operating Metrics/ NOI Year over Year Comparison

	Q4 2016	Q4 2015	% Change
Occupancy	93.0%	96.4%	-3.5%
Avg. Remaining Lease Term (in years)	5.0	5.1	-1.3%
NOI	\$ 5.7	\$ 6.2	-8.3%*

Top Tenants by NOI

Tenant	# of Properties	Sq. Ft. (in '000s)	Q4 2016	
			Avg. Remaining Lease Term (in years)	NOI
Dick's Sporting Goods, Inc. / PetSmart, Inc.	10	468	7.1	\$ 1
Northrop Grumman Space & Mission Systems Corp.	1	184	5.9	<1
Credence Systems Corp.	2	179	0.2	<1
Covance, Inc.	1	338	9.0	<1
Alliance Data Systems Corp.	1	199	0.9	<1
CitiFinancial	1	165	3.8	<1
GSA	1	118	2.1	<1
Quantum	3	406	4.0	<1
Party City	1	121	6.1	<1
Top Tenants by NOI Total	21	2,178	5.0	\$ 6

- * Excluding rent concessions provided to a tenant that renewed its lease during 2016, fourth quarter 2016 NOI would have been \$6.1 million.



Real Estate PE Investments⁽⁸⁾



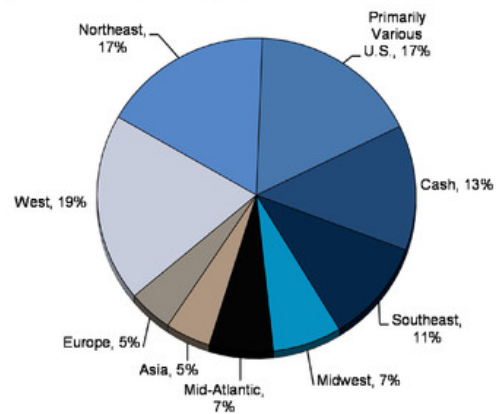
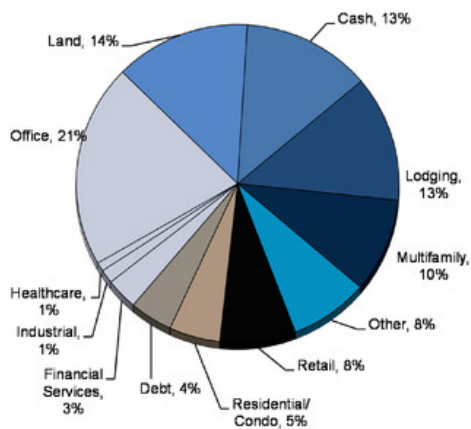
(\$ in millions)

	December 31, 2016	
	Aggregate / Wtd. Avg.	
Number of funds		102
Number of general partners		66
Underlying assets, at cost	\$	24,400
Implied leverage		43%
Expected remaining future capital contribution	\$	4

	Aggregate	
<u>Three Months Ended December 31, 2016</u>		
Income	\$	14
Return of capital		49
Total distributions		63
Contributions		0
Net	\$	63

<u>Initial Closing Date through December 31, 2016</u>		
Income	\$	508
Return of capital		966
Total distributions		1,474
Contributions		110
Net	\$	1,364

Private Equity Investments by Underlying Investment Type & Geography





Real Estate Debt Investments⁽⁹⁾



(\$ in millions)

Loans by Underlying Collateral Type

Underlying Collateral Type	February 24, 2017	
	Carrying Value	WA Yield on Equity
Hotel	\$ 115	12%
Corporate	26	15%
Office	13	12%
Multifamily	5	7%
Other	3	0%
Total	\$ 162	12%

Loans by Geographic Locations

Location	February 24, 2017	
	Carrying Value	
New York	\$ 115	
California	27	
Texas	7	
Illinois	6	
Various	3	
Bahamas	3	
Pennsylvania	1	
Total	\$ 162	



Repurchased NorthStar Realty CDO Bond and Other Securities⁽¹⁰⁾



(\$ in millions)

Balance Sheet Holdings of NorthStar Realty CDO Bonds and Other Securities as of February 24, 2017

Owned CDO Bonds and Other Securities:	
(excluding CDO bonds eliminated in consolidation)	
	Principal
Principal amount	\$ 430
Amortized cost basis	201
Weighted average yield	18%
Owned CDO Bonds Eliminated in Consolidation	
Principal amount	\$ 139
Owned CDO Bonds:	
Based on original credit rating:	
AAA	\$ 109
AA through BBB	241
Below investment grade	160
Total Owned NorthStar Realty CDO Bonds	<u>\$ 510</u>
Total Repurchased NorthStar Realty CDO Bonds	<u>\$ 376</u>
Weighted average original credit rating of repurchased CDO bonds	A / A2
Weighted average purchase price of repurchased CDO bonds	37%



(\$ in millions)

CDOs Primarily Backed by CRE Debt

Issue/Acquisition Date	N-Star VI Mar-06	N-Star VIII Dec-06	CapLease Aug-11	CSE Jul-10	Total
Balance sheet as of December 31, 2016					
Assets, principal amount	\$ 158	\$ 481	\$ 114	\$ 382	\$ 1,136
CDO bonds, principal amount	97	325	98	338	859
Net Assets	<u>\$ 62</u>	<u>\$ 156</u>	<u>\$ 16</u>	<u>\$ 43</u>	<u>\$ 277</u>
CDO quarterly cash distributions and coverage tests					
Equity notes and subordinate bonds	\$ -	\$ 1.3	\$ 0.6	\$ 0.5	\$ 2.4
Collateral management and other fees	0.1	0.5	0.1	0.1	0.8
Interest coverage cushion	(0.3)	1.9	0.3	0.5	
Overcollateralization cushion	39	138	10	4	
At offering	17	42	6	(152)	



Appendix



Presentation Endnotes



1. CAD Reconciliation:

- a) The three months ended December 31, 2016 includes an adjustment to exclude depreciation and amortization of \$77.8 million (including \$0.2 million related to unconsolidated ventures), straight-line rental income of \$(5.1) million, amortization of above/below market leases of \$1.4 million, amortization of deferred financing costs of \$12.1 million, amortization of discount on financings and other of \$0.1 million and amortization of equity-based compensation of \$6.4 million.
- b) For CAD, discounts expected to be realized on N-Star CDO bonds for consolidated CDOs are accreted on an effective yield basis based on expected maturity. For deconsolidated N-Star CDOs, N-Star CDO bond accretion is already included in net income attributable to common stockholders.
- c) The three months ended December 31, 2016 includes an adjustment to exclude a \$30.0 million net gain related to the sale of real estate investments, a \$22.4 million gain related to the foreclosure of real estate, \$(29.3) million non-cash loss related to securities in our consolidated CDOs, \$(1.4) million loss related to the sale of manufactured homes, \$0.8 million of other real estate gains.
- d) The three months ended December 31, 2016 includes an adjustment to exclude \$5.9 million of transaction costs, \$4.4 million of impairment and include \$1.3 million related to N-Star CDO equity interests.
- e) CAD per share does not take into account any potential dilution from our outstanding exchangeable notes or restricted stock units subject to performance metrics not currently achieved.

2. Capitalization & Liquidity:

- a) Mortgage Notes: Pro forma for mortgage notes of assets sold and in contract subsequent to the fourth quarter 2016, including \$11 million related to a medical office building, \$1.3 billion related to the manufactured housing portfolio and \$12 million related to a partial paydown of mortgage debt in a net lease property.
- b) Loan Facilities (non-recourse amount): Reflects \$52 million of Other Secured Borrowings.
- c) Corporate Term Facility: Pro forma for the payoff of the corporate term facility in January 2017.
- d) TruPS: Reflects fair value as of December 31, 2016.
- e) Common Equity: Market value reflects stock price (NYSE: NRF) as of January 10, 2017 of NorthStar Realty common shares, LTIP units and RSUs not subject to performance hurdles.
- f) Preferred Stock: Reflects closing stock price as of February 24, 2017 excluding accrued interest.
- g) Excludes \$359 million of non-recourse CDO bonds related to CDO's consolidated on NorthStar Realty's financial statements.

3. Real Estate Financing Overview:

- a) Includes \$49 million of unconsolidated joint venture debt (\$33 million related to the Multifamily portfolio and \$16 million related to Net Lease portfolio). Pro forma for mortgage notes of assets sold and in contract subsequent to the fourth quarter 2016, including \$11 million related to a medical office building, \$1.3 billion related to the manufactured housing portfolio and \$12 million related to a partial paydown of mortgage debt in a net lease property.
- b) Current interest rate is based on current LIBOR for floating rate liabilities.



Presentation Endnotes (continued)



4. Real Estate 2016 NOI / EBITDA Summary:

- a) NOI / EBITDA represents 100% for all consolidated investments and represents NorthStar Realty's ownership percentage for unconsolidated joint ventures. The below table represents NorthStar Realty's approximate weighted average ownership percentage in each portfolio as of December 31, 2016 and pro forma for asset monetization initiatives as of February 24, 2017.

Sector	December 31, 2016	February 24, 2017
	Amount	Pro forma for asset monetizations
Healthcare	87.7%	71.3%
Hotels	93.8%	93.8%
Net Lease	100.0%	100.0%
Multifamily	94.6%	94.6%
Multi-Tenant Office	95.0%	95.0%

- b) Full year 2016 average USD-GBP exchange rate was 1.40
- c) NOI is pro forma for asset monetizations initiatives (including in contract) which include the following:
- i. Healthcare
 - full year 2016 NOI excludes \$8.5 million of NOI related to a portfolio of senior housing assets sold during the first quarter 2016;
 - Q4 2016 and full year 2016 NOI excludes \$11.0 million and \$43.1 million of NOI, respectively, related to a portfolio of medical office buildings sold during the fourth quarter 2016;
 - Q4 2016 and full year 2016 NOI excludes \$0.4 million and \$1.6 million of NOI, respectively, related to a healthcare property in which the purchase option was exercised by the tenant in 2016;
 - ii. Net Lease
 - full year 2016 NOI excludes \$22.0 million of NOI related to the net lease industrial portfolio sold during the third quarter 2016;
 - full year 2016 NOI excludes \$0.2 million of NOI related to a net lease office building which the related mortgage matured in October 2015 and the property was conveyed back to the lender in 2016;
 - iii. Multifamily
 - Q4 2016 and full year 2016 NOI excludes \$0.4 million and \$13.2 million of NOI, respectively, related to the 10 multifamily properties NorthStar Realty entered into agreements to sell, of which all 10 properties were sold throughout 2016; and
 - iv. Manufactured Housing
 - the entire manufactured housing communities portfolio, which is under contract to be sold.



Presentation Endnotes (continued)



5. Real Estate – Healthcare:

- a) Q4 2016 occupancy metrics for Senior Housing - Operating represents average fourth quarter 2016, MOB's is as of December 31, 2016 and for Triple-Net Lease represents average third quarter 2016. Q4 2015 occupancy metrics for Senior Housing - Operating represents average fourth quarter 2015, MOB's is as of December 31, 2015 and for Triple-Net Lease represents average third quarter 2015. Occupancy represents real estate property operator's patient occupancy for all types except MOB.
- b) Q4 2016 NOI includes \$1.4 million related to interest earned from healthcare real estate development loans that are recorded in the Interest Income line item on NorthStar Realty's financial statements.
- c) Fourth quarter 2016 and 2015 average USD-GBP exchange rates were 1.36 and 1.53, respectively.
- d) 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.
- e) Top 10 Operators/Tenants by NOI: Caring Homes (U.K.) lease (EBITDAR) coverage includes additional collateral provided by the operator.
- f) Triple-Net Lease Coverage: Coverage reflects the ratio of EBITDAR to cash rent on a trailing 12 month basis, as of September 30, 2016. 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.

6. Real Estate - Hotel: Q4 2016 EBITDA excludes FF&E reserve amounts of \$8 million.

- a) Occupancy metrics represent average occupancy during the reported quarter.

7. Real Estate – Net Lease:

- a) Occupancy metrics represent occupancy as of the last day in the reported quarter.
- b) Excludes one office building which the related mortgage matured in October 2015 and the property was conveyed back to the lender in 2016 and the net lease real estate industrial portfolio sold during the third quarter 2016.

8. Real Estate PE Investments:

- a) Amounts presented exclude a minimal economic interest retained in a real estate private equity fund portfolio which NorthStar Realty sold in the fourth quarter 2015.
- b) Number of General Partners: Includes 12 funds and 16 general partners held across multiple PE Investments.
- c) Implied Leverage: Represents implied leverage for funds with investment-level financing, calculated as debt divided by assets at fair value.
- d) Expected Remaining Future Capital Contributions: Represents the estimated amount of expected future capital contributions to funds as of December 31, 2016.



Presentation Endnotes (continued)



9. Real Estate Debt Investments: Based on December 31, 2016 carrying value of \$297 million, less \$4 million of debt investments in consolidated CDOs, \$79 million of real estate development loans related to our healthcare real estate portfolio and \$52 million of assets associated with secured borrowing. WA yield on equity calculation excludes debt investments in consolidated CDOs, real estate development loans related to our healthcare real estate portfolio, debt investments held for sale and assets associated with secured borrowings.
10. Repurchased NorthStar Realty CDO Bonds:
- a) Owned CDO bonds total principal amount represents the maximum amount of principal proceeds that could be received. There is no assurance we will receive the maximum amount of principal proceeds.
 - b) Other Securities reflects \$59 million principal amount of CMBS and other securities as of December 31, 2016.
 - c) \$139 million of total principal amount of owned CDO bonds are eliminated in the consolidated financial statements.
11. CDO Real Estate Investments:
- a) Data based on remittance report issued on date nearest to December 31, 2016.
 - b) Includes all outstanding CDO bonds payable to third parties and all CDO bonds owned by us.
 - c) IC and OC coverage to the most constrained class.
 - d) CapLease OC at Offering: Based on trustee report as of August 31, 2011, closest to the date of acquisition.
 - e) CSE OC at Offering: Based on trustee report as of June 24, 2010, closest to the date of acquisition.
12. Q4 2016 and Full Year 2016 NOI Reconciliation:
- a) Full Year 2016 NOI is pro forma for asset monetizations which include the following: a portfolio of senior housing assets sold during the first quarter 2016; a portfolio of medical office buildings sold during the fourth quarter 2016; the net lease industrial portfolio sold during the third quarter 2016; 10 multifamily properties sold throughout 2016; and a net lease office building which the related mortgage matured in October 2015 and the property was conveyed back to the lender in 2016.
 - b) Certain other revenue earned is not included as part of NOI, including collateral management fees for administrative services in our N-Star CDOs, that are not part of our real estate segment.
 - c) Primarily represents interest income earned from notes receivable on manufactured homes and loans in our healthcare portfolio.
 - d) Includes an adjustment related to our interest in an unconsolidated joint venture in a net lease and multifamily property.
 - e) Primarily includes amortization of straight-line rental income, amortization of above/below market leases and non-recurring bad debt.
 - f) We consider NOI for hotels to be a proxy for earnings before interest, tax, depreciation & amortization (EBITDA).
 - g) During 2016, we entered into definitive agreements to sell certain of our real estate portfolios, including ten multifamily properties of which all ten properties were sold as of December 31, 2016, our manufactured housing portfolio and a portion of our medical office building portfolio of which 34 properties were sold as of December 31, 2016.
 - h) Represents the net income (loss) of our remaining segments to reconcile to total net income (loss).



Q4 2016 NOI/ EBITDA Reconciliation⁽¹²⁾



(\$ in thousands)
(unaudited)

Reconciliation of Q4 2016 NOI to Property and Other Related Revenues less Property Operating Expenses

	Total	Healthcare	Hotel	Manufactured Housing	Net Lease	Multifamily	Multi-tenant Office
<i>Property and Other Revenues:</i>							
Rental and escalation income	\$ 151,657	\$ 86,525	\$ 33	\$ 49,387	\$ 7,381	\$ 3,364	\$ 4,967
Hotel related income	189,864	-	189,864	-	-	-	-
Resident fee income	73,813	73,813	-	-	-	-	-
Other revenue	3,485	858	875	1,348	71	160	173
Total property and other revenues	418,819	161,196	190,772	50,735	7,452	3,524	5,140
<i>Real estate properties - operating expenses:</i>	225,944	67,939	132,198	19,792	1,612	2,068	2,335
<i>Adjustments:</i>							
Interest income	2,882	1,375	-	1,507	-	-	-
Equity in earnings	238	-	-	-	(84)	322	-
Amortization and other items	(3,661)	(2,795)	(909)	-	(51)	368	(274)
NOI	\$ 192,334	\$ 91,837	\$ 57,665	\$ 32,450	\$ 5,705	\$ 2,146	\$ 2,531

Reconciliation of Q4 2016 Healthcare Property Type NOI to Property and Other Related Revenues less Property Operating Expenses

	Total	Medical Office Buildings	Senior Housing - Operating	Senior Housing - Triple Net Lease	Skilled Nursing Facilities	Hospitals
<i>Property and Other Revenues:</i>						
Rental and escalation income	\$ 86,525	\$ 38,377	\$ -	\$ 13,561	\$ 28,865	\$ 5,722
Resident fee income	73,813	-	68,100	-	5,713	-
Other revenue	858	846	-	10	-	2
Total property and other revenues	161,196	39,223	68,100	13,571	34,578	5,724
<i>Real estate properties - operating expenses:</i>	67,939	11,577	50,030	153	6,039	140
<i>Adjustments:</i>						
Interest income	1,375	7	-	1,070	-	298
Amortization and other items	(2,795)	(1,429)	221	(459)	(371)	(757)
NOI	\$ 91,837	\$ 26,224	\$ 18,291	\$ 14,029	\$ 28,168	\$ 5,125



Q4 2016 NOI/ EBITDA Reconciliation⁽¹²⁾



(\$ in thousands)
(unaudited)

Reconciliation of Q4 2016 NOI to Segment Reporting Net Income (Loss)

	Total
NOI	\$ 192,334
<i>Adjustments:</i>	
Straight-line rental revenue and amortization of above/below-market leases	3,720
Interest expense - mortgage and corporate borrowings	(101,526)
Other expenses	(3,942)
Depreciation and amortization	(77,459)
Unrealized gains (loss) on investments and other	(26,985)
Realized gains (loss) on investments and other	52,499
Equity in earnings (losses) of unconsolidated ventures	22,608
Impairment losses	(4,363)
Income tax benefit (expense)	(1,569)
Other Items	(282)
Net income (loss) - Real estate segment	55,034
Remaining Segments	28,203
Net income (loss)	\$ 83,237



Full Year 2016 NOI/ EBITDA Reconciliation⁽¹²⁾



(\$ in thousands)
(unaudited)

Reconciliation of Full Year 2016 NOI to Property and Other Related Revenues less Property Operating Expenses

	Total	Healthcare	Hotel	Manufactured Housing	Net Lease	Multifamily	Multi-tenant Office	Asset Monetizations
<i>Property and Other Revenues:</i>								
Rental and escalation income	\$ 678,909	\$291,727	\$ 55	\$ 197,066	\$ 29,681	\$ 6,745	\$ 21,157	\$ 132,478
Hotel related income	826,147	-	826,147	-	-	-	-	-
Resident fee income	293,006	293,006	-	-	-	-	-	-
Other revenue	11,938	1,768	1,005	5,651	401	1,654	638	821
Total property and other revenues	1,810,000	586,501	827,207	202,717	30,082	8,399	21,795	133,299
<i>Real estate properties - operating expenses:</i>								
	935,702	256,101	542,049	77,827	6,511	4,400	9,132	39,682
<i>Adjustments:</i>								
Interest income	11,290	5,687	22	5,563	5	-	8	5
Equity in earnings	842	-	-	-	(315)	1,157	-	-
Amortization and other items	(16,872)	(10,563)	(965)	-	(818)	1,480	(1,027)	(4,979)
NOI	\$ 869,558	\$325,524	\$ 284,215	\$ 130,453	\$ 22,443	\$ 6,636	\$ 11,644	\$ 88,643

Reconciliation of Full Year 2016 Healthcare Property Type NOI to Property and Other Related Revenues less Property Operating Expenses

	Total	Medical Office Buildings	Senior Housing - Operating	Senior Housing - Triple Net Lease	Skilled Nursing Facilities	Hospitals
<i>Property and Other Revenues:</i>						
Rental and escalation income	\$ 291,727	\$ 93,952	\$ -	\$ 56,861	\$ 116,000	\$ 24,914
Resident fee income	293,006	-	270,813	-	22,193	-
Other revenue	1,768	1,738	1	20	1	8
Total property and other revenues	586,501	95,690	270,814	56,881	138,194	24,922
<i>Real estate properties - operating expenses:</i>						
	256,101	35,811	195,754	715	22,198	1,623
<i>Adjustments:</i>						
Interest income	5,687	16	4	4,270	210	1,187
Amortization and other items	(10,563)	(1,828)	882	(2,854)	(2,517)	(4,246)
NOI	\$ 325,524	\$ 58,067	\$ 75,946	\$ 57,582	\$ 113,689	\$ 20,240



Full Year 2016 NOI/ EBITDA Reconciliation⁽¹²⁾



(\$ in thousands)
(unaudited)

Reconciliation of Full Year 2016 NOI to Segment Reporting Net Income (Loss)

	Total
NOI	\$ 869,558
<i>Adjustments:</i>	
Straight-line rental revenue and amortization of above/below-market leases	20,768
Interest expense - mortgage and corporate borrowings	(426,715)
Other expenses	(21,565)
Depreciation and amortization	(337,178)
Unrealized gains (loss) on investments and other	(67,124)
Realized gains (loss) on investments and other	66,629
Equity in earnings (losses) of unconsolidated ventures	123,796
Impairment losses	(79,869)
Income tax benefit (expense)	(13,303)
Other Items	(4,396)
Net income (loss) - Real estate segment	130,601
Remaining Segments	(353,317)
Net income (loss)	<u>\$ (222,716)</u>



NorthStar
REALTY FINANCE

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Investor Presentation

March 1, 2017



Forward Looking Statements

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.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., Colony NorthStar's liquidity, including its ability to complete identified monetization transactions and other potential sales of non-core investments, the timing of and ability to deploy available capital, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability perform on the RMZ, Colony NorthStar's leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Colony NorthStar's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony NorthStar's reports filed from time to time with the SEC.

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The endnotes 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 endnotes.



World-Class Real Estate and Investment Management Platform



Scaled, Dynamic and Diversified Real Estate Portfolio Currently Concentrated in Healthcare, Industrial, Hospitality and High Yielding Other Equity & Debt



Strategic Transition to Simplify Balance Sheet and **Focus on Core Property Verticals**



Broad Investment Management Platform to Bolster Core Property Verticals and Pursue Balance Sheet-Light Tactical Strategies



Proven Ability to Find Relative Value and Produce Attractive Risk-adjusted Returns in Real Estate Investments Across the Globe



Near-Term Significant Improvement in Operating Efficiency



Improving Balance Sheet and Liquidity with Path to Reduced Cost of Capital



Best-in-Class Corporate Governance



Colony NorthStar Overview

Leading global equity REIT with an embedded investment management platform

Quick Facts

NYSE:CLNS / RMZ Constituent

\$56 Billion of AUM

\$0.27 Quarterly Dividend¹ | **7.6%** Dividend Yield²

\$8 Billion Equity Market Capitalization²

500+ Employees | **17** Offices Globally

\$18 Billion Total Capitalization³

Business Segments

<p>GLOBAL HEALTHCARE</p> <p>~\$5 Billion diversified portfolio⁴ Senior Housing, MOB, SNFs, Hospitals</p>	<p>U.S. HOSPITALITY</p> <p>~\$3 Billion hotel portfolio⁴ Extended Stay and Premium-Branded Select Service Hotels</p>	<p>GLOBAL INVESTMENT MANAGEMENT</p> <p>\$56 Billion of AUM inclusive of Segment AUM</p> <p>Manages company-sponsored private equity funds, retail and other vehicles</p> <p>Enhances and supports balance sheet segments</p>
<p>U.S. INDUSTRIAL</p> <p>\$2 Billion light-industrial portfolio⁴ State-of-the-art properties – critical "last mile" of logistics chain</p>	<p>GLOBAL OTHER EQUITY & DEBT</p> <p>~\$7 Billion equity and debt portfolio⁴ SFR, net lease and other properties, real estate debt and real estate-related investments</p>	

1. Q1 2017 dividend will be prorated to \$0.24 per share for the period from January 11, 2017 to March 31, 2017. This is in-line with an annualized dividend of \$1.08 per share. In early January 2017, former Colony Capital, Inc. ("CLNY") and NorthStar Realty Finance Corp. ("NRF") stockholders received stub dividends for the days in January 2017 prior to the merger closing. NorthStar Asset Management Group, Inc. ("NSAM") shareholders received a special dividend of \$1.16 per share.

2. Based on share price as of 2/24/2017.

3. Total market capitalization based on debt balances as of 12/31/16 (excluding recourse debt repaid in connection with the merger closing and non-recourse debt on the manufactured housing portfolio currently under contract), preferred equity at liquidation preference and equity market capitalization as of 2/24/17.

4. Represents balance sheet and third-party AUM as of 12/31/2016. Third party AUM represents capital invested alongside balance sheet, but excludes private equity and retail company interests, which are included in Investment Management AUM.



Highly Experienced Management Team

Highly experienced, cohesive team with demonstrated track record and unwavering commitment to create shareholder value



Thomas J. Barrack, Jr. – Executive Chairman

- Executive Chairman of Colony Capital, the investment firm he founded in 1991
- Principal with the Robert M. Bass Group



David T. Hamamoto – Executive Vice Chairman

- Executive Chairman of NorthStar, the investment firm he founded in 1997
- Co-Founder and Partner of Goldman Sachs Real Estate Principal Investments (Whitehall Funds)



Richard B. Saltzman – Chief Executive Officer and President

- Chief Executive Officer, President and Director of Colony Capital, Inc. (Colony Financial, Inc. pre-April 2015) since June 2009; joined Colony Capital as President in 2003
- Vice Chairman and Chief Operating Officer of Investment Banking and Global Head of Real Estate at Merrill Lynch



Darren J. Tangen – Executive Vice President, Chief Financial Officer

- Chief Financial Officer of Colony Capital, Inc. (Colony Financial, Inc. pre-April 2015) since June 2009; joined Colony Capital in 2002



Kevin P. Traenkle – Executive Vice President, Chief Investment Officer

- Chief Investment Officer of Colony Capital, Inc. (Colony Financial, Inc. pre-April 2015) since 2009; joined Colony Capital in 1993



Mark M. Hedstrom – Executive Vice President, Chief Operating Officer

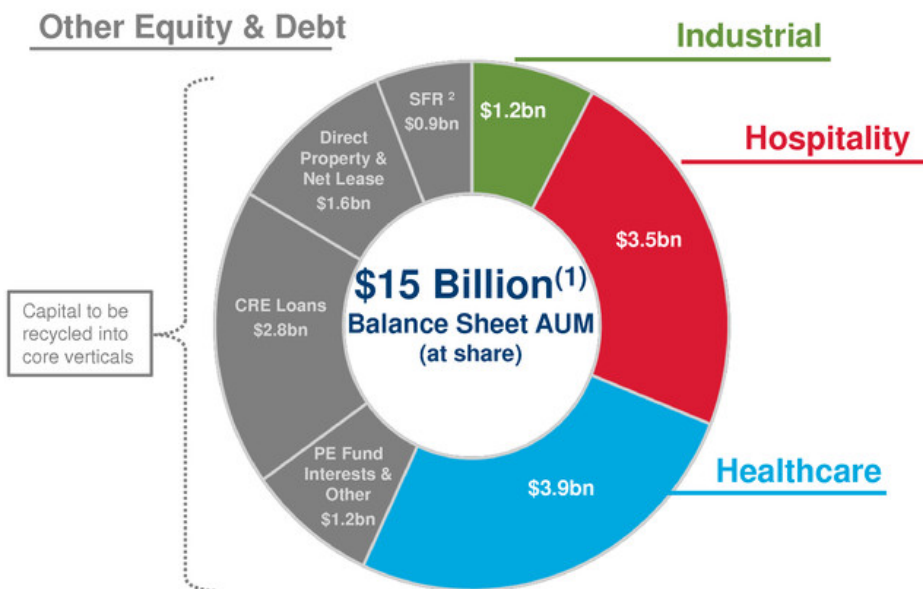
- Chief Operating Officer of Colony Capital, Inc. since April 2015; joined Colony Capital in 1993



Colony NorthStar Portfolio

Colony NorthStar will shift balance sheet exposure away from Other Equity & Debt investments towards strategic property verticals

Current Real Estate Segments



AUM Breakdown⁽¹⁾ In \$ billions

	Balance Sheet AUM	3 rd Party AUM	Total
Industrial	\$1	\$1	\$2
Healthcare	\$4	\$1	\$5
Hospitality	\$3	\$0	\$3
Other	\$7	\$0	\$7
Investment Management	\$0	\$39	\$39
Total AUM	\$15	\$41	\$56

Notes:

1. Please reference the endnotes of this presentation for a definition of AUM. AUM excludes cash, cash expected from the sale of the manufactured housing portfolio, other assets and the investment management platform.

2. SFR AUM represents CLNS cost basis of equity plus its 14% share of debt on SFR's balance sheet as of 12/31/16.

Benefits of Being a REIT & Investment Manager



Public REIT

- Permanent capital vehicle
- Focused property-type verticals
- Large and diversified real estate portfolio
- Wide access to attractively priced capital
- Strong balance sheet and liquidity
- Attractive yield and potential for multiple expansion

Investment Manager

- Raises 3rd party capital in partnership with balance sheet for core property verticals as well as distinct tactical balance sheet-light strategies
- Growing, stable fees generate diversified income stream
- Provides flexibility in accessing growth capital throughout cycles
- Entrepreneurial and opportunistic mindset balanced by institutional best practices & risk management



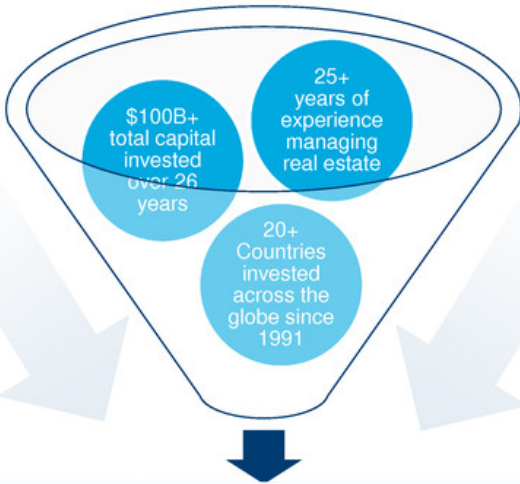
- Scalable fully-integrated platform
 - Long-term discipline and focus
- Proven track record across all property types
 - Vast network of industry relationships
 - Best in-class corporate governance
 - Global infrastructure and deal sourcing



The Colony NorthStar Advantage

1

Proven capital allocation skills across property sectors, the capital stack, and the globe



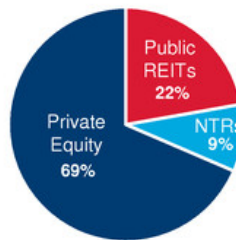
- Extensive network of relationships
- Deep knowledge across property types
- Global context and perspective
- Unrivaled experience across the capital stack

2

Differentiated access to public and private capital provides attractively priced growth equity throughout the cycle

Falling Asset Values

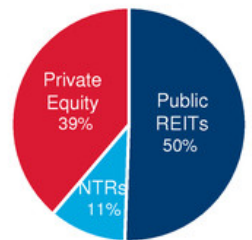
Jul '07 – May '09



Sources: Robert A. Stanger & Co., Inc.; Proqin, SNL; Green Street Advisors

Rising Asset Values

Jun '09 – Jun '13



Sources: Robert A. Stanger & Co., Inc.; Proqin, SNL; Green Street Advisors

US Real Estate Capital Raised

-15% — Average All-REIT NAV Premium — +15%

Access to and relative attractiveness of public vs. private equity is dynamic throughout the real estate cycle



Longer-Term Strategic Initiatives

Reduce exposure to Other Equity and Debt investments while focusing on three to five core strategic real estate verticals and balance sheet-light "Tactical Strategies"

Our embedded investment management platform will allow us to scale our core segments while providing revenue diversification

BALANCE SHEET-HEAVY				BALANCE SHEET-LIGHT
CORE STRATEGIC VERTICALS		POTENTIAL STRATEGIC VERTICALS		TACTICAL STRATEGIES
HEALTHCARE	INDUSTRIAL	NEW VERTICAL(S)	HOSPITALITY	MULTIPLE ASSET CLASSES
<ul style="list-style-type: none"> 3 to 5 vertically-integrated + scalable segments over long-term Focused on real estate sectors with very favorable fundamentals Commit significant balance sheet capital Target third-party capital on a 2:1 ratio or greater 				<ul style="list-style-type: none"> Focused on attractive risk adjusted total return from investments that do not fit into core verticals Future investments made via "balance sheet-light" model Targeting third-party capital on a ~10:1 ratio or greater



Strategic Transition

Colony NorthStar has a clear, actionable path to capturing significant valuation upside

Colony NorthStar's Path to Multiple Expansion



Sources: Green Street Advisors, Bloomberg, and SNL as of February 14, 2016
 Note: Alternative asset managers multiple based on Price to forward Economic Net Income. REIT and Hybrid peer multiples based on Price to forward FFO.



Near-Term Priorities

1	Asset Sales	<ul style="list-style-type: none">▪ Successfully closed the sale of a medical office portfolio and an equity interest in the Healthcare portfolio between December '16 – January '17▪ Complete sale of Manufactured Housing portfolio▪ Accelerate monetization of non-core assets within Other Equity & Debt segment
2	Synergies	<ul style="list-style-type: none">▪ More than 75% and 65% already achieved on total and cash synergies, respectively, with balance expected to be achieved by yearend on a run-rate basis▪ Potential to exceed \$115 million (\$80 million cash) annual cost synergies target
3	Balance Sheet Optimization	<ul style="list-style-type: none">▪ Simplify capital structure and upgrade credit profile▪ Reduce leverage through monetization of non-core assets▪ Extend and stagger near-term debt maturities
4	Fundraising	<ul style="list-style-type: none">▪ Target in excess of \$2 billion of third party capital raising in 2017 through retail and institutional channels
5	Simplification	<ul style="list-style-type: none">▪ Increase balance sheet exposure to core real estate verticals▪ Reduce balance sheet exposure to opportunistic and non-core investments
6	Enhanced Coverage & Exposure	<ul style="list-style-type: none">▪ Increase visibility with investors, research analysts and rating agencies▪ Develop best-in-class disclosure and reporting



Healthcare Portfolio Overview

Platform and Strategy Overview

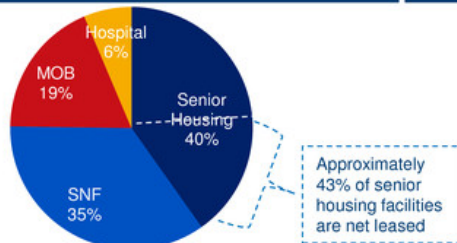
- Diversified portfolio across senior housing facilities (operating and triple net), medical office buildings, skilled nursing facilities and hospitals
- Approximately 43% of senior housing facilities and all skilled nursing facilities and hospitals are net leased to over 25 highly experienced third party operators
- Recently completed the sale of a 19% preferred joint venture interest in the Company's share of the healthcare portfolio to a top tier global financial institution

Attractive and Scaled Portfolio

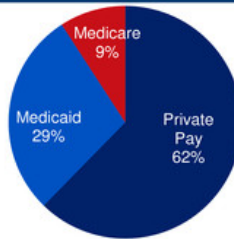
- \$5+ billion consolidated portfolio spread across 33 states in the U.S. and U.K.
- Healthcare business is scaled with best in class acquisitions and operating infrastructure
- Manages a healthcare focused non-traded REIT with \$3+ billion of AUM

Key Stats	
Property Count	426
Beds / Units	~24,000
MOB Total SF (MM)	4.0
Occupancy (Operating Facilities Only) ¹	88.1%
NNN WALT (years)	9.6
NNN Rent Coverage ²	1.7x
2016A NOI ³	\$326M

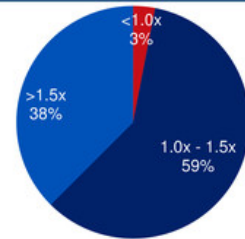
Sub-Sector Composition ⁴



Revenue Mix ⁵



NNN Rent Coverage ²



Note: Data as of December 31, 2016 unless otherwise noted.

1. Senior housing operating metrics represents average fourth quarter 2016 occupancy.

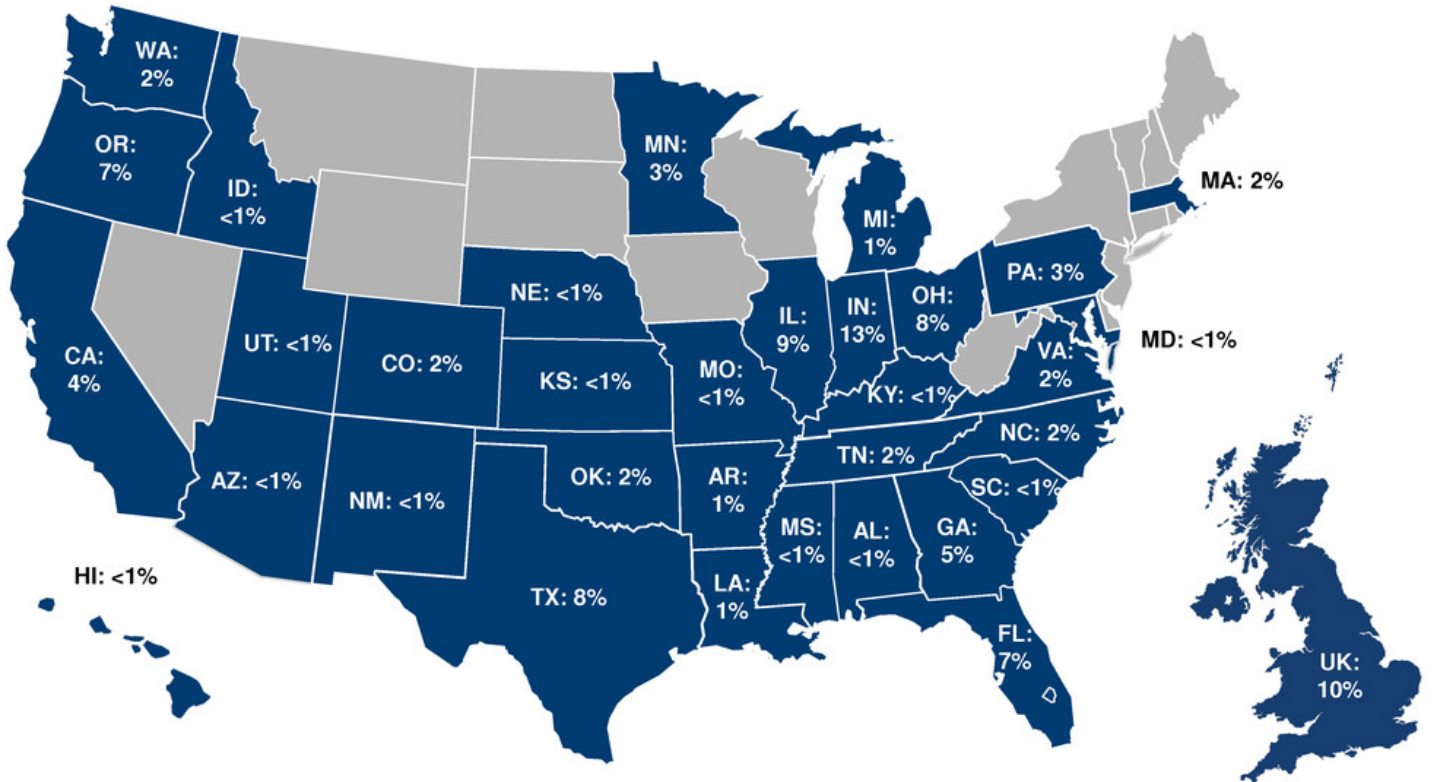
2. Coverage reflects the ratio of EBITDAR to cash rent on a trailing 12 month basis, as of 9/30/16.

3. Consolidated NOI at 100% share, current CLNS share is approximately 71%. 2016 full-year NOI is pro forma for asset sales completed during the year.

4. Portfolio composition based on NOI for the quarter ended 12/31/2016, excluding the medical office building portfolio sold in Q4 2016.

5. Overall percentages are weighted by 9/30/16 trailing twelve month NOI exposure in each category.

Geographic Overview (% of 2016 Property Count)



Healthcare Portfolio – Select Photos



The Durham Senior Housing
Durham, NC



Liberty Heights Senior Housing
Colorado Springs, CO



Mooresville Senior Housing
Mooresville, IN



Wakarusa SNF
Wakarusa, IN



Carriage Court Senior Housing
Memphis, TN



Tuscola Senior Housing
Tuscola, IL





Industrial Portfolio Overview

Platform and Strategy Overview

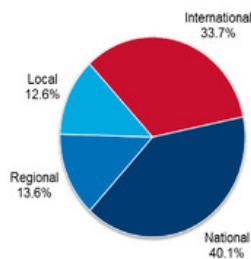
- Vertically integrated, industrial operating platform
- Invest in U.S. light industrial properties, which are the critical and essential “last mile” of the logistics chain and are experiencing high demand due to the e-commerce boom
- Limited new supply in fragmented industry which is ripe for consolidation
- Over \$650 million of third party capital including over \$300 million in a new evergreen open-end fund structure and over \$600 million of CLNS balance sheet equity invested

Attractive and Scaled Portfolio

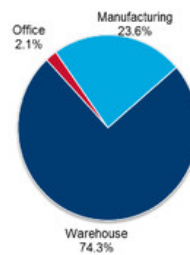
- \$2+ billion portfolio composed of over 37 million square feet in 15 major markets across the U.S.
- Diverse tenant base with over 800 tenants and no one tenant representing more than 1% of cash rents
- Staggered lease expirations with no more than 16% rolling in a given year

Key Stats	
Buildings	346 properties
Rentable Square Feet	37+ million
Leased	96%
2016 Same-Store Revenue Growth	5.5%
2016A NOI ¹	\$135M

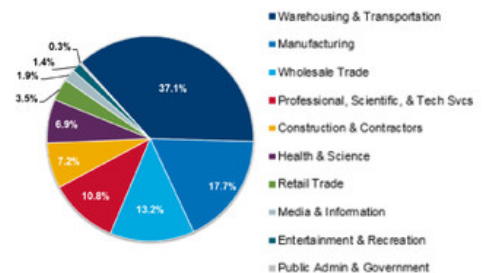
Tenant Type



Tenant Use



Diversified Tenant Base

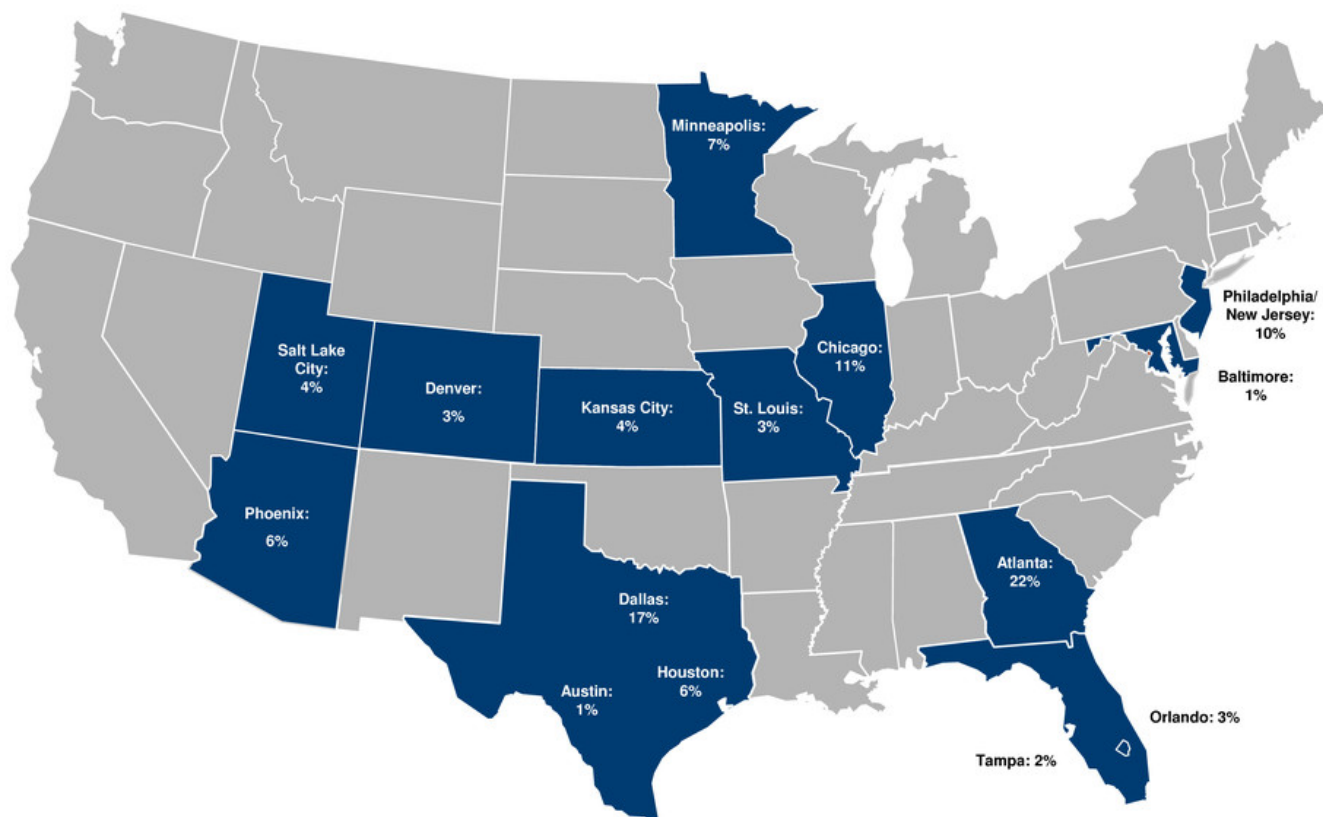


Note: Data as of December 31, 2016 unless otherwise noted.

1. Consolidated NOI at 100% share, CLNS share as of 12/31/16 is approximately 49%. Building count increased from 325 to 346 year-over-year.



Geographic Overview (% of 2016 NOI)





Industrial Portfolio – Select Photos

Parc 114 – Dallas, TX



Commerce Center – Phoenix, AZ



Meadows at Bluegrass – Atlanta, GA



Mission Park – Phoenix, AZ



CrownPointe I-IV – Orlando, FL



GSW & Alliance – Dallas, TX





Hospitality Portfolio Overview

Attractive Select Service Portfolio

- Well-diversified across 26 states, including California (17% of 2016 EBITDA), Florida (11%) and New Jersey (7%)
- 95% branded with Marriott or Hilton
- Well-maintained with over \$200 million (~\$9,000/key) in recent renovations and capital improvements from 2014-2016 and approximately \$102 million budgeted for 2017 (~\$4,600/key)

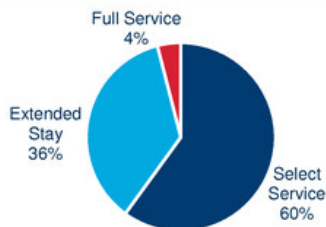
Strong Cash Flow Profile

The Portfolio is expected to continue to generate high risk-adjusted returns as a function of its strong, stable RevPAR, market-leading positioning, high operating margins and efficient financing

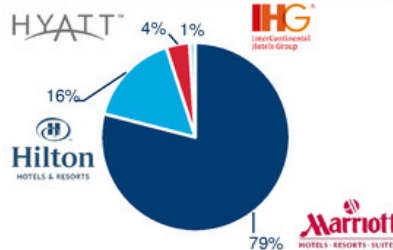
- Select service hotels generate higher operating margins and have less volatile cash flow streams relative to full-service hotels
- Portfolio achieved a 35% EBITDA margin in 2016

Key Stats	
Hotels	167 hotels
Keys	22,091 keys
2016 Occupancy	74%
2016 RevPAR	\$94
2016 EBITDA Margin	35%
2016A EBITDA ¹	\$284M
Q4 2016A EBITDA ¹	\$58M

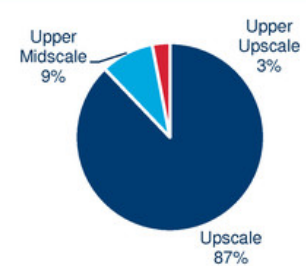
Hotel Type ²



Brand ²



Chain Scale ²



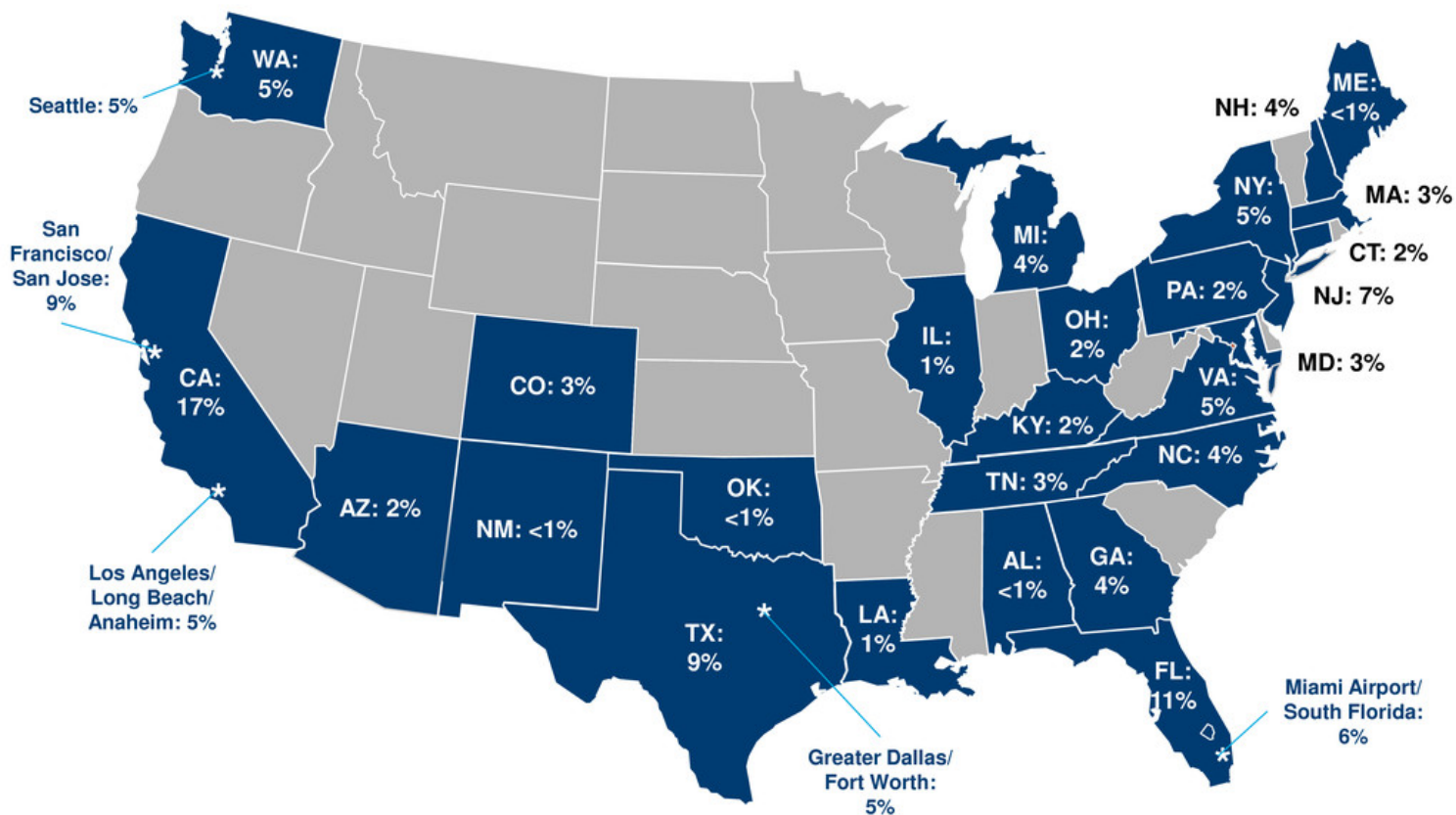
Note: Data as of December 31, 2016 unless otherwise noted.

1. Consolidated EBITDA at 100% share, CLNS share as of 12/31/16 is approximately 94%. Fourth quarter 2016 hospitality EBITDA reflects expected seasonal trends in quarterly NOI.

2. Based on room count.



Geographic Overview (% of 2016 NOI)





Hospitality Portfolio – Select Photos

Aloft – Chapel Hill, NC



Courtyard – Miami, FL



Residence Inn – San Jose, CA



Courtyard – West Palm Beach, FL



Courtyard – Seattle, WA



Hyatt House – Los Angeles, CA



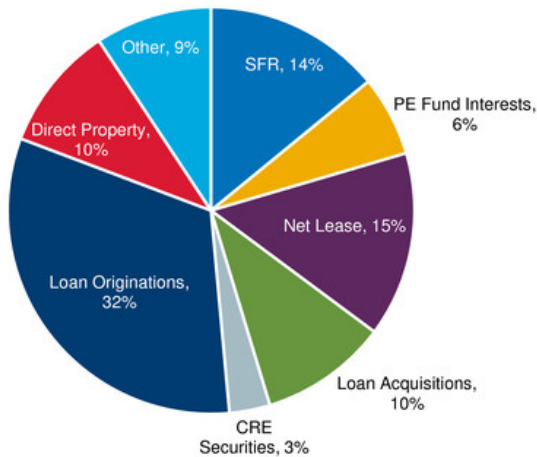


Other Equity & Debt Segment

Majority of this segment represents liquid, secure and short-duration (<1-2 years on average) investments that are scheduled to pay off or be divested expeditiously but without sacrificing value

Portfolio Composition

Equity & Debt Investments



\$6.5 billion AUM

Top Ten Equity & Debt Investments

Investment Category	Category	Gross AUM	Net AUM ¹
		(\$ in mm)	(\$ in mm)
1. Colony Starwood Homes	Equity: SFR	\$919	\$388
2. Floating Rate 1st Mortgage Securitization	Debt: Loan Originations	847	316
3. Private Equity Secondaries	Equity: PE Fund Interests	417	417
4. Statoil Global Headquarters	Equity: Net Lease	296	111
5. Multifamily Loan Portfolio Securitization	Debt : Loan Acquisitions	193	94
6. Multi-Tenant Office Portfolio	Equity: Direct Property	190	81
7. Swiss NNN Properties	Equity: Net Lease	176	57
8. National Hotel Mezzanine Loan	Debt: Loan Originations	167	167
9. Repurchased CDO Bonds	Debt: CRE Securities	150	150
10. Midwest NNN Property	Equity: Net Lease	124	37
Remaining Equity and Debt		3,057	2,387
Total Equity and Debt		\$6,536	\$4,205

1. Represents Gross AUM net of investment level debt, except for the Company's interest in Colony Starwood Homes (SFR). Note there is no debt on the Company's SFR position. Net AUM for SFR represents the Company's cost basis of equity and Gross AUM for SFR represents the Company's cost basis of equity plus its 14% share of debt on SFR's balance sheet as of 12/31/16.



Investment Management Segment

Scalable platform that supports growth of core property verticals and balance sheet-light tactical strategies

Platform Overview

\$41 Billion
3rd PARTY AUM

- Manager of public / private vehicles
- Sponsor of private equity funds
- Embedded broker-dealer
- Sponsor of retail vehicles
- Investment management segments may include the full spectrum of real assets (e.g. real estate, infrastructure, energy, etc.)

Near-Term Priority

- Continue to grow industrial open-end fund, and accelerate fundraising in new retail vehicles and private equity funds

Platform Capabilities

Target Strategy	Equity	Debt	Hybrid
	✓	✓	✓
Distribution Channel	Institutional (Private)	Retail (Private)	Public
	✓	✓	✓
Product Duration	Open-End Funds	Closed-End Funds	Permanent Vehicles
	✓	✓	✓
Vehicle Structure	Separate Accounts	Commingled Funds	Public Entities
	✓	✓	✓



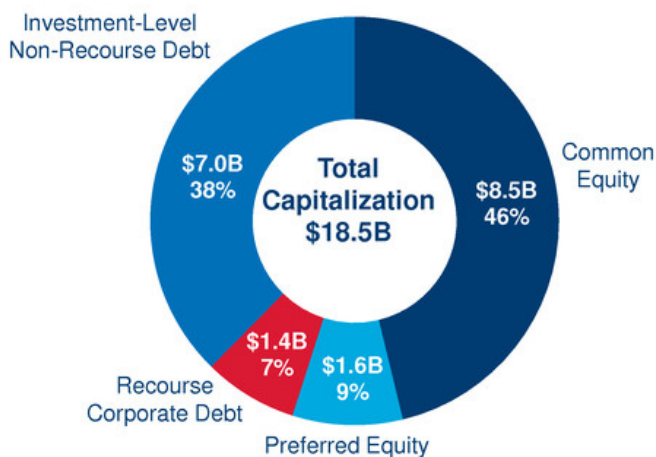
Investment Management Segment (cont'd)

Segment	Products	12/31/2016 AUM (\$bn)	Description
Institutional Funds	<ul style="list-style-type: none"> • Credit funds • Core plus / value-added • Opportunistic • Colony Industrial open-end fund • Other special accounts and co-investment vehicles 	11.0	<ul style="list-style-type: none"> • 25 years of institutional investment management experience • Sponsorship of private equity funds and vehicles earnings asset management fees and performance fees • More than 300 investor relationships • \$10 billion of private equity capital raised since the beginning of 2008; \$24 billion of private equity capital raised since inception
Retail Companies	<ul style="list-style-type: none"> • NorthStar Income I • NorthStar Healthcare • NorthStar Income II • NorthStar/RXR NY Metro Real Estate • NorthStar Real Estate Capital Income • NorthStar/Townsend Institutional Real Estate Fund 	6.8	<ul style="list-style-type: none"> • Wholly-owned broker-deal subsidiary engaged as dealer-manager for all retail product offerings • Over \$4 billion of capital raised to date with over \$5 billion of effective products • Manage public non-traded vehicles earning asset management, performance, acquisition and disposition fees
Public Company	<ul style="list-style-type: none"> • NorthStar Realty Europe Corp. 	2.0	<ul style="list-style-type: none"> • Manage NYSE-listed European equity REIT • Earns base management fee with potential for incentive fees
Townsend	<ul style="list-style-type: none"> • Segregated Mandates • Commingled Funds • Advisory Services 	14.6	<ul style="list-style-type: none"> • 84% investment in The Townsend Group • Manage custom portfolios and fund-of-funds primary invested in direct real estate funds • Source co-investments and joint ventures alongside GPs • Fees comprised of recurring investment management fees, recurring advisory fees, and performance fees
Pro Rata Corporate Investments	<ul style="list-style-type: none"> • RXR Realty, LLC • American Healthcare Investors • Steelwave • Hamburg Trust • Other Joint Ventures 	6.6	<ul style="list-style-type: none"> • CLNS recognizes at-share earnings from underlying pro rata corporate investments • 27% investment in RXR Realty, a real estate owner, developer and investment management company with over \$12 billion of AUM • 43% investment in American Healthcare Investors, a healthcare investment management firm and sponsor of non-traded vehicles with \$2.5 billion of AUM
Total		\$41.0	



Capital Structure

Capital Structure¹



Debt Strategy

- Completed upsize and amendment to corporate credit facility
- Extend and stagger debt maturities
- Limit floating-rate debt exposure
- Limited recourse debt financing (currently 7% of total capital structure)
- Maintain strong relationships with banks and other lending sources
- Position CLNS for investment grade profile

Target Leverage

	Target
Total Debt/Total Capitalization	< 50%
Total Debt / EBITDA	±6.0x

Initial Dividend

- \$0.27 quarterly dividend per share² / 7.6% Dividend Yield³

1. Total market capitalization based on debt balances as of 12/31/16 (pro forma for the sale of the manufactured housing portfolio and excluding recourse debt repaid in connection with the merger closing), preferred equity at liquidation preference and equity market capitalization as of 2/24/17.

2. Q1 2017 dividend will be prorated to \$0.24 per share for the period from January 11, 2017 to March 31, 2017. This is in-line with an annualized dividend of \$1.08 per share. In early January 2017, former Colony Capital, Inc. and NorthStar Realty Finance Corp. stockholders received stub dividends for the days in January 2017 prior to the merger closing. NorthStar Asset Management Group, Inc. shareholders received a special dividend of \$1.16 per share.

3. Based on share price as of 2/24/2017.



Best-in-Class Corporate Governance

Colony NorthStar has implemented best-in-class corporate governance policies, which align the interests of the Board and management with the interests of public REIT shareholders.

Policies Highlight Alignment with Public Shareholders

- ✓ Opted out of MUTA
- ✓ No Classified Board
- ✓ Majority Independent Board
- ✓ 7% Insider Ownership
- ✓ Majority of Voting Standard for Election of Directors
- ✓ Stockholders May Amend Bylaws
- ✓ Proxy Access

APPENDIX





Core Property Vertical Case Study – Colony Industrial

Colony Industrial serves as the template for execution of Colony NorthStar's strategy for Core Strategic Real Estate Verticals

Attractive Sector Fundamentals

- **Strong Demand** – Light Industrial properties are the critical "last mile" and an essential part of the logistics chain
 - Smaller infill locations are vital for e-commerce and other tenants that require increasingly quick delivery times
- **Limited New Supply** – As of 12/31/16, annual deliveries of new light industrial development is ~1% of inventory (compared to ~5% for Bulk Industrial) and is well below its peak over the past 15 years¹

Long-Term, 3rd Party Capital Alongside Significant Balance Sheet Investment

- **Third Party Capital** – Successfully launched evergreen open-end fund in Q3 2016, providing channel for additional third-party institutional fundraising to continue growth of platform
 - Closed on \$311 million of commitments to date in open-end fund, bringing total third party capital in the platform to \$669 million
 - CLNS ownership reduced to ~49% from 62%; targeting ~25% through additional fundraising over time
- **Significant Balance Sheet Investment** – Over \$618 million of balance sheet capital invested
 - Potential to increase balance sheet investment to \$1 to 2 billion as the platform grows over time

Scalable, Vertically Integrated Business

- **Large Market** – Accounts for 63% of U.S. industrial market¹
- **Fragmented Industry** – Fragmented ownership of light industrial universe ripe for consolidation with limited competition from institutional investors
- **Demonstrated Acquisition Capability** – Portfolio scaled to over 37 million sf, including over 7 million sf acquired since Colony's initial entrance to the business
- **Vertically Integrated** – Internally managed by Colony Industrial team
 - Led by Lew Friedland, who founded Colony Industrial's predecessor and assembled the portfolio over the past 14 years

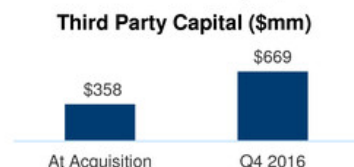
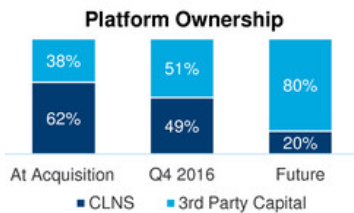
Source: Company filings as of 12/31/16. 1) CoStar Q4 2016 industrial data



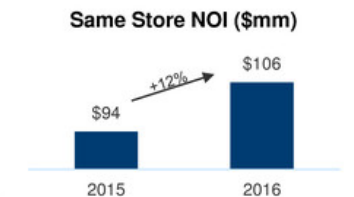
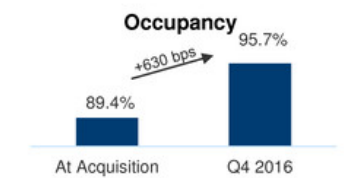
Core Property Vertical Case Study – Colony Industrial (Cont.)

Colony NorthStar has executed on its operational business plan while raising long-term capital alongside its balance sheet investment

Capital Formation



Operational Execution



Initial Acquisition (Q4 2014)

- Colony, in partnership with three institutional co-investors, acquired a \$1.6 billion light industrial portfolio
- \$950 million of total equity commitments, including \$390 million of dry powder

Current

- On September 30, 2016, Colony successfully launched an open-end sector fund, closing on \$311 million of commitments from institutional investors to date
- Evergreen vehicle with ability to continually raise equity with recurring management fees
- Open-end fund equity raised at NAV, which represents a premium to CLNS's original cost basis
- Targeting ~20% CLNS ownership as platform grows through additional fundraising

Since Initial Acquisition (Q4 2014)

- CLNS is executing on its business plan, and performance is ahead of original underwriting
- Significant NOI growth since acquisition, including 14.9% year-over-year same store growth in Q3 2016, compared to an average of 5.3% for the major public industrial REITs¹
- Occupancy increased 630 basis points from 89.4% in Q4 2014 to 95.7% in Q4 2016
- Over 350 signed leases (new and renewal) totaling over 10.5 million sf
- Portfolio size increased to over 37mm sf as of Q4 2016, an increase of 6+ million sf (7+ million sf of acquisitions and 1+ million sf of dispositions to date)
- Terminating out floating-rate acquisition debt with attractive, long term fixed-rate debt

Source: Company filings as of 12/31/16. 1) Includes PLD, EGP, DCT, FR and PSB. Weighted average based on average total assets over comparison period.

Core Property Vertical Case Study – Colony Starwood Homes



Colony Starwood Homes is the successful culmination of building a platform/vertical from the “ground up” including capital formation, management team recruitment and property aggregation

Thesis	<ul style="list-style-type: none">▪ Colony American Homes (“CAH”) launched in March 2012▪ Generational mispricing opportunity – Historic housing price decline following Global Financial Crisis; homes priced at significant discount to replacement cost▪ Highly fragmented sector – 16+ million single family homes for rent with <1% institutional ownership▪ Strong fundamentals – Demographic / economic conditions encouraging increased rentership; limited new supply
Successful Capital Formation	<ul style="list-style-type: none">▪ Successful Capital Formation – \$550 million of balance sheet (Colony Financial, Inc.) committed at the time alongside \$1.7 billion of new limited partner capital - ~3:1 third party to balance sheet ratio▪ Quick Execution – Final closing occurred in May 2013, which was approximately one year from initial capital raise launch
Evolution	<ul style="list-style-type: none">▪ Ground-up Operations – Built a vertically-integrated platform from the “ground up”, including acquisitions, construction management, leasing, property management and IT with experienced management team in place▪ SFR Lending Platform – Created Colony American Finance, a lending platform that provides loans to single family home for rent investors▪ Scaled Portfolio – Scaled portfolio to over 19,000 homes owned and managed prior to merging with SWAY▪ Merger with SWAY – Merged CAH with SWAY and internalized SWAY’s external manager in January 2016, forming a combined company with \$7.7 billion of asset value and over 30,000 homes

Core Property Vertical Case Study – Colony Starwood Homes (Cont.)



Through Colony’s stewardship, Colony Starwood Homes is now a leading independent publicly traded REIT (NYSE: SFR) focused on single family homes for rent with over 35,000 homes

CAH/SWAY Merger Highlights

Structure & Consideration

- **Merger closing date:** January 2016
- **Consideration:** 100% stock-for-stock transaction / fixed exchange ratio in an NAV-to-NAV merger

Pro Forma Ownership

- **Pro forma ownership:** 59% legacy Colony investors / 41% legacy SWAY
- **Colony NorthStar ownership:** 14% of SFR

Management & Board

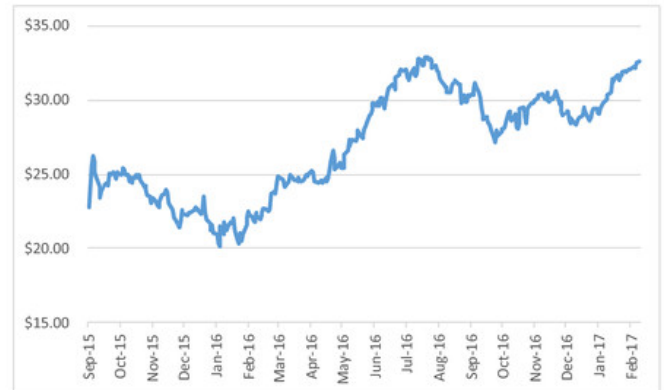
- **Management:** Significant legacy Colony representation on Board and within management
 - **Co-Chairman:** Thomas J. Barrack Jr.
 - **CEO:** Fred Tuomi
 - **CFO:** Arik Prawer

Synergies

- Achieved all of targeted merger synergies by June 2016 on run-rate basis, ahead of expectations

SFR Trading

43% increase since announcement of merger in September 2015, significantly closing the gap between NAV and trading price





NOI Reconciliation – Healthcare & Hotels (Historical NRF)

(\$ in thousands)	Healthcare	Hotel	Other Real Estate	Asset Monetizations ⁽¹⁾	Total Real Estate
Property and other revenues:					
Rental and escalation income	\$ 291,727	\$ 55	\$ 254,649	\$ 132,478	\$ 678,909
Hotel related income	-	826,147	-	-	826,147
Resident fee income	293,006	-	-	-	293,006
Other revenue ⁽²⁾	1,768	1,005	8,344	821	11,938
Total property and other revenues	586,501	827,207	262,993	133,299	1,810,000
Real estate properties - operating expenses	(256,101)	(542,049)	(97,870)	(39,682)	(935,702)
Interest income ⁽³⁾	5,687	22	5,576	5	11,290
Equity in earnings ⁽⁴⁾	-	-	842	-	842
Amortization and other items ⁽⁵⁾	(10,563)	(965)	(365)	(4,979)	(16,872)
NOI ⁽⁶⁾	\$ 325,523	\$ 284,215	\$ 171,176	\$ 88,643	\$ 869,558

(\$ in thousands)	Total
NOI	\$ 869,558
Adjustments:	
Straight-line rental revenue and amortization of above/below-market leases	20,768
Interest expense - mortgage and corporate borrowings	(426,715)
Other expenses	(21,565)
Depreciation and amortization	(337,178)
Unrealized loss on investments and other	(67,124)
Realized gains on investments and other	66,629
Equity in earnings of unconsolidated ventures	123,796
Impairment losses	(79,869)
Income tax expense	(13,303)
Other items	(4,396)
Net income - Real estate segment	130,601
Remaining Segments ⁽⁷⁾	(353,317)
Net loss	\$ (222,716)

Notes:

1. Pro forma for asset monetizations which include the following: a portfolio of senior housing assets sold during the first quarter 2016; a portfolio of medical office buildings sold during the fourth quarter 2016; the net lease industrial portfolio sold during the third quarter 2016; 10 multifamily properties sold throughout 2016; and a net lease office building which the related mortgage matured in October 2015 and the property was conveyed back to the lender in 2016.
2. Certain other revenue earned is not included as part of NOI, including collateral management fees for administrative services in our N-Star CDOs, that are not part of our real estate segment.
3. Primarily represents interest income earned from notes receivable on manufactured homes and loans in our healthcare portfolio.
4. Includes an adjustment related to our interest in an unconsolidated joint venture in a net lease and multifamily property.
5. Primarily includes amortization of straight-line rental income, amortization of above/below market leases and non-recurring bad debt.
6. We consider NOI for hotels to be a proxy for earnings before interest, tax, depreciation and amortization (EBITDA).
7. Represents the net income (loss) of our remaining segments to reconcile to total net income (loss).



NOI Reconciliation – Industrial (Historical CLNY)

(\$ in thousands)	Industrial
Property operating income	\$ 194,670
Other income	1,685
Straight-line rent revenue and amortization of acquired above- and below-market lease intangibles, net	(3,798)
Total income	192,557
Property operating expenses	(57,797) ⁽¹⁾
NOI	\$ 134,760

(\$ in thousands)	Total
NOI	\$ 134,760

Adjustments:

Interest income	2
Straight-line rent revenue and amortization of acquired above- and below-market lease intangibles, net	3,798
Transaction expenses	(921)
Investment and servicing expenses	(167)
Interest expense	(44,834)
Depreciation and amortization	(88,854)
Impairment loss	(407)
Compensation expense	(5,983) ⁽¹⁾
Administrative expenses	(2,699)
Gain on sale of real estate, net	2,888
Income tax expense	(586)
Industrial net loss	\$ (3,003)

Net income (loss) of other reporting segments:

Single Family Residential Rentals	(9,722)
Other Real Estate Equity	131,397
Real Estate Debt	305,994
Investment Management	21,287
Amounts Not Allocated to Segments	(155,227)

Net income	\$ 290,726
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Note:

1. Property operating expenses include, and compensation expense adjustment excludes, \$1.9 million of compensation expense related to property operations.

Presentation Endnotes

Assets Under Management (“AUM”):

Refers to assets which the Company and its affiliates provides investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is generally based on reported gross carrying value or cost basis of managed investments as reported by each underlying vehicle at December 31, 2016, proforma for NRF asset monetizations, while legacy NRF real estate assets are based on preliminary merger purchase price accounting figures and for retail companies and NorthStar Realty Europe presented as of February 24, 2017. AUM further includes a) uncalled capital commitments and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share assets of each affiliate as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

