

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

FORM 8-K

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

Date of Report (Date of earliest event reported): May 10, 2018

COLONY NORTHSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

001-37980
(Commission
File Number)

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

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

(Address of principal executive offices)

90071
(Zip Code)

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

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On May 10, 2018, Colony NorthStar, Inc. (the "Company") issued a press release announcing its financial position as of March 31, 2018 and its financial results for the first quarter ended March 31, 2018. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On May 10, 2018, the Company made available a Supplemental Financial Disclosure Presentation for the quarter ended March 31, 2018 on the Company's website at www.clns.com. A copy of the Supplemental Financial Disclosure Presentation is furnished herewith as Exhibit 99.2 to this Current Report on Form 8-K, which are incorporated herein by reference.

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

Use of Website to Distribute Material Company Information

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

Item 9.01 Financial Statements and Exhibits.

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

Exhibit No.	Description
<u>99.1</u>	Press Release dated May 10, 2018
<u>99.2</u>	Supplemental Financial Disclosure Presentation for the quarter ended March 31, 2018

SIGNATURES

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

Date: May 10, 2018

COLONY NORTHSTAR, INC.

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

COLONY NORTHSTAR ANNOUNCES FIRST QUARTER 2018 FINANCIAL RESULTS

Los Angeles, CA and New York, NY, May 10, 2018 - Colony NorthStar, Inc. (NYSE:CLNS) and subsidiaries (collectively, "Colony NorthStar," or the "Company") today announced its financial results for the first quarter ended March 31, 2018 and the Company's Board of Directors declared a second quarter 2018 cash dividend of \$0.11 per share of Class A and Class B common stock.

First Quarter 2018 Financial Results and Highlights

- First quarter 2018 net loss attributable to common stockholders of \$(72.7) million, or \$(0.14) per share, and Core FFO of \$115.1 million, or \$0.20 per share
- The Company's Board of Directors declared and paid a first quarter 2018 dividend of \$0.11 per share of Class A and B common stock
- During the first quarter 2018, the Company raised approximately \$2.0 billion of third-party capital (including amounts representing its share related to affiliates) from institutional clients
 - The Company, in partnership with Digital Bridge, established a digital real estate infrastructure vehicle with \$1.95 billion of capital raised as of March 31, 2018, inclusive of a \$162 million capital commitment by certain subsidiaries of the Company
- During the first quarter 2018, the Company completed \$60 million of Other Equity and Debt asset monetizations
- During the first quarter 2018, the Company invested and agreed to invest \$113 million in Other Equity and Debt primarily with an objective of creating investment management structures around these investments
- The Company repurchased approximately 48.2 million shares of its Class A common stock at an average price of \$5.79 per share, or \$279 million, year-to-date 2018
- Listed Colony NorthStar Credit Real Estate, Inc. (NYSE: CLNC), one of the largest commercial real estate credit REITs, creating a new permanent capital vehicle externally managed by the Company
- Subsequent to the first quarter 2018:
 - The Company completed the combination of its broker-dealer business with S2K Financial creating an enhanced retail investor distribution platform, Colony S2K
 - The Company has approximately \$1.1 billion of liquidity through cash-on-hand and availability under its revolving credit facility

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

"After resetting our baseline at the beginning of this year, we are pleased to report Colony NorthStar's first quarter results and concurrent strategic progress," said Richard B. Saltzman, President and Chief Executive Officer. "For example, the formation and public listing of Colony NorthStar Credit Real Estate during the quarter is a prime example of leveraging our institutional expertise and balance sheet assets to create a new permanent capital vehicle under our management. In addition, liquidity generated by more accelerated sales of non-core assets and businesses is being utilized to repurchase our common shares, reduce debt, and sponsor compelling new investment opportunities under a predominantly third party capital model such as the recently announced Digital Colony Partners vehicle focused on digital real estate infrastructure. All of these endeavors represent progress towards the goal of strengthening our global investment management franchise and becoming more balance sheet-lite as we focus on maximizing shareholder value from a total return perspective."

First Quarter 2018 Operating Results and Investment Activity by Segment

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

Healthcare Real Estate

As of March 31, 2018, the consolidated healthcare portfolio consisted of 413 properties: 192 senior housing properties, 108 medical office properties, 99 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of March 31, 2018. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA").

During the first quarter 2018, this segment's net loss attributable to common stockholders was \$(10.4) million. Core FFO was \$23.1 million and consolidated NOI was \$81.3 million. In the first quarter 2018, healthcare same store portfolio sequential quarter to quarter comparable revenue increased 2.0% and net operating income increased 6.5% primarily attributed to an approximately \$3 million early lease termination fee received from a former medical office building tenant and approximately \$1 million of hurricane Harvey expenses not covered by insurance that was incurred in senior housing properties during the fourth quarter 2017. Compared to the same period last year, first quarter 2018 same store revenue grew 1.2% and net operating income increased 5.5% primarily attributable to the previously referenced early lease termination fee and changes in foreign currency exchange rates. The healthcare same store portfolio is defined as properties in operation throughout the full periods presented under the comparison and included 413 properties in the sequential quarter to quarter and year to year comparisons.

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

(\$ In millions)	Consolidated		CLNS OP		Same Store					
	NOI		Share NOI ⁽¹⁾		Consolidated NOI		Occupancy % ⁽²⁾		TTM Lease Coverage ⁽³⁾	
	Q1 2018		Q1 2018		Q1 2018	Q4 2017	Q1 2018	Q4 2017	12/31/17	9/30/17
Senior Housing - Operating	\$ 17.5	\$	12.6	\$	17.5	15.8	86.4%	87.4%	N/A	N/A
Medical Office Buildings	16.6		11.5		16.5	13.4	83.2%	83.4%	N/A	N/A
<i>Triple-Net Lease:</i>										
Senior Housing	15.5		11.0		15.5	15.2	83.2%	82.9%	1.4x	1.4x
Skilled Nursing Facilities	26.8		19.3		26.9	26.8	82.7%	82.6%	1.2x	1.2x
Hospitals	4.9		3.4		4.9	5.2	55.3%	58.4%	3.5x	2.5x
Healthcare Total/W.A.	\$ 81.3	\$	57.8	\$	81.3	76.4	82.8%	83.1%	1.5x	1.4x

(1) CLNS OP Share NOI represents first quarter 2018 Consolidated NOI multiplied by CLNS OP's ownership interest as of March 31, 2018.

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

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

Asset Dispositions and Financing

During the first quarter 2018, the consolidated healthcare portfolio disposed of three non-core skilled nursing facilities for an aggregate \$14 million and one medical office building, which was encumbered by a \$3 million mortgage and consensually transferred to the respective lender.

Industrial Real Estate

As of March 31, 2018, the consolidated industrial portfolio consisted of 378 primarily light industrial buildings totaling 45.6 million rentable square feet across 18 major U.S. markets and was 94% leased. During the first quarter 2018, the Company closed on \$70 million of new third-party capital. As a result, the Company's equity interest in the consolidated Industrial Real Estate segment decreased to approximately 40% as of March 31, 2018 from 41% as of December 31, 2017. Total third-party capital commitments were approximately \$1.2 billion compared to cumulative balance sheet contributions of \$750 million as of March 31, 2018. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of



and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

During the first quarter 2018, this segment's net income attributable to common stockholders was \$1.3 million, Core FFO was \$12.5 million and consolidated NOI was \$44.6 million. In the first quarter 2018, industrial same store portfolio sequential quarter to quarter comparable revenue grew 4.5% and net operating income decreased (1.1)%, primarily due to higher snow removal expense. Compared to the same period last year, first quarter 2018 same store revenue grew by 5.4% and net operating income grew 3.5%. The Company's industrial same store portfolio consisted of the same 305 buildings that were stabilized during the three months ended March 31, 2018 and March 31, 2017. Properties acquired, disposed or held for sale during these periods are excluded. Stabilized properties are defined as properties owned for more than one year or are greater than 90% leased as of the beginning of the January 1, 2017.

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

(\$ In millions)	Consolidated		CLNS OP		Same Store					
	NOI		Share NOI ⁽¹⁾		Consolidated NOI		Leased % ⁽²⁾			
	Q1 2018		Q1 2018		Q1 2018	Q4 2017	Q1 2018	Q4 2017		
Industrial	\$	44.6	\$	17.9	\$	35.3	\$	35.7	95.1%	95.7%

(1) CLNS OP Share NOI represents first quarter 2018 Consolidated NOI multiplied by CLNS OP's ownership interest as of March 31, 2018.

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

Asset Acquisitions and Dispositions

During the first quarter 2018, the consolidated industrial portfolio acquired ten industrial buildings totaling approximately 2.4 million square feet and land for development for approximately \$179 million and disposed of one non-core building totaling approximately 0.2 million square feet for approximately \$11 million.

Subsequent to the first quarter 2018, the consolidated industrial portfolio acquired four industrial buildings totaling approximately 1.0 million square feet for approximately \$138 million.

Hospitality Real Estate

As of March 31, 2018, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94% as of March 31, 2018. The hospitality portfolio consists primarily of premium branded select service hotels and extended stay hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands. The select service hospitality portfolio, referred to as the THL Hotel Portfolio, which the Company acquired through consensual transfer during the third quarter 2017, is not included in the Hospitality Real Estate segment and is included in the Other Equity and Debt segment.

During the first quarter 2018, this segment's net loss attributable to common stockholders was \$(10.1) million, Core FFO was \$25.9 million and consolidated EBITDA was \$59.2 million. Compared to the same period last year, first quarter 2018 hospitality same store portfolio revenue increased 1.6% and EBITDA decreased (3.3)%, primarily due to increased utility costs related to a colder first quarter 2018 and increased wages. The Company's hotels typically experience seasonal variations in occupancy which may cause quarterly fluctuations in revenues and therefore sequential quarter to quarter revenue and EBITDA result comparisons are not meaningful. The hospitality same store portfolio is defined as hotels in operation throughout the full periods presented under the comparison and included 167 hotels in the year to year comparison.



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

(\$ In millions)	Consolidated		CLNS OP Share		Same Store									
	EBITDA ⁽¹⁾		EBITDA ⁽²⁾		Consolidated EBITDA				Occupancy % ⁽⁴⁾		Avg. Daily Rate		RevPAR ⁽³⁾	
									(In dollars) ⁽⁴⁾		(In dollars) ⁽⁴⁾			
	Q1 2018	Q1 2018	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017		
Marriott	\$ 46.8	\$ 44.2	\$ 46.8	\$ 48.1	69.3%	68.8%	\$ 129	\$ 129	\$ 90	\$ 89				
Hilton	8.9	8.3	8.9	9.7	73.8%	72.8%	124	123	91	90				
Other	3.5	3.3	3.5	3.4	78.2%	72.5%	127	129	99	93				
Total/W.A.	\$ 59.2	\$ 55.8	\$ 59.2	\$ 61.2	70.5%	69.7%	\$ 128	\$ 128	\$ 90	\$ 89				

(1) Q1 2018 Consolidated EBITDA excludes a FF&E reserve contribution amount of \$8.6 million.

(2) CLNS OP Share EBITDA represents first quarter 2018 Consolidated EBITDA multiplied by CLNS OP's ownership interest as of March 31, 2018.

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

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

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

On February 1, 2018, Colony NorthStar Credit Real Estate, Inc., a leading commercial real estate credit REIT, announced the completion of the combination of a select portfolio of the Company's assets and liabilities from the Other Equity and Debt segment with NorthStar Real Estate Income Trust, Inc. ("NorthStar I") and NorthStar Real Estate Income II, Inc. ("NorthStar II") in an all-stock transaction. In connection with the closing, CLNC completed the listing of its Class A common stock on the New York Stock Exchange under the ticker symbol "CLNC." The combination creates a permanent capital vehicle, externally managed by the Company, with approximately \$4.9 billion in assets, excluding securitization trust liabilities, and \$3.1 billion in equity value as of March 31, 2018. The Company owns 48.0 million shares, or 37%, of CLNC and earns an annual base management fee of 1.5% on stockholders' equity and an incentive fee of 20% of CLNC's Core Earnings over a 7% hurdle rate. During the first quarter 2018, this segment's net loss attributable to common stockholders was \$(3.4) million and Core FFO was \$13.4 million, which reflects two months of the Company's 37% share of CLNC's net loss and Core Earnings. The financial results related to the assets and liabilities contributed to CLNC for the period January 1, 2018 to January 31, 2018 are included in the Other Equity and Debt segment.

Other Equity and Debt

The Company owns a diversified group of strategic and non-strategic real estate and real estate-related debt and equity investments. Strategic investments include our 10% interest in NorthStar Realty Europe (NYSE: NRE) and other investments for which the Company acts as a general partner or manager ("GP Co-Investments") and receives various forms of investment management economics on the related third-party capital. Non-strategic investments are composed of those investments the Company does not intend to own for the long term including net leased assets; real estate loans; other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; limited partnership interests in third-party sponsored real estate private equity funds; and multiple classes of commercial real estate ("CRE") securities. During the first quarter 2018, this segment's aggregate net income attributable to common stockholders was \$49.1 million and Core FFO was \$77.8 million. During the first quarter 2018, this segment's net income, FFO and Core FFO included financial results related to assets and liabilities contributed to CLNC for the period January 1, 2018 to January 31, 2018. First quarter 2018 Core FFO included gains on sale, net of losses and provisions, of approximately \$12 million, including a \$9.9 million fair value gain related to the contribution of net assets to CLNC.

Other Equity and Debt Segment Asset Acquisitions and Dispositions

During the first quarter 2018, the Company invested and agreed to invest approximately \$113 million in three investments, one real estate debt investment and two equity investments.



As of March 31, 2018, the undepreciated carrying value of assets and equity within the Other Equity and Debt segment were \$4.3 billion and \$2.7 billion, respectively.

(\$ In millions)	CLNS OP Share March 31, 2018	
	Undepreciated Carrying Value ⁽¹⁾	
	Assets	Equity
Strategic:		
GP co-investments	\$ 293	\$ 254
Interest in NRE	74	74
Strategic Subtotal	367	328
Non-Strategic:		
Other Real Estate Equity & Albertsons	2,039	1,104
Real Estate Debt	1,032	761
Net Lease Real Estate Equity	583	239
Real Estate Private Equity Funds and CRE Securities	304	304
Non-Strategic Subtotal	3,958	2,408
Total Other Equity and Debt	\$ 4,325	\$ 2,736

(1) Includes investment-level cash and net other assets.

Investment Management

The Company's Investment Management segment includes the business and operations of managing capital on behalf of third-party investors through closed and open-end private funds, non-traded and traded real estate investment trusts and registered investment companies. As of March 31, 2018, the Company had \$27.5 billion of third-party AUM compared to \$26.9 billion as of December 31, 2017. The increase was primarily due to the capital raised in the co-sponsored digital real estate infrastructure vehicle, capital raised in the industrial open-end fund and the successful syndication of an approximately 30% interest in an Irish non-performing loan portfolio acquired in 2017. As of March 31, 2018, Fee-Earning Equity Under Management ("FEEUM") was \$16.2 billion compared to \$15.4 billion as of December 31, 2017. During the first quarter 2018, this segment's aggregate net loss attributable to common stockholders was \$(80.5) million and Core FFO was \$31.4 million. During the first quarter 2018, this segment's net loss and Core FFO included one month of asset management, acquisition and disposition fees related to NorthStar I and NorthStar II; two months of CLNC management fees; approximately \$3 million of realized carried interest from a Non-Wholly Owned Real Estate Investment Management Platform; and approximately \$1 million of unrealized carried interest from the industrial open-end fund. This segment's net loss also included a \$139 million impairment loss to write down the carrying value of management contract intangible assets related to NorthStar I and NorthStar II, which ceased to exist upon closing of CLNC.

During the first quarter 2018, the Company raised \$67 million from an institutional investor for a 30% interest in an Irish non-performing loan portfolio acquired by the Company in 2017.

Digital Real Estate Infrastructure

During the first quarter 2018, the Company, in partnership with Digital Bridge, established a digital real estate infrastructure vehicle with \$1.95 billion of capital raised, inclusive of a \$162 million capital commitment by certain subsidiaries of the Company.

During the first quarter 2018, the Company's interest in Andean Tower Partners, a South American cell tower owner and operator was contributed to the digital real estate infrastructure vehicle for \$146 million, which included approximately \$3 million of realized preferred return in the Company's Other Equity and Debt segment.

Combination of S2K Financial and NorthStar Securities

Subsequent to the first quarter 2018, the Company completed the previously announced combination of S2K Financial Holdings, LLC ("S2K Financial") with the Company's broker-dealer, NorthStar Securities creating a stronger broker-dealer retail distribution business that will distribute the current product slate of the Company, S2K Financial and future investment products to be developed by the new joint company. The new company is known as Colony S2K Holdings LLC ("Colony S2K").



Assets Under Management ("AUM")

As of March 31, 2018, the Company had \$43 billion of AUM:

(\$ In billions)	Amount	% of Grand Total
Balance Sheet (CLNS OP Share):		
Healthcare	\$ 4.1	9.5%
Industrial	1.3	3.0%
Hospitality	3.9	9.3%
Other Equity and Debt	4.3	10.0%
CLNC: Investments contributed to CLNC ⁽¹⁾	1.8	4.2%
Balance Sheet Subtotal	15.4	36.0%
Investment Management:		
Institutional Funds	9.8	22.8%
Retail Companies	3.7	8.6%
Colony NorthStar Credit Real Estate (NYSE:CLNC) ⁽²⁾	3.1	7.2%
NorthStar Realty Europe (NYSE:NRE)	2.2	5.1%
Non-Wholly Owned REIM Platforms ⁽³⁾	8.7	20.3%
Investment Management Subtotal	27.5	64.0%
Grand Total	\$ 42.9	100.0%

(1) Represents the Company's 37% ownership share of CLNC's March 31, 2018 total pro-rata share of assets, excluding securitization trust liabilities, of \$4.9 billion.

(2) Represents 3rd party 63% ownership share of CLNC's March 31, 2018 total pro-rata share of assets, excluding securitization trust liabilities, of \$4.9 billion.

(3) REIM: Real Estate Investment Management

Liquidity and Financing

As of May 7, 2018, the Company had approximately \$1.1 billion of liquidity through cash-on-hand and availability under its revolving credit facility.

Common Stock and Operating Company Units

As of May 7, 2018, the Company had approximately 496.8 million shares of Class A and B common stock outstanding and the Company's operating partnership had approximately 30.6 million operating company units outstanding held by members other than the Company or its subsidiaries.

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

During the first quarter 2018, the Company repurchased approximately 42.3 million shares of its Class A common stock at an average price of \$5.82 per share, or \$246 million, and another approximately 5.9 million shares at an average price of \$5.65 per share, or \$33 million, subsequent to the first quarter 2018 resulting in aggregate year-to-date 2018 repurchases of approximately 48.2 million shares at an average price of \$5.79 per share, or \$279 million.

Common and Preferred Dividends

On February 26, 2018, the Company's Board of Directors declared a quarterly cash dividend of \$0.11 per share of Class A and Class B common stock for the first quarter of 2018, which was paid on April 16, 2018 to respective stockholders of record on March 29, 2018. The Board of Directors also declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock each in accordance with terms of such series as follows: (i) with respect to each of the Series B stock - \$0.515625 per share, Series D stock - \$0.53125 per share and Series E stock - \$0.546875 per share, such dividends to be paid on May 15, 2018 to the respective stockholders of record on May 10, 2018 and (ii) with respect to each of the Series G stock - \$0.46875 per share, Series H stock - \$0.4453125 per share, Series I stock - \$0.446875 per share and Series J stock - \$0.4453125 per share, such dividends were paid on April 16, 2018 to the respective stockholders of record on April 10, 2018.



On May 8, 2018, the Company's Board of Directors declared a quarterly cash dividend of \$0.11 per share of Class A and Class B common stock for the second quarter of 2018, which will be paid on July 16, 2018 to respective stockholders of record on June 29, 2018. The Board of Directors also declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock each in accordance with terms of such series as follows: (i) with respect to each of the Series B stock - \$0.515625 per share, Series D stock - \$0.53125 per share and Series E stock - \$0.546875 per share, such dividends to be paid on August 15, 2018 to the respective stockholders of record on August 10, 2018 and (ii) with respect to each of the Series G stock - \$0.46875 per share, Series H stock - \$0.4453125 per share, Series I stock - \$0.446875 per share and Series J stock - \$0.4453125 per share, such dividends to be paid on July 16, 2018 to the respective stockholders of record on July 10, 2018.

Non-GAAP Financial Measures and Definitions

Assets Under Management ("AUM")

Assets for which the Company and its affiliates provide investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at March 31, 2018. AUM further includes a) uncalled capital commitments and b) includes the Company's pro-rata share of each affiliate non wholly-owned real estate investment management platform's assets as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

CLNS OP

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

Fee-Earning Equity Under Management ("FEEUM")

Equity for which the Company and its affiliates provides investment management services and derives management fees and/or performance allocations. FEEUM generally represents a) the basis used to derive fees, which may be based on invested equity, stockholders' equity, or fair value pursuant to the terms of each underlying investment management agreement and b) the Company's pro-rata share of fee bearing equity of each affiliate as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of FEEUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

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

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

The Company computes core funds from operations ("Core FFO") by adjusting FFO for the following items, including the Company's share of these items recognized by its unconsolidated partnerships and joint ventures: (i) gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO; (ii) gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment; (iii) equity-based compensation expense; (iv) effects of straight-line rent revenue and straight-line rent expense on ground leases; (v) amortization of acquired above- and below-market lease values; (vi) amortization of deferred financing costs and debt premiums and discounts; (vii) unrealized fair value gains or losses and foreign currency remeasurements; (viii) acquisition-related expenses, merger and integration costs; (ix) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (x) gain on remeasurement of consolidated investment entities and the effect of amortization thereof; (xi) non-real estate depreciation and amortization; (xii) change in fair value of contingent consideration; and (xiii) tax effect on certain of the foregoing adjustments. Beginning with the first quarter of 2018, the Company's Core FFO from its interest in Colony NorthStar Credit Real Estate (NYSE: CLNC) and NorthStar Realty Europe (NYSE: NRE) represented its percentage interest multiplied by CLNC's Core Earnings and NRE's Cash Available for Distribution ("CAD"), respectively. Refer to CLNC's and NRE's respective filings for the definition and calculation of Core Earnings and CAD.

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

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

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

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

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

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

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

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

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

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

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



TTM Lease Coverage

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

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

First Quarter 2018 Conference Call

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

For those unable to participate during the live call, a replay will be available starting May 10, 2018, at 10:00 a.m. PT / 1:00 p.m. ET, through May 18, 2018, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use passcode 13678906. International callers should dial (412) 317-6671 and enter the same conference ID number.

Supplemental Financial Report

A First Quarter 2018 Supplemental Financial Report is available on the Company's website at www.clns.com. This information has also been furnished to the U.S. Securities and Exchange Commission in a Current Report on Form 8-K.

About Colony NorthStar, Inc.

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

Cautionary Statement Regarding Forward-Looking Statements

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

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, and may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in and benefits of the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., the impact of changes to organizational structure and employee composition, the timing and pace of growth of the Company's Industrial platform, the performance of the Company's investment in Colony NorthStar Credit Real Estate, Inc., our ability to create future permanent capital vehicles under our management, whether the Company will realize any anticipated benefits from the Digital Bridge partnership, the Company's ability to become more balance sheet-light, including its availability to maximize shareholder value from a total return perspective, the Company's portfolio composition, Colony NorthStar's liquidity, including its ability to generate liquidity by more accelerated sales of non-core assets and businesses, whether the Company will complete or sponsor any compelling investment opportunities under a predominantly third-party capital model, the Company's ability to strengthen its global investment management franchise, the Company's expected taxable income and net cash flows, excluding the contribution of gains, our ability to grow the dividend at all in the future the impact to the Company of the management agreement amendments with NorthStar Healthcare Income, Inc. and NorthStar Realty Europe Corp., whether Colony NorthStar will be able to maintain its qualification as a REIT for U.S. federal income tax purposes, the timing of and ability to deploy available



capital, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability to maintain inclusion and relative performance on the RMZ, Colony NorthStar's leverage, including the Company's ability to reduce debt and the timing and amount of borrowings under its credit facility, whether the Company will benefit from the combination of its broker-dealer business with S2K Financial, increased interest rates and operating costs, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony NorthStar's reports filed from time to time with the SEC.

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

Source: Colony NorthStar, Inc.

Investor Contacts:

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or

Addo Investor Relations

Lasse Glassen

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(FINANCIAL TABLES FOLLOW)



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

	March 31, 2018 (unaudited)	December 31, 2017
Assets		
Cash and cash equivalents	\$ 484,827	\$ 921,822
Restricted cash	453,366	471,078
Real estate, net	14,100,874	14,464,258
Loans receivable, net (\$44,330 and \$45,423 at fair value, respectively)	1,972,179	3,223,762
Investments in unconsolidated ventures (\$247,983 and \$363,901 at fair value, respectively)	2,549,630	1,655,239
Securities, at fair value	288,900	383,942
Goodwill	1,534,561	1,534,561
Deferred leasing costs and intangible assets, net	691,896	852,872
Assets held for sale (\$215,162 and \$49,498 at fair value, respectively)	1,002,838	781,630
Other assets (\$7,267 and \$10,150 at fair value, respectively)	441,839	444,968
Due from affiliates	43,582	51,518
Total assets	\$ 23,564,492	\$ 24,785,650
Liabilities		
Debt, net (\$44,103 and \$44,542 at fair value, respectively)	\$ 10,495,429	\$ 10,827,810
Accrued and other liabilities (\$158,558 and \$212,267 at fair value, respectively)	791,439	898,161
Intangible liabilities, net	187,864	191,109
Liabilities related to assets held for sale	273,778	273,298
Due to affiliates (\$10,170 and \$20,650 at fair value, respectively)	13,105	23,534
Dividends and distributions payable	90,791	188,202
Total liabilities	11,852,406	12,402,114
Commitments and contingencies		
Redeemable noncontrolling interests	31,648	34,144
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$1,636,605 liquidation preference; 250,000 shares authorized; 65,464 shares issued and outstanding	1,606,966	1,606,966
Common stock, \$0.01 par value per share		
Class A, 949,000 shares authorized; 500,643 and 542,599 shares issued and outstanding	5,007	5,426
Class B, 1,000 shares authorized; 736 shares issued and outstanding	7	7
Additional paid-in capital	7,634,952	7,913,622
Distributions in excess of earnings	(1,294,996)	(1,165,412)
Accumulated other comprehensive income	49,037	47,316
Total stockholders' equity	8,000,973	8,407,925
Noncontrolling interests in investment entities	3,267,834	3,539,072
Noncontrolling interests in Operating Company	411,631	402,395
Total equity	11,680,438	12,349,392
Total liabilities, redeemable noncontrolling interests and equity	\$ 23,564,492	\$ 24,785,650



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

	Three Months Ended March 31,	
	2018	2017
Revenues		
Property operating income	\$ 554,730	\$ 426,854
Interest income	63,854	115,544
Fee income	36,842	53,250
Other income	11,238	11,517
Total revenues	666,664	607,165
Expenses		
Property operating expense	305,770	216,349
Interest expense	148,889	126,278
Investment, servicing and commission expense	18,653	11,807
Transaction costs	716	87,340
Depreciation and amortization	144,705	137,420
Provision for loan loss	5,375	6,724
Impairment loss	153,398	8,519
Compensation expense	49,484	91,818
Administrative expenses	24,863	25,914
Total expenses	851,853	712,169
Other income		
Gain on sale of real estate assets	18,444	8,970
Other gain, net	75,256	25,381
Earnings from investments in unconsolidated ventures	32,265	113,992
Income (loss) before income taxes	(59,224)	43,339
Income tax benefit (expense)	32,808	(3,709)
Net income (loss) from continuing operations	(26,416)	39,630
Income from discontinued operations	117	12,560
Net income (loss)	(26,299)	52,190
Net income (loss) attributable to noncontrolling interests:		
Redeemable noncontrolling interests	(696)	617
Investment entities	20,102	27,059
Operating Company	(4,378)	(1,083)
Net income (loss) attributable to Colony NorthStar, Inc.	(41,327)	25,597
Preferred stock dividends	31,387	30,813
Net loss attributable to common stockholders	\$ (72,714)	\$ (5,216)
Basic loss per share ⁽¹⁾		
Loss from continuing operations per basic common share	\$ (0.14)	\$ (0.03)
Net loss per basic common share	\$ (0.14)	\$ (0.01)
Diluted earnings per share ⁽¹⁾		
Loss from continuing operations per diluted common share	\$ (0.14)	\$ (0.03)
Net loss per diluted common share	\$ (0.14)	\$ (0.01)
Weighted average number of shares ⁽¹⁾		
Basic	530,680	506,405
Diluted	530,680	506,405

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



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

	Three Months Ended March 31, 2018
Net loss attributable to common stockholders	\$ (72,714)
Adjustments for FFO attributable to common interests in Operating Company:	
Net loss attributable to noncontrolling common interests in Operating Company	(4,378)
Real estate depreciation and amortization	143,906
Impairment write-downs associated with depreciable real estate	14,940
Gain from sales of depreciable real estate	(22,925)
Less: Adjustments attributable to noncontrolling interests in investment entities	(40,763)
FFO attributable to common interests in Operating Company and common stockholders	<u>18,066</u>
Additional adjustments for Core FFO attributable to common interests in Operating Company and common stockholders:	
Gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO ⁽¹⁾	13,142
Gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	5,431
Equity-based compensation expense ⁽²⁾	12,470
Straight-line rent revenue and straight-line rent expense on ground leases	(5,268)
Change in fair value of contingent consideration	(10,480)
Amortization of acquired above- and below-market lease values	(1,976)
Amortization of deferred financing costs and debt premiums and discounts	20,623
Unrealized fair value gains and foreign currency remeasurements	(55,603)
Acquisition and merger-related transaction costs	11,812
Merger integration costs ⁽³⁾	6,129
Amortization and impairment of investment management intangibles	147,912
Non-real estate depreciation and amortization	2,277
Gain on remeasurement of consolidated investment entities and the effect of amortization thereof	2,848
Deferred tax benefit, net	(39,901)
Less: Adjustments attributable to noncontrolling interests in investment entities	(12,403)
Core FFO attributable to common interests in Operating Company and common stockholders	<u>\$ 115,079</u>
FFO per common share / common OP unit ⁽⁴⁾	<u>\$ 0.03</u>
FFO per common share / common OP unit—diluted ⁽⁵⁾	<u>\$ 0.03</u>
Core FFO per common share / common OP unit ⁽⁴⁾	<u>\$ 0.20</u>
Core FFO per common share / common OP unit—diluted ⁽⁵⁾	<u>\$ 0.20</u>
Weighted average number of common OP units outstanding used for FFO and Core FFO per common share and OP unit ⁽⁴⁾	<u>567,432</u>
Weighted average number of common OP units outstanding used for FFO per common share and OP unit—diluted ⁽⁴⁾⁽⁵⁾	<u>568,095</u>
Weighted average number of common OP units outstanding used for Core FFO per common share and OP unit—diluted ⁽⁴⁾⁽⁵⁾	<u>593,513</u>

(1) Net of \$1.7 million CLNS OP share of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony Capital, Inc. prior to its internalization of the manager.

(2) Includes \$3.3 million of replacement award amortization.

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

(4) Calculated based on weighted average shares outstanding including participating securities and assuming the exchange of all common OP units outstanding for common shares. As a result of the Merger, each outstanding share of common stock of Colony Capital, Inc. was



exchanged for the right to receive 1.4663 of Class A common stock of Colony NorthStar. All historical share counts and per share amounts have been adjusted to reflect the exchange ratio.

- (5) For the three months ended March 31, 2018, included in the calculation of diluted Core FFO per share is the effect of adding back \$4.5 million of interest expense associated with convertible senior notes and 25.4 million weighted average dilutive common share equivalents for the assumed conversion of the convertible senior notes. Such interest expense and weighted average dilutive common share equivalents are excluded for the calculation of diluted FFO as the effect would be antidilutive.

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

The following tables present: (1) a reconciliation of property and other related revenues less property operating expenses for properties in our Healthcare, Industrial, and Hospitality segments to NOI or EBITDA and (2) a reconciliation of such segments' net income (loss) for the three months ended March 31, 2018 to NOI or EBITDA:

NOI and EBITDA were determined as follows:

(In thousands)	Three Months Ended March 31, 2018		
	Healthcare	Industrial	Hospitality
Total revenues	\$ 152,595	\$ 68,753	\$ 195,782
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(4,319)	(2,297)	(7)
Interest income	—	(532)	—
Other income	—	—	(488)
Property operating expenses ⁽¹⁾	(66,966)	(20,811)	(136,095)
Compensation expense ⁽¹⁾	—	(480)	—
NOI or EBITDA	\$ 81,310	\$ 44,633	\$ 59,192

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

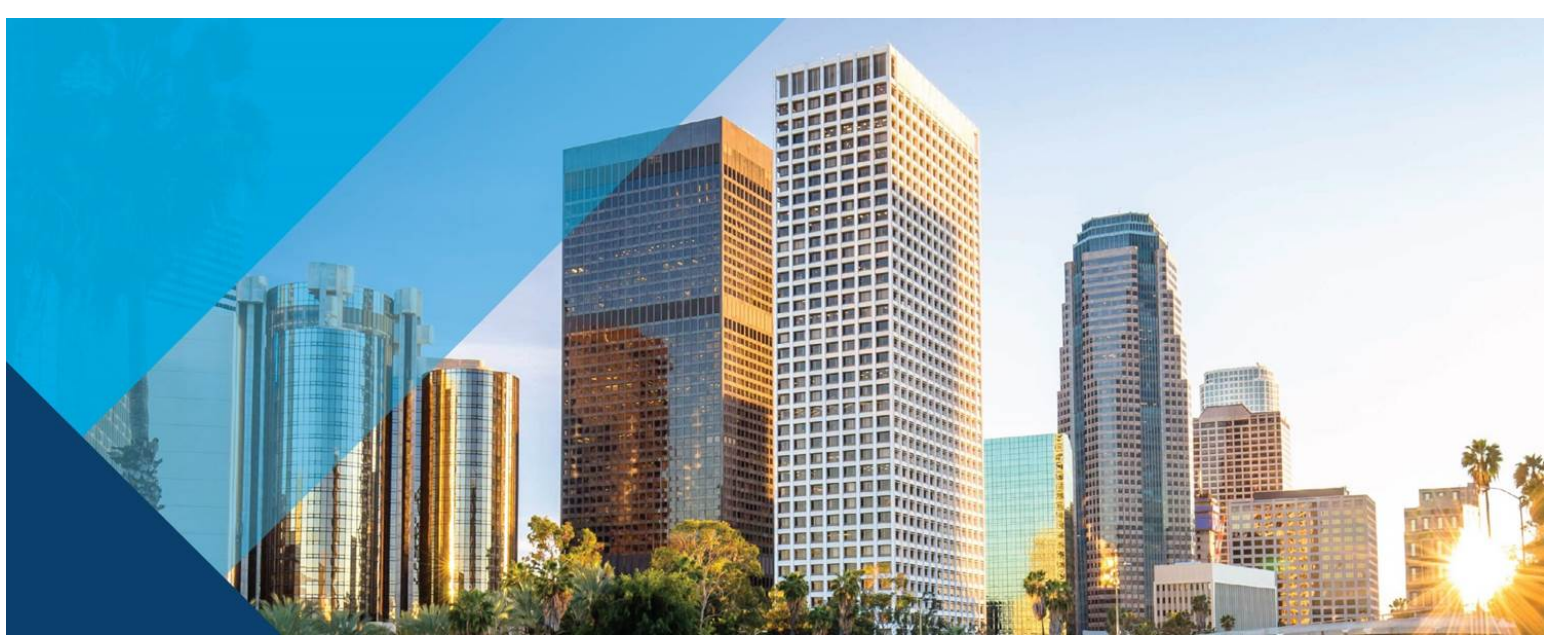
The following table presents a reconciliation of net income (loss) from continuing operations of the healthcare, industrial and hospitality segments to NOI or EBITDA of the respective segments.

(In thousands)	Three Months Ended March 31, 2018		
	Healthcare	Industrial	Hospitality
Net income (loss) from continuing operations	\$ (12,534)	\$ 6,321	\$ (11,886)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(4,319)	(2,297)	(7)
Interest income	—	(532)	—
Interest expense	50,941	10,190	34,361
Transaction, investment and servicing costs	2,310	74	1,542
Depreciation and amortization	41,127	29,945	35,457
Impairment loss	3,780	—	—
Compensation and administrative expense	1,933	3,222	2,017
Gain on sale of real estate	—	(2,293)	—
Other (gain) loss, net	(2,926)	—	(323)
Other income	—	—	(488)
Income tax benefit	998	3	(1,481)
NOI or EBITDA	\$ 81,310	\$ 44,633	\$ 59,192



The following table summarizes Q1 2018 net income (loss) from continuing operations by segment:

<u>(In thousands)</u>	<u>Net income (Loss) From Continuing Operations</u>
Healthcare	\$ (12,534)
Industrial	6,321
Hospitality	(11,886)
CLNC	(3,654)
Other Equity and Debt	68,431
Investment Management	(84,624)
Amounts Not Allocated to Segments	11,530
Total Consolidated	<u>\$ (26,416)</u>



Supplemental Financial Report First Quarter 2018

May 10, 2018



Cautionary Statement Regarding Forward-Looking Statements



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

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

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

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

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

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

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

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

Important Note Regarding Non-GAAP Financial Measures



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

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

Core FFO: The Company computes core funds from operations (“Core FFO”) by adjusting FFO for the following items, including the Company’s share of these items recognized by its unconsolidated partnerships and joint ventures: (i) gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO; (ii) gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment; (iii) equity-based compensation expense; (iv) effects of straight-line rent revenue and straight-line rent expense on ground leases; (v) amortization of acquired above- and below-market lease values; (vi) amortization of deferred financing costs and debt premiums and discounts; (vii) unrealized fair value gains or losses and foreign currency remeasurements; (viii) acquisition-related expenses, merger and integration costs; (ix) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (x) gain on remeasurement of consolidated investment entities and the effect of amortization thereof; (xi) non-real estate depreciation and amortization; (xii) change in fair value of contingent consideration; and (xiii) tax effect on certain of the foregoing adjustments. Beginning with the first quarter of 2018, the Company’s Core FFO from its interest in Colony NorthStar Credit Real Estate (NYSE: CLNC) and NorthStar Realty Europe (NYSE: NRE) represented its percentage interest multiplied by CLNC’s Core Earnings and NRE’s Cash Available for Distribution (“CAD”), respectively. Refer to CLNC’s and NRE’s respective filings for the definition and calculation of Core Earnings and CAD.

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

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

Important Note Regarding Non-GAAP Financial Measures



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

NOI and EBITDA exclude historical cost depreciation and amortization, which are based on different useful life estimates depending on the age of the properties, as well as adjust for the effects of real estate impairment and gains or losses on sales of depreciated properties, which eliminate differences arising from investment and disposition decisions. This allows for comparability of operating performance of the Company's properties period over period and also against the results of other equity REITs in the same sectors. Additionally, by excluding corporate level expenses or benefits such as interest expense, any gain or loss on early extinguishment of debt and income taxes, which are incurred by the parent entity and are not directly linked to the operating performance of the Company's properties, NOI and EBITDA provide a measure of operating performance independent of the Company's capital structure and indebtedness. However, the exclusion of these items as well as others, such as capital expenditures and leasing costs, which are necessary to maintain the operating performance of the Company's properties, and transaction costs and administrative costs, may limit the usefulness of NOI and EBITDA. NOI may fail to capture significant trends in these components of U.S. GAAP net income (loss) which further limits its usefulness.

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

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

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

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



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

Healthcare Real Estate

As of March 31, 2018, the consolidated healthcare portfolio consisted of 413 properties: 192 senior housing properties, 108 medical office properties, 99 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of March 31, 2018. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA").

Industrial Real Estate

As of March 31, 2018, the consolidated industrial portfolio consisted of 378 primarily light industrial buildings totaling 45.6 million rentable square feet across 18 major U.S. markets and was 94% leased. During the first quarter 2018, the Company closed on \$70 million of new third-party capital. As a result, the Company's equity interest in the consolidated Industrial Real Estate segment decreased to approximately 40% as of March 31, 2018 from 41% as of December 31, 2017. Total third-party capital commitments were approximately \$1.2 billion compared to cumulative balance sheet contributions of \$750 million as of March 31, 2018. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

Hospitality Real Estate

As of March 31, 2018, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94% as of March 31, 2018. The hospitality portfolio consists primarily of premium branded select service hotels and extended stay hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands. The select service hospitality portfolio, referred to as the THL Hotel Portfolio, which the Company acquired through consensual transfer during the third quarter 2017, is not included in the Hospitality Real Estate segment and is included in the Other Equity and Debt segment.

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

On February 1, 2018, Colony NorthStar Credit Real Estate, Inc., a leading commercial real estate credit REIT, announced the completion of the combination of a select portfolio of the Company's assets and liabilities from the Other Equity and Debt segment with NorthStar Real Estate Income Trust, Inc. ("NorthStar I") and NorthStar Real Estate Income II, Inc. ("NorthStar II") in an all-stock transaction. In connection with the closing, CLNC completed the listing of its Class A common stock on the New York Stock Exchange under the ticker symbol "CLNC." The Company owns 48.0 million shares, or 37%, of CLNC and earns an annual base management fee of 1.5% on stockholders' equity and an incentive fee of 20% of CLNC's Core Earnings over a 7% hurdle rate.

Other Equity and Debt

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

Investment Management

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

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



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(\$ and shares in thousands, except per share data and as noted; as of or for the three months ended March 31, 2018, unless otherwise noted) (Unaudited)

Financial Data

Net income (loss) attributable to common stockholders	\$	(72,714)
Net income (loss) attributable to common stockholders per basic share		(0.14)
Core FFO		115,079
Core FFO per basic share		0.20
Q2 2018 dividend per share		0.11
Annualized Q2 2018 dividend per share		0.44

Balance Sheet, Capitalization and Trading Statistics

Total consolidated assets	\$	23,564,492
CLNS OP share of consolidated assets		17,253,870
Total consolidated debt ⁽¹⁾		10,760,937
CLNS OP share of consolidated debt ⁽¹⁾		7,967,116
Shares and OP units outstanding as of March 31, 2018		533,660
Shares and OP units outstanding as of May 7, 2018		527,463
Share price as of May 7, 2018		6.29
Market value of common equity & OP units as of May 7, 2018		3,317,742
Liquidation preference of perpetual preferred equity		1,636,605
Insider ownership of shares and OP units		6.4%
Total Assets Under Management ("AUM")	\$	42.9 billion
Fee Earning Equity Under Management ("FEEUM")	\$	16.2 billion

Notes:

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

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

Ib. Overview - Summary of Segments



(\$ in thousands; as of or for the three months ended March 31, 2018, unless otherwise noted)

	Consolidated amount	CLNS OP share of consolidated amount
Healthcare Real Estate⁽¹⁾		
Q1 2018 net operating income ⁽²⁾	\$ 81,310	\$ 57,870
Annualized net operating income ⁽³⁾	312,440	222,566
Investment-level non-recourse financing ⁽⁴⁾	3,278,421	2,335,963

Industrial Real Estate

Q1 2018 net operating income ⁽²⁾	44,633	17,920
Annualized net operating income	178,532	71,680
Investment-level non-recourse financing ⁽⁴⁾	1,014,030	407,133

Hospitality Real Estate

Q1 2018 EBITDA ⁽²⁾	59,192	55,818
Annualized EBITDA ⁽⁵⁾	272,774	257,226
Investment-level non-recourse financing ⁽⁴⁾	2,609,599	2,438,723

Notes:

- (1) NOI includes \$1.3 million consolidated or \$0.9 million CLNS OP share of interest earned related to \$76 million consolidated or \$53 million CLNS OP share carrying value of healthcare real estate development loans. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended March 31, 2018.
- (2) For a reconciliation of net income/(loss) attributable to common stockholders to NOI/EBITDA, please refer to the appendix to this presentation.
- (3) Excludes a first quarter 2018 early lease termination fee of \$3.2 million consolidated or \$2.2 million CLNS OP share.
- (4) Represents unpaid principal balance.
- (5) Annualized EBITDA is calculated using the pro rata percentage of historical Q1 2017 EBITDA relative to historical full year 2017 EBITDA to account for seasonality.

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



(\$ in thousands except as noted; as of or for the three months ended March 31, 2018, unless otherwise noted)

	Consolidated amount	CLNS OP share of consolidated amount
CLNC		
Net carrying value of 37% interest	\$ 1,161,930	\$ 1,161,930
Other Equity and Debt⁽¹⁾		
1) Strategic Investments		
a) GP co-investments - net carrying value	944,835	238,483
b) Net carrying value of 10% interest in NRE	73,978	73,978
2) Net lease real estate equity		
a) Q1 2018 net operating income ⁽²⁾	7,676	7,664
b) Investment-level non-recourse financing ⁽³⁾	345,069	344,430
3) Other real estate equity		
a) Undepreciated carrying value of real estate assets ⁽⁴⁾	2,518,033	1,308,649
b) Investment-level non-recourse financing ⁽³⁾	1,785,715	922,721
c) Carrying value - unconsolidated / equity method investments (including Albertsons)	681,077	605,076
4) Real estate debt		
a) Loans receivable ⁽⁵⁾	1,293,411	1,061,328
b) Investment-level non-recourse financing ⁽³⁾	449,354	434,649
c) Carrying value - equity method investments	28,325	20,817
d) Carrying value - real estate assets (REO within debt portfolio) and other ⁽⁴⁾	32,258	15,651
5) Real estate PE fund investments		
a) Carrying value		171,945
6) CRE securities		
a) Net carrying value		126,259
Investment Management		
Third-party AUM (\$ in millions)		27,487
FEEUM (\$ in millions)		16,187
Q1 2018 fee revenue and REIM platform earnings of investments in unconsolidated ventures		43,456
Net Assets⁽⁶⁾		
Cash and cash equivalents, restricted cash and other assets	1,414,570	990,618
Accrued and other liabilities and dividends payable	813,621	630,685
Net assets	600,949	359,933

Notes:

- (1) Includes assets classified as held for sale on the Company's financial statements.
- (2) Net lease real estate equity excludes net operating income of investments contributed to CLNC for the period January 1, 2018 to January 31, 2018.
- (3) Represents unpaid principal balance.
- (4) Includes all components related to real estate assets, including tangible real estate and lease-related intangibles, and excludes accumulated depreciation.
- (5) Excludes \$47 million consolidated or \$28 million CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$76 million consolidated or \$53 million CLNS OP share carrying value of healthcare real estate development loans.
- (6) Other assets exclude \$9 million consolidated or \$8 million CLNS OP share of deferred financing costs and accrued and other liabilities exclude \$82 million consolidated and CLNS OP share of deferred tax liabilities and other liabilities which are not due in cash.

Ila. Financial Results - Consolidated Balance Sheet



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

As of March 31, 2018

	As of March 31, 2018
Assets	
Cash and cash equivalents	\$ 484,827
Restricted cash	453,366
Real estate assets, net	14,100,874
Loans receivable, net	1,972,179
Investments in unconsolidated ventures	2,549,630
Securities available for sale, at fair value	288,900
Goodwill	1,534,561
Deferred leasing costs and intangible assets, net	691,896
Assets held for sale	1,002,838
Other assets	441,839
Due from affiliates	43,582
Total assets	\$ 23,564,492
Liabilities	
Debt, net	\$ 10,495,429
Accrued and other liabilities	791,439
Intangible liabilities, net	187,864
Liabilities related to assets held for sale	273,778
Due to affiliates	13,105
Dividends and distributions payable	90,791
Total liabilities	11,852,406
Commitments and contingencies	
Redeemable noncontrolling interests	31,648
Equity	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,636,605 liquidation preference; 250,000 shares authorized; 65,464 shares issued and outstanding	1,606,966
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 500,643 shares issued and outstanding	5,007
Class B, 1,000 shares authorized; 736 shares issued and outstanding	7
Additional paid-in capital	7,634,952
Distributions in excess of earnings	(1,294,996)
Accumulated other comprehensive income (loss)	49,037
Total stockholders' equity	8,000,973
Noncontrolling interests in investment entities	3,267,834
Noncontrolling interests in Operating Company	411,631
Total equity	11,680,438
Total liabilities, redeemable noncontrolling interests and equity	\$ 23,564,492

Ib. Financial Results - Noncontrolling Interests' Share Balance Sheet



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

	As of March 31, 2018
Assets	
Cash and cash equivalents	\$ 179,733
Restricted cash	123,135
Real estate assets, net	4,463,167
Loans receivable, net	731,933
Investments in unconsolidated ventures	209,163
Securities available for sale, at fair value	36,575
Goodwill	—
Deferred leasing costs and intangible assets, net	166,999
Assets held for sale	277,893
Other assets	126,739
Due from affiliates	(4,715)
Total assets	\$ 6,310,622
Liabilities	
Debt, net	\$ 2,753,498
Accrued and other liabilities	180,929
Intangible liabilities, net	60,119
Liabilities related to assets held for sale	14,587
Due to affiliates	4
Dividends and distributions payable	2,003
Total liabilities	3,011,140
Commitments and contingencies	—
Redeemable noncontrolling interests	31,648
Equity	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,636,605 liquidation preference; 250,000 shares authorized; 65,464 shares issued and outstanding	—
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 500,643 shares issued and outstanding	—
Class B, 1,000 shares authorized; 736 shares issued and outstanding	—
Additional paid-in capital	—
Distributions in excess of earnings	—
Accumulated other comprehensive income (loss)	—
Total stockholders' equity	—
Noncontrolling interests in investment entities	3,267,834
Noncontrolling interests in Operating Company	—
Total equity	3,267,834
Total liabilities, redeemable noncontrolling interests and equity	\$ 6,310,622

Iic. Financial Results - Consolidated Segment Operating Results



Three Months Ended March 31, 2018

(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
Revenues								
Property operating income	\$ 151,137	\$ 67,637	\$ 195,259	\$ —	\$ 140,697	\$ —	\$ —	\$ 554,730
Interest income	1,326	532	—	—	61,787	—	209	63,854
Fee income	—	—	—	—	—	36,842	—	36,842
Other income	132	584	523	—	2,670	5,679	1,650	11,238
Total revenues	152,595	68,753	195,782	—	205,154	42,521	1,859	666,664
Expenses								
Property operating expense	66,966	20,811	136,095	—	81,898	—	—	305,770
Interest expense	50,941	10,190	34,361	—	40,280	—	13,117	148,889
Investment, servicing and commission expense	2,310	74	1,542	—	7,122	6,363	1,242	18,653
Transaction costs	—	—	—	—	9	—	707	716
Depreciation and amortization	41,127	29,945	35,457	—	28,969	7,676	1,531	144,705
Provision for loan loss	—	—	—	—	5,375	—	—	5,375
Impairment loss	3,780	—	—	—	9,189	140,429	—	153,398
Compensation expense	1,791	2,395	1,425	—	3,281	16,468	24,124	49,484
Administrative expenses	142	1,307	592	—	2,871	2,735	17,216	24,863
Total expenses	167,057	64,722	209,472	—	178,994	173,671	57,937	851,853
Other income (loss)								
Gain on sale of real estate assets	—	2,293	—	—	16,151	—	—	18,444
Other gain (loss), net	2,926	—	323	—	3,442	1,021	67,544	75,256
Earnings of investments in unconsolidated ventures	—	—	—	(3,654)	27,217	8,702	—	32,265
Income (loss) before income taxes	(11,536)	6,324	(13,367)	(3,654)	72,970	(121,427)	11,466	(59,224)
Income tax benefit (expense)	(998)	(3)	1,481	—	(4,539)	36,803	64	32,808
Net income (loss) from continuing operations	(12,534)	6,321	(11,886)	(3,654)	68,431	(84,624)	11,530	(26,416)
Income (loss) from discontinued operations	—	—	—	—	117	—	—	117
Net income (loss)	(12,534)	6,321	(11,886)	(3,654)	68,548	(84,624)	11,530	(26,299)
Net income (loss) attributable to noncontrolling interests:								
Redeemable noncontrolling interests	—	—	—	—	(696)	—	—	(696)
Investment entities	(1,548)	4,966	(1,228)	—	17,148	764	—	20,102
Operating Company	(626)	77	(608)	(208)	2,987	(4,868)	(1,132)	(4,378)
Net income (loss) attributable to Colony NorthStar, Inc.	(10,360)	1,278	(10,050)	(3,446)	49,109	(80,520)	12,662	(41,327)
Preferred stock redemption	—	—	—	—	—	—	—	—
Preferred stock dividends	—	—	—	—	—	—	31,387	31,387
Net income (loss) attributable to common stockholders	\$ (10,360)	\$ 1,278	\$ (10,050)	\$ (3,446)	\$ 49,109	\$ (80,520)	\$ (18,725)	\$ (72,714)

Ild. Financial Results - Noncontrolling Interests' Share Segment

Operating Results



Three Months Ended March 31, 2018

(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
Revenues								
Property operating income	\$ 42,819	\$ 39,935	\$ 11,487	\$ —	\$ 61,430	\$ —	\$ —	\$ 155,671
Interest income	402	311	—	—	25,186	—	—	25,899
Fee income	—	—	—	—	—	—	—	—
Other income	39	—	28	—	1,691	—	—	1,758
Total revenues	43,260	40,246	11,515	—	88,307	—	—	183,328
Expenses								
Property operating expense	18,349	12,523	8,179	—	36,340	—	—	75,391
Interest expense	14,645	5,965	2,249	—	13,157	—	—	36,016
Investment, servicing and commission expense	667	2	100	—	3,249	—	—	4,018
Transaction costs	—	—	—	—	3	—	—	3
Depreciation and amortization	11,925	17,500	2,214	—	12,403	—	—	44,042
Provision for loan loss	—	—	—	—	3,247	—	—	3,247
Impairment loss	987	—	—	—	6,812	—	—	7,799
Compensation expense	—	484	—	—	460	—	—	944
Administrative expenses	37	608	24	—	1,286	—	—	1,955
Total expenses	46,610	37,082	12,766	—	76,957	—	—	173,415
Other income (loss)								
Gain on sale of real estate assets	—	1,342	—	—	9,406	—	—	10,748
Other gain (loss), net	888	—	23	—	(6,503)	—	—	(5,592)
Earnings of investments in unconsolidated ventures	—	—	—	—	4,756	764	—	5,520
Income (loss) before income taxes	(2,462)	4,506	(1,228)	—	19,009	764	—	20,589
Income tax benefit (expense)	(302)	(2)	—	—	(2,610)	—	—	(2,914)
Net income (loss) from continuing operations	(2,764)	4,504	(1,228)	—	16,399	764	—	17,675
Income (loss) from discontinued operations	—	—	—	—	53	—	—	53
Non-pro rata allocation of income (loss) to NCI	1,216	462	—	—	—	—	—	1,678
Net income (loss) attributable to noncontrolling interests	\$ (1,548)	\$ 4,966	\$ (1,228)	\$ —	\$ 16,452	\$ 764	\$ —	\$ 19,406

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



Three Months Ended March 31, 2018										
(\$ in thousands) (Unaudited)	OP pro rata share by segment							Total OP pro rata share	Amounts attributable to noncontrolling interests	CLNS consolidated as reported
	Healthcare	Industrial	Hospitality	CLNC ⁽¹⁾	Other Equity and Debt ⁽²⁾	Investment Management	Amounts not allocated to segments			
Net income (loss) attributable to common stockholders	\$ (10,360)	\$ 1,278	\$ (10,050)	\$ (3,446)	\$ 49,109	\$ (80,520)	\$ (18,725)	\$ (72,714)	\$ —	\$ (72,714)
Net income (loss) attributable to noncontrolling common interests in Operating Company	(626)	77	(608)	(208)	2,987	(4,868)	(1,132)	(4,378)	—	(4,378)
Net income (loss) attributable to common interests in Operating Company and common stockholders	(10,986)	1,355	(10,658)	(3,654)	52,096	(85,388)	(19,857)	(77,092)	—	(77,092)
Adjustments for FFO:										
Real estate depreciation and amortization	29,909	12,396	32,781	5,800	18,197	1,111	—	100,194	43,712	143,906
Impairment write-downs associated with depreciable real estate	2,793	—	—	—	2,377	1,971	—	7,141	7,799	14,940
(Gain) loss from sales of depreciable real estate	—	(951)	—	—	(8,149)	(3,077)	—	(12,177)	(10,748)	(22,925)
Less: Net income (loss) attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	—	(40,763)	(40,763)
FFO	\$ 21,716	\$ 12,800	\$ 22,123	\$ 2,146	\$ 64,521	\$ (85,383)	\$ (19,857)	\$ 18,066	\$ —	\$ 18,066
Additional adjustments for Core FFO:										
(Gains) and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO ⁽³⁾	—	—	—	—	5,091	—	—	5,091	8,051	13,142
(Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	—	—	—	—	—	5,431	—	5,431	—	5,431
Equity-based compensation expense ⁽⁴⁾	254	471	247	104	766	1,834	8,794	12,470	—	12,470
Straight-line rent revenue and straight-line rent expense on ground leases	(1,785)	(758)	(4)	—	(1,159)	(73)	895	(2,884)	(2,384)	(5,268)
Change in fair value of contingent consideration	—	—	—	—	—	—	(10,480)	(10,480)	—	(10,480)
Amortization of acquired above- and below-market lease values	(1,199)	(187)	(3)	—	79	—	—	(1,310)	(666)	(1,976)
Amortization of deferred financing costs and debt premiums and discounts	6,171	157	3,120	—	3,565	83	1,644	14,740	5,883	20,623
Unrealized fair value gains or losses and foreign currency remeasurements	(2,026)	—	—	485	2,577	6	(57,134)	(56,092)	489	(55,603)
Acquisition and merger-related transaction costs	—	—	—	10,638	471	—	700	11,809	3	11,812
Merger integration costs ⁽⁵⁾	—	—	—	—	—	1,275	4,854	6,129	—	6,129
Amortization and impairment of investment management intangibles	—	—	—	—	—	147,912	—	147,912	—	147,912
Non-real estate depreciation and amortization	—	49	462	—	—	187	1,531	2,229	48	2,277
Gain on remeasurement of consolidated investment entities and the effect of amortization thereof	—	—	—	—	1,869	—	—	1,869	979	2,848
Tax (benefit) expense, net	—	—	—	—	—	(39,901)	—	(39,901)	—	(39,901)
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	—	(12,403)	(12,403)
Core FFO	\$ 23,131	\$ 12,532	\$ 25,945	\$ 13,373	\$ 77,780	\$ 31,371	\$ (69,053)	\$ 115,079	\$ —	\$ 115,079

Notes:

- Reflects two months of the Company's 37% share of CLNC's net loss and Core Earnings. The financial results related to the assets and liabilities contributed to CLNC for the period January 1, 2018 to January 31, 2018 are included in the Other Equity and Debt segment.
- Other Equity and Debt segment Core FFO includes gains on sale, net of losses and provisions, of approximately \$12 million, including a \$9.9 million fair value gain related to the contribution of net assets to CLNC.
- Net of \$1.7 million CLNS OP share of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony prior to its internalization of the manager.
- Includes \$3.3 million of replacement award amortization.
- Merger integration costs represent costs and charges incurred during the integration of Colony, NSAM and NRF. These integration costs are not reflective of the Company's core operating performance and the Company does not expect to incur these costs subsequent to the completion of the merger integration. The majority of integration costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.

IIIa. Capitalization - Overview



(\$ in thousands; except per share data; as of March 31, 2018, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNS OP share of consolidated amount</u>
Debt (UPB)		
\$1,000,000 Revolving credit facility	\$ 100,000	\$ 100,000
Convertible/exchangeable senior notes	616,105	616,105
Corporate aircraft promissory note	38,714	38,714
Trust Preferred Securities ("TruPS")	280,117	280,117
Investment-level debt:		
Healthcare	3,278,421	2,335,963
Industrial	1,014,030	407,133
Hospitality	2,609,599	2,438,723
Other Equity and Debt ⁽¹⁾	2,823,951	1,750,361
Total investment-level debt ⁽²⁾	9,726,001	6,932,180
Total debt	\$ 10,760,937	\$ 7,967,116
Perpetual preferred equity, redemption value		
Total perpetual preferred equity		\$ 1,636,605
Common equity as of May 7, 2018		
	Price per share	Shares / Units
Class A and B common stock	\$ 6.29	496,824
OP units	6.29	30,639
Total market value of common equity		\$ 3,317,742
Total market capitalization		\$ 12,921,463

Notes:

(1) Excludes \$237 million consolidated or \$214 million CLNS OP share principal balance of non-recourse CDO securitization debt.

(2) Includes \$216 million consolidated or \$210 million CLNS OP share principal balance of debt related to assets held for sale.

IIIb. Capitalization - Investment-Level Debt Overview



(\$ in thousands; as of or for the three months ended March 31, 2018, unless otherwise noted)

Non-recourse investment-level debt overview

	Fixed / Floating	Consolidated		CLNS OP share of consolidated amount	
		Unpaid principal balance	Unpaid principal balance	Wtd. avg. years remaining to maturity	Wtd. avg. interest rate ⁽¹⁾
Healthcare	Fixed	\$ 2,168,925	\$ 1,512,712	2.7	4.7%
Healthcare	Floating	1,109,496	823,251	2.9	6.3%
Industrial	Fixed	1,014,030	407,133	11.1	3.8%
Hospitality	Fixed	9,918	9,670	2.9	12.8%
Hospitality	Floating	2,599,681	2,429,053	3.4	5.0%
Other Equity and Debt⁽²⁾					
Net lease real estate equity	Fixed	345,069	344,430	6.1	4.2%
Other real estate equity	Fixed	131,953	62,414	4.8	3.6%
Other real estate equity	Floating	1,653,762	860,307	4.3	4.4%
Real estate debt	Fixed	83,792	83,792	11.1	6.1%
Real estate debt	Floating	365,562	350,857	2.7	3.9%
GP Co-investments in CDCF IV	Floating	243,813	48,561	2.5	3.9%
Total investment-level debt⁽³⁾		\$ 9,726,001	\$ 6,932,180	3.9	4.8%
Fixed / Floating Summary					
Fixed		\$ 3,753,687	\$ 2,420,151		
Floating		5,972,314	4,512,029		
Total investment-level debt⁽³⁾		\$ 9,726,001	\$ 6,932,180		

Notes:

(1) Based on 1-month LIBOR of 1.88% and 3-month LIBOR of 2.31%.

(2) Excludes \$237 million consolidated or \$214 million CLNS OP share principal balance of non-recourse CDO securitization debt.

(3) Includes \$216 million consolidated or \$210 million CLNS OP share principal balance of debt related to assets held for sale.

IIIc. Capitalization - Revolving Credit Facility Overview



(\$ in thousands, except as noted; as of March 31, 2018)

Revolving credit facility

Maximum principal amount	\$	1,000,000
Amount outstanding		100,000
Initial maturity		January 11, 2021
Fully-extended maturity		January 10, 2022
Interest rate		LIBOR + 2.25%

Financial covenants as defined in the Credit Agreement:

	Covenant level
Consolidated Tangible Net Worth	Minimum \$4,550 million
Consolidated Fixed Charge Coverage Ratio	Minimum 1.50 to 1.00
Interest Coverage Ratio ⁽¹⁾	Minimum 3.00 to 1.00
Consolidated Leverage Ratio	Maximum 0.65 to 1.00

Company status: As of March 31, 2018, CLNS is meeting all required covenant threshold levels

Notes:

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

III.d. Capitalization - Corporate Securities Overview



(\$ in thousands, except per share data; as of March 31, 2018, unless otherwise noted)

Convertible/exchangeable debt

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

TruPS

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

Perpetual preferred stock

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

Notes:

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

IIIe. Capitalization - Debt Maturity and Amortization Schedules



(\$ in thousands; as of March 31, 2018)

Consolidated debt maturity and amortization schedule

	Fixed / Floating	Payments due by period ⁽¹⁾					Total
		2018	2019	2020	2021	2022 and after	
\$1,000,000 Revolving credit facility	Floating	\$ —	\$ —	\$ —	\$ 100,000	\$ —	\$ 100,000
Convertible/exchangeable senior notes	Fixed	—	—	—	402,500	213,605	616,105
Corporate aircraft promissory note	Fixed	1,529	2,124	2,233	2,350	30,478	38,714
TruPS	Floating	—	—	—	—	280,117	280,117
<i>Investment-level debt:</i>							
Healthcare	Fixed	122	1,750,231	7,052	8,338	403,182	2,168,925
Healthcare	Floating	17,435	687,789	51,554	352,717	1	1,109,496
Industrial	Fixed	607	839	875	2,350	1,009,359	1,014,030
Hospitality	Fixed	—	—	—	9,918	—	9,918
Hospitality	Floating	—	512,000	247,750	209,931	1,630,000	2,599,681
Other Equity and Debt ⁽²⁾	Fixed	57,410	27,006	16,544	29,124	430,729	560,813
Other Equity and Debt ⁽²⁾	Floating	201,023	178,849	61,064	461,549	1,360,653	2,263,138
Total debt⁽³⁾		\$ 278,126	\$ 3,158,838	\$ 387,072	\$ 1,578,777	\$ 5,358,124	\$ 10,760,937

Pro rata debt maturity and amortization schedule

	Fixed / Floating	Payments due by period ⁽¹⁾					Total
		2018	2019	2020	2021	2022 and after	
\$1,000,000 Revolving credit facility	Floating	\$ —	\$ —	\$ —	\$ 100,000	\$ —	\$ 100,000
Convertible/exchangeable senior notes	Fixed	—	—	—	402,500	213,605	616,105
Corporate aircraft promissory note	Fixed	1,529	2,124	2,233	2,350	30,478	38,714
TruPS	Floating	—	—	—	—	280,117	280,117
<i>Investment-level debt:</i>							
Healthcare	Fixed	85	1,218,820	4,950	5,852	283,005	1,512,712
Healthcare	Floating	12,672	484,661	41,822	284,095	1	823,251
Industrial	Fixed	244	337	351	944	405,257	407,133
Hospitality	Fixed	—	—	—	9,670	—	9,670
Hospitality	Floating	—	512,000	247,750	204,683	1,464,620	2,429,053
Other Equity and Debt ⁽²⁾	Fixed	47,483	16,805	6,295	10,566	409,487	490,636
Other Equity and Debt ⁽²⁾	Floating	48,509	94,442	29,313	420,680	666,781	1,259,725
Total debt⁽³⁾		\$ 110,522	\$ 2,329,189	\$ 332,714	\$ 1,441,340	\$ 3,753,351	\$ 7,967,116

Notes:

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

(2) Excludes \$237 million consolidated or \$214 million CLNS OP share principal balance of non-recourse CDO securitization debt.

(3) Includes \$216 million consolidated or \$210 million CLNS OP share principal balance of debt related to assets held for sale.

Iva. Healthcare Real Estate - Summary Metrics and Operating Results



(\$ in thousands; as of or for the three months ended March 31, 2018, unless otherwise noted)

Net operating income	Consolidated amount	CLNS OP share of consolidated amount(1)
Net operating income:		
Senior Housing - Operating	\$ 17,472	\$ 12,620
Medical Office Buildings ⁽²⁾	16,551	11,526
<i>Triple-Net Lease:</i>		
Senior Housing	15,539	10,998
Skilled Nursing Facilities	26,825	19,298
Hospitals	4,923	3,428
Total net operating income⁽³⁾	\$ 81,310	\$ 57,870

Portfolio overview	Total number of buildings	Capacity	% Occupied⁽⁴⁾	TTM Lease Coverage⁽⁵⁾	WA Remaining Lease Term
Senior Housing - Operating	109	6,436 units	86.4%	N/A	N/A
Medical Office Buildings	108	3.8 million sq. ft.	83.2%	N/A	N/A
<i>Triple-Net Lease:</i>					
Senior Housing	83	4,153 units	83.2%	1.4x	11.8
Skilled Nursing Facilities	99	11,829 beds	82.7%	1.2x	6.8
Hospitals	14	872 beds	55.3%	3.5x	11.2
Total / W.A.	413		82.8%	1.5x	8.9

Same store financial/operating results related to the segment

	% Occupied⁽⁴⁾		TTM Lease Coverage⁽⁵⁾		NOI		
	Q1 2018	Q4 2017	12/31/2017	9/30/2017	Q1 2018	Q4 2017	% Change
Senior Housing - Operating	86.4%	87.4%	n/a	n/a	\$ 17,474	\$ 15,788	10.7 %
Medical Office Buildings ⁽²⁾	83.2%	83.4%	n/a	n/a	16,551	13,356	23.9 %
<i>Triple-Net Lease:</i>							
Senior Housing	83.2%	82.9%	1.4x	1.4x	15,530	15,226	2.0 %
Skilled Nursing Facilities	82.7%	82.6%	1.2x	1.2x	26,854	26,837	0.1 %
Hospitals	55.3%	58.4%	3.5x	2.5x	4,923	5,181	(5.0)%
Total / W.A.	82.8%	83.1%	1.5x	1.4x	\$ 81,332	\$ 76,388	6.5 %

Notes:

- (1) CLNS OP Share represents Consolidated NOI multiplied by CLNS OP's interest as of March 31, 2018.
- (2) Includes a first quarter 2018 early lease termination fee of \$3.2 million consolidated or \$2.2 million CLNS OP share.
- (3) NOI includes \$1.3 million consolidated or \$0.9 million CLNS OP share of interest earned related to \$76 million consolidated or \$53 million CLNS OP share carrying value of healthcare real estate development loans. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended March 31, 2018. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.
- (4) Occupancy % for Senior Housing - Operating represents average of the presented quarter, MOB's is as of last day in the quarter and for Triple-Net Lease represents average of the prior quarter. Occupancy represents real estate property operator's patient occupancy for all types except MOB.
- (5) Represents the ratio of the tenants/operator's EBITDAR to cash rent payable to the Company's Healthcare Real Estate segment on a trailing twelve month basis. Refer to Important Notes Regarding Non-GAAP Financial Measures and Definitions pages in this presentation for additional information regarding the use of tenant/operator EBITDAR.



(As of or for the three months ended March 31, 2018, unless otherwise noted)

Triple-Net Lease Coverage⁽¹⁾

December 31, 2017 TTM Lease Coverage	# of Leases	% of Triple-Net Lease TTM NOI as of December 31, 2017			WA Remaining Lease Term
		Senior Housing	Skilled Nursing Facilities & Hospitals	% Total NOI	
Less than 0.99x	6	7%	17%	24%	7 yrs
1.00x - 1.09x	1	—%	10%	10%	9 yrs
1.10x - 1.19x	2	4%	4%	8%	6 yrs
1.20x - 1.29x	1	—%	11%	11%	11 yrs
1.30x - 1.39x	1	—%	2%	2%	8 yrs
1.40x - 1.49x	1	—%	6%	6%	6 yrs
1.50x and greater	5	19%	20%	39%	10 yrs
Total / W.A.	17	30%	70%	100%	9 yrs

Revenue Mix⁽²⁾

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

Notes:

- Represents the ratio of the tenant's/operator's EBITDAR to cash rent payable to the Company's Healthcare Real Estate segment on a trailing twelve month basis. Refer to Important Notes Regarding Non-GAAP Financial Measures and Definitions pages in this presentation for additional information regarding the use of tenant/operator EBITDAR. Represents leases with EBITDAR coverage in each listed range. Excludes interest income associated with triple-net lease senior housing and hospital types. Caring Homes (U.K.) lease (EBITDAR) coverage includes additional collateral provided by the operator.
- Revenue mix represents percentage of revenues derived from private, Medicare and Medicaid payor sources. The payor source percentages for the hospital category excludes two operating partners, whom do not track or report payor source data and totals approximately one-third of NOI in the hospital category. Overall percentages are weighted by NOI exposure in each category.



(\$ in thousands; as of or for the three months ended March 31, 2018, unless otherwise noted)

Top 10 Geographic Locations by NOI

	Number of buildings	NOI
United Kingdom	44	\$ 10,234
Texas	31	7,583
Indiana	55	7,300
Illinois	35	7,002
Florida	27	6,919
Pennsylvania	11	4,807
Oregon	31	4,782
Ohio	35	4,635
Georgia	22	4,539
California	15	4,424
Total	306	\$ 62,225

Top 10 Operators/Tenants by NOI

	Property Type/Primary Segment	Number of buildings	NOI	% Occupied	TTM Lease Coverage	WA Remaining Lease Term
Senior Lifestyle	Sr. Housing / RIDEA	82	\$ 14,112	86.5%	n/a	n/a
Caring Homes (U.K.) ⁽¹⁾	Sr. Housing / NNN	44	8,923	87.3%	1.5x	15 yrs
Sentosa	SNF / NNN	11	4,807	89.9%	1.2x	11 yrs
Wellington Healthcare	SNF / NNN	11	4,445	89.5%	1.1x	9 yrs
Miller	SNF / NNN	28	3,848	72.0%	2.0x	n/a
Frontier	Sr. Housing / RIDEA / NNN	20	3,704	83.8%	n/a	n/a
Consulate	SNF / NNN	10	2,912	77.7%	0.4x	10 yrs
Opis	SNF / NNN	11	2,806	90.0%	1.4x	6 yrs
Grace	SNF / NNN	9	2,606	82.9%	1.0x	3 yrs
Avanti Hospital Systems	Hospital	5	2,292	52.7%	5.1x	16 yrs
Total		231	\$ 50,455			

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



(\$ in thousands; as of or for the three months ended March 31, 2018, unless otherwise noted)

	Consolidated amount ⁽¹⁾	CLNS OP share of consolidated amount ⁽¹⁾
Net operating income		
Net operating income	\$ 44,633	\$ 17,920

Portfolio overview

Total number of buildings	378
Rentable square feet (thousands)	45,592
% leased at end of period	94.4%
Average remaining lease term	3.8

Same store financial/operating results related to the segment

	Q1 2018	Q4 2017	% Change
Same store number of buildings	305	305	—
% leased at end of period	95.1%	95.7%	(0.6)%
Revenues	\$ 51,695	\$ 49,478	4.5 %
NOI	\$ 35,305	\$ 35,714	(1.1)%

	Acquisition / Disposition date	Number of buildings	Rentable square feet (thousands)	% leased	Purchase price /
					Sales price
Recent acquisitions & dispositions					
Q1 2018 acquisitions:					
Phoenix industrial property	1/22/2018	1	217	81.3%	\$ 13,400
Jacksonville industrial portfolio	2/21/2018	3	305	100.0%	25,300
San Antonio industrial portfolio	3/26/2018	2	640	88.0%	52,100
Jacksonville industrial portfolio	3/30/2018	4	1,287	100.0%	77,500
Land for development	Various	N/A	N/A	N/A	10,500
Total / W.A.		10	2,449	95.2%	\$ 178,800
Q1 2018 dispositions:					
Orlando industrial property	3/6/2018	1	181	100.0%	\$ 11,000
Total / W.A.		1	181	100.0%	\$ 11,000
Q2 2018 acquisitions:					
East Bay industrial portfolio	4/13/2018	2	587	100.0%	\$ 100,500
Las Vegas industrial portfolio	4/24/2018	2	363	45.0%	\$ 37,400
Total / W.A.		4	950	78.9%	\$ 137,900

Notes:

(1) CLNS OP Share represents Consolidated NOI multiplied by CLNS OP's interest as of March 31, 2018. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.



(\$ in thousands; as of or for the three months ended March 31, 2018, unless otherwise noted)

Top 10 Geographic Locations by NOI	Number of buildings	Rentable square feet (thousands)	NOI	% leased at end of period
Dallas	68	7,426	\$ 7,345	94.5%
Atlanta	62	6,862	6,824	99.1%
New Jersey, South / Philadelphia	34	3,763	3,724	93.2%
Orlando	17	2,851	3,597	96.1%
Minneapolis	18	2,814	3,289	96.6%
Maryland-BWI	21	2,806	2,975	91.9%
Phoenix	28	3,230	2,820	92.4%
Houston	23	2,092	2,498	88.7%
Chicago	26	2,786	2,270	90.0%
Kansas City	14	2,260	2,014	91.5%
Total / W.A.	311	36,890	\$ 37,356	94.3%

Top 10 Tenant Base by Industry

Industry	Total leased square feet (thousands)	% of total
Warehousing & Transportation	16,927	39.3%
Manufacturing	7,466	17.4%
Professional, Scientific, and Technical Services	4,226	9.8%
Wholesale Trade	4,223	9.8%
Media & Information	2,946	6.8%
Health & Science	2,896	6.7%
Construction & Contractors	2,175	5.1%
Retail Trade	1,128	2.6%
Entertainment & Recreation	933	2.2%
Public Administration & Government	113	0.3%
Total	43,033	100.0%

Vla. Hospitality Real Estate - Summary Metrics and Operating Results



(\$ in thousands; as of or for the three months ended March 31, 2018, unless otherwise noted)

	Consolidated amount	CLNS OP share of consolidated amount ⁽¹⁾
EBITDA		
EBITDA:		
Select Service	\$ 32,365	\$ 30,520
Extended Stay	22,918	21,612
Full Service	3,909	3,686
Total EBITDA⁽²⁾	\$ 59,192	\$ 55,818

Portfolio overview by type

	Number of hotels	Number of rooms	Avg. qtr. % occupancy	Avg. daily rate (ADR)	RevPAR	Q1 2018 EBITDA	EBITDA margin
Select service	97	13,193	68.4%	\$ 123	\$ 84	\$ 32,365	29.3%
Extended stay	66	7,936	74.3%	130	96	22,918	32.5%
Full service	4	962	67.7%	181	123	3,909	27.1%
Total / W.A.	167	22,091	70.5%	\$ 128	\$ 90	\$ 59,192	30.3%

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

Brand	Avg. qtr. % occupancy		Avg. daily rate (ADR)		RevPAR		EBITDA		% Change
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	
Marriott	69.3%	68.8%	\$ 129	\$ 129	\$ 90	\$ 89	\$ 46,848	\$ 48,082	(2.6)%
Hilton	73.8%	72.8%	124	123	91	90	8,850	9,734	(9.1)%
Other	78.2%	72.5%	127	129	99	93	3,494	3,365	3.8 %
Total / W.A.	70.5%	69.7%	\$ 128	\$ 128	\$ 90	\$ 89	\$ 59,192	\$ 61,181	(3.3)%

Notes:
 (1) CLNS OP Share represents Consolidated EBITDA multiplied by CLNS OP's interest as of March 31, 2018.

(2) Q1 2018 EBITDA excludes a FF&E reserve contribution amount of \$8.6 million consolidated or \$8.1 million CLNS OP share. For a reconciliation of net income/(loss) attributable to common stockholders to EBITDA please refer to the appendix to this presentation.



(\$ in thousands; as of March 31, 2018, unless otherwise noted)

Top 10 Geographic Locations by EBITDA	Number of hotels	Number of rooms	Number of rooms-select service	Number of rooms-extended stay	Number of rooms-full service	EBITDA
Florida	12	2,060	1,186	291	583	\$ 13,474
California	18	2,254	1,243	1,011	—	10,723
Texas	28	3,230	1,952	1,278	—	7,246
New Jersey	12	1,884	718	942	224	3,342
Virginia	11	1,473	1,210	263	—	2,644
North Carolina	7	981	831	150	—	2,309
Georgia	7	974	694	280	—	2,296
Washington	5	664	160	504	—	2,197
Arizona	3	418	298	120	—	2,106
Michigan	6	809	601	208	—	1,778
Total / W.A.	109	14,747	8,893	5,047	807	\$ 48,115



(\$ in thousands, except as noted and per share data; as of March 31, 2018, unless otherwise noted)

Colony NorthStar Credit Real Estate, Inc. (NYSE: CLNC)⁽¹⁾

	<u>Consolidated amount</u>	<u>CLNS OP share of consolidated amount</u>
CLNS OP interest in CLNC as of May 7, 2018	36.6%	36.6%
CLNC shares beneficially owned by OP and common stockholders	48.0 million	48.0 million
CLNC share price as of May 7, 2018	\$ 19.12	\$ 19.12
Total market value of CLNC shares	\$ 917,167	\$ 917,167
Net carrying value - CLNC	\$ 1,161,930	\$ 1,161,930

Notes:
(1) On February 1, 2018, CLNC began trading on the NYSE following the completion of its public listing.

VIIIa. Other Equity and Debt - Strategic Investments



(\$ in thousands, except as noted and per share data; as of March 31, 2018, unless otherwise noted)

NorthStar Realty Europe Corp. (NYSE: NRE)

	Consolidated amount	CLNS OP share of consolidated amount
CLNS OP interest in NRE as of May 7, 2018	10.8%	10.8%
NRE shares beneficially owned by OP and common stockholders	5.6 million	5.6 million
NRE share price as of May 7, 2018	\$ 14.65	\$ 14.65
Total market value of NRE shares	\$ 82,575	\$ 82,575
Carrying value - NRE	73,978	73,978

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

Assets - carrying value	\$ 1,062,817	\$ 199,716
Debt - UPB	243,813	48,561
Net carrying value	\$ 819,004	\$ 151,155

NBV by Geography:

U.S.	23.7%	17.8%
Europe	76.3%	82.2%
Total	100.0%	100.0%

Other GP Co-investments ⁽¹⁾

Carrying value	125,831	87,328
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Notes:

(1) Other GP co-investments represents: i) seed investments in certain registered investment companies sponsored by the Company, ii) investments in the general partnership of third party real estate operators primarily to seed investment commitments with their limited partners for which the Company will receive its share of earnings and incentive fees, or iii) general partnership capital in a fund or investment. These investments are accounted for as Investments in Unconsolidated Ventures or consolidated Securities Available for Sale.

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



(\$ in thousands; as of March 31, 2018, unless otherwise noted)

Net Lease Real Estate Equity⁽¹⁾

	Number of buildings	Rentable square feet (thousands)	Consolidated amount NOI	CLNS OP share of consolidated amount NOI	% leased at end of period	Weighted average remaining lease term
U.S. office	5	878	\$ 2,015	\$ 2,003	81.0%	5.3
Europe office	29	1,478	5,661	5,661	100.0%	11.9
Total / W.A.	34	2,356	\$ 7,676	\$ 7,664	92.9%	9.4

Other Real Estate Equity

	Number of buildings	Rentable square feet (thousands)	Consolidated amount Undepreciated carrying value	CLNS OP share of consolidated amount Undepreciated carrying value	% leased at end of period	Weighted average remaining lease term
U.S.:						
Office	14	1,479	\$ 271,401	\$ 234,541	65.0%	6.1
Multifamily	1	N/A	50,365	45,329	94.9%	N/A
Hotel	137	N/A	1,214,582	667,711	65.2%	N/A
Europe:						
Industrial	37	2,753	176,295	84,540	100.0%	6.3
Office	20	610	108,163	53,684	85.9%	13.3
Mixed / Retail	195	5,216	697,227	222,844	66.0%	4.9
Total / W.A.	404	10,058	\$ 2,518,033	\$ 1,308,649	76.4%	5.9

Unconsolidated joint ventures (Other RE Equity)

Preferred equity:

Multifamily	\$ 362,638	\$ 362,638
Office	88,224	88,224

Equity & Other:

Albertsons	89,129	44,564
Residential Land	67,693	37,264
Other	28,742	28,742
Corporate CLO Equity	18,575	18,575
Office	16,000	16,000
Multifamily	10,076	9,069
Total	\$ 681,077	\$ 605,076

Notes:

(1) Net lease real estate equity excludes net operating income of investments contributed to CLNC for the period January 1, 2018 to January 31, 2018.

VIIIc. Other Equity and Debt - Real Estate Debt



(\$ in thousands, except as noted; as of March 31, 2018, unless otherwise noted)

Portfolio Overview⁽¹⁾

	Consolidated amount	CLNS OP share of consolidated amount
Non-PCI loans		
Loans receivables held for investment, net	\$ 772,258	\$ 628,378
Loans receivables held for sale, net	—	—
Non-recourse investment-level financing (UPB)	151,289	143,553
Carrying value - equity method investments	26,883	19,375
PCI loans		
Loans receivables held for investment, net	521,153	432,950
Non-recourse investment-level financing (UPB)	298,065	291,096
Carrying value - equity method investments	1,442	1,442
Other		
Carrying value - real estate assets (REO)	32,258	15,651
Total Portfolio		
Loans receivables held for investment, net	1,293,411	1,061,328
Loans receivables held for sale, net	—	—
Carrying value - equity method investments	28,325	20,817
Carrying value - real estate assets (REO)	32,258	15,651
Non-recourse investment-level financing (UPB)	449,354	434,649

Notes:

(1) Excludes \$47 million consolidated or \$28 million CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$76 million consolidated or \$53 million CLNS OP share carrying value of healthcare real estate development loans.

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



(\$ in thousands; as of or for the three months ended March 31, 2018, unless otherwise noted)

Loans receivable held for investment by loan type⁽¹⁾

	Consolidated amount	CLNS OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI loans				
<i>Fixed rate</i>				
First mortgage loans	\$ 64,117	\$ 46,859	6.6%	9.4
Securitized mortgage loans	33,083	33,083	5.4%	17.1
Second mortgage loans / B-notes	216,608	119,105	7.7%	2.4
Mezzanine loans	130,742	100,344	3.0%	1.7
Corporate	46,158	46,158	10.0%	9.8
Total fixed rate non-PCI loans	490,708	345,549	6.3%	5.6
<i>Variable rate</i>				
First mortgage loans	207,645	207,645	5.7%	0.8
Securitized mortgage loans	78,625	78,625	5.2%	17.9
Total variable rate non-PCI loans	286,270	286,270	5.6%	5.5
Total non-PCI loans	776,978	631,819		
Allowance for loan losses	(4,720)	(3,441)		
Total non-PCI loans, net of allowance for loan losses	772,258	628,378		
PCI loans				
First mortgage loans	564,345	441,245		
Securitized mortgage loans	755	755		
Mezzanine loans	3,671	3,671		
Total PCI loans	568,771	445,671		
Allowance for loan losses	(47,618)	(12,721)		
Total PCI loans, net of allowance for loan losses	521,153	432,950		
Total loans receivable, net of allowance for loan losses	\$ 1,293,411	\$ 1,061,328		

Notes:

(1) Excludes \$47 million consolidated or \$28 million CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$76 million consolidated or \$53 million CLNS OP share carrying value of healthcare real estate development loans.

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



(\$ in thousands; as of or for the three months ended March 31, 2018, unless otherwise noted)

Loans receivable held for investment by collateral type⁽¹⁾

	Consolidated amount	CLNS OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI Loans				
Hospitality	\$ 54,390	\$ 27,196	10.5%	2.4
Retail	175,956	165,025	2.3%	1.1
Multifamily	270,261	253,003	5.6%	9.8
Office	188,054	118,277	10.2%	2.2
Land	37,439	18,719	—%	0.4
Corporate	46,158	46,158	10.0%	9.8
Total non-PCI loans, net of allowance for loan losses	772,258	628,378	6.0%	5.5
PCI Loans				
Office	278,126	276,605		
Retail	81,615	57,359		
Multifamily	41,188	17,346		
Industrial	40,779	30,197		
Hospitality	20,917	8,585		
Land	35,892	29,586		
Other	21,353	13,020		
Residential	1,283	252		
Total PCI loans, net of allowance for loan losses	521,153	432,950		
Total loans receivable, net of allowance for loan losses	\$ 1,293,411	\$ 1,061,328		

Notes:

(1) Excludes \$47 million consolidated or \$28 million CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$76 million consolidated or \$53 million CLNS OP share carrying value of healthcare real estate development loans.

VIII.d. Other Equity and Debt - Real Estate PE Fund Interests



(\$ in thousands, except as noted; as of or for the three months ended March 31, 2018, unless otherwise noted)

Operating Results⁽¹⁾

Q1 2018 income	\$	4,741
Return of capital		8,422
Total distributions		13,163
Contributions		10
Net	\$	13,153

Carrying value	\$	171,945
Weighted average remaining term as of March 31, 2018		1.2 yrs

Portfolio Overview

Number of funds	54
Number of general partners	39
Underlying assets, at cost	\$ 6,052,400
Implied leverage ⁽²⁾	37%
Expected remaining future capital contributions	\$ —

Investment by Types⁽³⁾

Type	%
Land	24%
Multifamily	14%
Office	13%
Other	11%
Cash	10%
Retail	9%
Lodging	8%
Debt	7%
Residential/Condo	3%
Industrial	1%
Total	100%

Investment by Geography⁽³⁾

Location	%
Northeast	24%
West	19%
Primarily Various U.S.	14%
Midwest	13%
Cash	10%
Southeast	6%
Asia	6%
Mid-Atlantic	5%
Europe	3%
Total	100%

Notes:

- (1) PE fund interests excludes income of investments contributed to CLNC for the period January 1, 2018 to January 31, 2018.
- (2) Represents implied leverage for funds with investment-level financing, calculated as debt divided by assets at fair value.
- (3) Represents the underlying fund interests in PE Investments by investment type and geographic location based on NAV as of December 31, 2017.

VIII. Other Equity and Debt - CRE Securities



(\$ in thousands; as of March 31, 2018)

Portfolio Overview

Owned Bonds and Equity of Deconsolidated CDO's

	Carrying Value
Total owned deconsolidated CDO bonds	\$ 66,164
Total owned deconsolidated CDO equity	14,190

Consolidated CDO's

	Carrying Value
Total consolidated CDO investments	\$ 147,776
Total consolidated non-recourse CDO financing ⁽¹⁾	102,487
Net book value - consolidated CDOs	\$ 45,289

CMBS

	Carrying Value
	\$ 616

Core FFO

Q1 2018 aggregate Core FFO ⁽²⁾	\$ 2,466
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Notes:

(1) Reflects an approximately \$50 million of financing paydown subsequent to March 31, 2018, from first quarter 2018 asset sale proceeds held at trustee as of March 31, 2018.

(2) Excludes gains, net of losses, of \$5.7 million.

IXa. Investment Management - Summary Metrics



(\$ in thousands, except as noted; as of March 31, 2018)

Overview	Q1 2018 Fee Revenue - CLNS OP Share
Institutional funds	\$ 13,211
Retail companies ⁽¹⁾	11,459
Colony NorthStar Credit Real Estate (NYSE:CLNC) ⁽¹⁾	8,000
NorthStar Realty Europe (NYSE:NRE)	4,172
Non-wholly owned REIM platforms (earnings of investments in unconsolidated ventures) ⁽²⁾	6,614
Total Q1 2018 reported fee revenue and REIM platform earnings of investments in unconsolidated ventures	\$ 43,456
Operating Results	
Revenues	
Total fee revenue and REIM earnings of investments in unconsolidated ventures	\$ 43,456
Other income and commission income	5,679
Expenses	
Investment, servicing and commission expenses	6,363
Depreciation and amortization	7,676
Impairment loss	140,429
Compensation expense	16,468
Administrative expenses	2,735
Total expenses	173,671
Other gain (loss), net	1,021
Earnings of investments in unconsolidated ventures ⁽³⁾	1,324
Income tax benefit	36,803
Net income attributable to common interests in OP and common stockholders	(85,388)
Real estate depreciation and amortization	1,111
Impairment write-downs associated with depreciable real estate	1,971
(Gain) loss from sales of depreciable real estate	(3,077)
(Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	5,431
Equity-based compensation expense	1,834
Straight-line rent revenue and straight-line rent expense	(73)
Amortization of deferred financing costs and debt premiums and discounts	83
Unrealized fair value gains or losses and foreign currency remeasurements	6
Merger integration costs	1,275
Amortization and impairment of investment management intangibles	147,912
Non-real estate depreciation and amortization	187
Tax (benefit) expense, net	(39,901)
Core FFO	\$ 31,371

Notes:

- (1) Retail Companies includes one month of asset management, acquisition and disposition fees related to NorthStar I and NorthStar II; and CLNC includes two months of management fees.
 (2) Includes \$3 million of realized carried interest.
 (3) Includes \$1 million of unrealized carried interest from the industrial fund.



(\$ in millions, except as noted; as of March 31, 2018, unless otherwise noted)

Segment	Products (FEEUM)	Description	AUM CLNS OP Share	FEEUM CLNS OP Share	Fee Rate
Institutional Funds	<ul style="list-style-type: none"> Credit (\$2.6 billion) Core plus / value-added (\$0.3 billion) Opportunistic (\$1.1 billion) Colony Industrial (\$1.2 billion) Other co-investment vehicles (\$0.6 billion) 	<ul style="list-style-type: none"> 26 years of institutional investment management experience Sponsorship of private equity funds and vehicles earning asset management fees and performance fees More than 300 investor relationships Colony Industrial Open-End Fund 	\$ 9,790	\$ 5,802	.9%
Retail Companies ⁽¹⁾	<ul style="list-style-type: none"> NorthStar Healthcare (\$1.6 billion)⁽²⁾ NorthStar/RXR NY Metro Real Estate NorthStar Real Estate Capital Income Funds⁽³⁾ NorthStar/Townsend Institutional Real Estate Fund⁽⁴⁾ 	<ul style="list-style-type: none"> Manage public non-traded vehicles earning asset management and performance fees 	3,674	1,666	1.5%
Public Companies	<ul style="list-style-type: none"> Colony NorthStar Credit Real Estate (\$3.1 billion)⁽¹⁾ NorthStar Realty Europe Corp. (\$1.1 billion)⁽⁵⁾ 	<ul style="list-style-type: none"> CLNC: NYSE-listed credit focused REIT NRE: NYSE-listed European equity REIT Contracts with base management fees with potential for incentive fees 	5,310	4,215	1.5%
Non-Wholly Owned REIM Platforms	<ul style="list-style-type: none"> Digital Real Estate Infrastructure Co-sponsored Vehicle RXR Realty American Healthcare Investors Steelwave Hamburg Trust 	<ul style="list-style-type: none"> CLNS recognizes at-share earnings from underlying non-wholly owned REIM platforms 27% investment in RXR Realty, a real estate owner, developer and investment management company with \$18 billion of AUM 43% investment in American Healthcare Investors, a healthcare investment management firm and sponsor of non-traded vehicles with \$3 billion of AUM 	8,713	4,504	N/A
Total			\$ 27,487	\$ 16,187	

Notes:

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

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

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

(4) NorthStar/Townsend Institutional Real Estate Fund Inc. filed an amended registration statement on Form N-2 to the SEC in May 2017, which as of May 7, 2018, is not yet effective.

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



APPENDICES



Assets Under Management (“AUM”)

Assets for which the Company and its affiliates provide investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at March 31, 2018. AUM further includes a) uncalled capital commitments and b) includes the Company's pro-rata share of each affiliate non wholly-owned real estate investment management platform's assets as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

CLNS OP

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

Fee-Earning Equity Under Management (“FEEUM”)

Equity for which the Company and its affiliates provides investment management services and derives management fees and/or performance allocations. FEEUM generally represents a) the basis used to derive fees, which may be based on invested equity, stockholders' equity, or fair value pursuant to the terms of each underlying investment management agreement and b) the Company's pro-rata share of fee bearing equity of each affiliate as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of FEEUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

Healthcare same store portfolio: defined as properties in operation throughout the full periods presented under the comparison and included 413 properties in the sequential quarter to quarter and year to year comparisons.

Industrial same store portfolio: consisted of the same 305 buildings that were stabilized during the three months ended March 31, 2018 and March 31, 2017. Properties acquired, disposed or held for sale during these periods are excluded. Stabilized properties are defined as properties owned for more than one year or are greater than 90% leased as of the beginning of the January 1, 2017.

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

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

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



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

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

TTM Lease Coverage

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

ADR: Average Daily Rate

RevPAR: Revenue per Available Room

UPB: Unpaid Principal Balance

PCI: Purchased Credit-Impaired

REIM: Real Estate Investment Management

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



(\$ in thousands; for the three months ended March 31, 2018)

NOI and EBITDA Determined as Follows	Healthcare	Industrial	Hospitality	Other Equity and Debt—Net Lease Properties
Total revenues	\$ 152,595	\$ 68,753	\$ 195,782	\$ 10,476
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(4,319)	(2,297)	(7)	(870)
Interest income	—	(532)	—	—
Other income	—	—	(488)	—
Property operating expenses ⁽¹⁾	(66,966)	(20,811)	(136,095)	(1,930)
Compensation expense ⁽¹⁾	—	(480)	—	—
NOI or EBITDA	\$ 81,310	\$ 44,633	\$ 59,192	\$ 7,676

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

	Healthcare	Industrial	Hospitality
Net income (loss) from continuing operations	\$ (12,534)	\$ 6,321	\$ (11,886)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(4,319)	(2,297)	(7)
Interest income	—	(532)	—
Interest expense	50,941	10,190	34,361
Transaction, investment and servicing costs	2,310	74	1,542
Depreciation and amortization	41,127	29,945	35,457
Impairment loss	3,780	—	—
Compensation and administrative expense	1,933	3,222	2,017
Gain on sale of real estate	—	(2,293)	—
Other (gain) loss, net	(2,926)	—	(323)
Other income	—	—	(488)
Income tax (benefit) expense	998	3	(1,481)
NOI or EBITDA	\$ 81,310	\$ 44,633	\$ 59,192

Notes:

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

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



(\$ in thousands; for the three months ended March 31, 2018)

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

	Other Equity and Debt
Net income from continuing operations	\$ 68,431
Adjustments:	
Property operating income of other real estate equity	(128,268)
Straight-line rent revenue and amortization of above- and below-market lease intangibles for net lease real estate equity	(887)
Interest income	(61,787)
Fee and other income	(2,670)
Property operating expense of other real estate equity	79,404
Interest expense	40,280
Transaction, investment and servicing costs	7,131
Depreciation and amortization	28,969
Provision for loan loss	5,375
Impairment loss	9,189
Compensation and administrative expense	6,152
Gain on sale of real estate assets	(16,151)
Other loss, net	(3,442)
Earnings of investments in unconsolidated ventures	(27,217)
Income tax expense	4,539
NOI of net lease real estate equity	<u>\$ 9,048</u>
Less: assets contributed to CLNC	(1,077)
Less: one-time gain and asset sold in Q1 2018	(295)
NOI of net lease real estate equity, excluding assets contributed to CLNC and a one-time gain	<u>\$ 7,676</u>