

**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 9, 2017

COLONY NORTHSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

001-37980
(Commission
File Number)

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

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

(Address of principal executive offices)

90071
(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-(c))
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Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On May 9, 2017, Colony NorthStar, Inc. (the "Company") issued a press release announcing its financial position as of March 31, 2017 and its financial results for the first quarter ended March 31, 2017. Colony NorthStar was formed through a tri-party merger among Colony Capital, Inc. ("Colony"); NorthStar Asset Management Group Inc. ("NSAM"); and NorthStar Realty Finance Corp. ("NRF"), which closed on January 10, 2017. The financial information presented in the press release represents the pre-merger financial information of Colony, as the accounting acquirer, on a stand-alone basis prior to, and including, January 10, 2017 and following January 10, 2017, results of operations of the Company. 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 9, 2017, the Company made available a Supplemental Financial Disclosure Presentation for the quarter ended March 31, 2017 on the Company's website at www.clns.com. A copy of the Supplemental Financial Disclosure Presentation is furnished herewith as Exhibit 99.2 to this Current Report on Form 8-K, which are incorporated herein by reference.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in this Current Report on Form 8-K (including Exhibits 99.1 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
99.1	Press Release dated May 9, 2017
99.2	Supplemental Financial Disclosure Presentation for the quarter ended March 31, 2017

SIGNATURES

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

Date: May 9, 2017

COLONY NORTHSTAR, INC.

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

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated May 9, 2017
99.2	Supplemental Financial Disclosure Presentation for the quarter ended March 31, 2017

COLONY NORTHSTAR ANNOUNCES FIRST QUARTER 2017 FINANCIAL RESULTS

Los Angeles, CA and New York, NY, May 9, 2017 - 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, 2017 and declared a cash dividend of \$0.27 per share of Class A and Class B common stock for the second quarter of 2017. Colony NorthStar was formed through a tri-party merger among Colony Capital, Inc. ("Colony"); NorthStar Asset Management Group Inc. ("NSAM"); and NorthStar Realty Finance Corp. ("NRF"), which closed on January 10, 2017. Except where stated, the financial information presented in this press release represents the pre-merger financial information of Colony, as the accounting acquirer, on a stand-alone basis prior to, and including, January 10, 2017 and following January 10, 2017, results of operations of Colony NorthStar.

First Quarter 2017 Highlights

- Net loss attributable to common stockholders of \$(5.2) million, or \$(0.01) per basic share
- Core FFO of \$173.1 million, or \$0.31 per basic share, and FFO of \$91.1 million, or \$0.17 per basic share
- Merger integration substantially complete and greater than 90% of the originally identified \$115 million of annualized synergies and greater than 80% of the estimated \$80 million of annualized cash synergies achieved to date with the balance expected to be achieved by year end on a run rate basis
- Declared and paid a prorated first quarter dividend of \$0.24 per share of Class A and B common stock, based on an effective \$0.27 per share full quarter dividend
 - Subsequent to the first quarter 2017, declared second quarter dividend of \$0.27 per share of Class A and B common stock
- During the first quarter 2017, the Company raised approximately \$980 million of third-party capital from institutional clients and retail investors
- During the first quarter 2017, completed the following asset monetizations: sale of an 18.7% preferred joint venture interest in the Company's healthcare portfolio; sale of the entire manufactured housing communities portfolio for \$2.0 billion; and sale of 7.6 million shares, or 50% of the Company's interest, in Colony Starwood Homes (NYSE:SFR)
- 2017 year-to-date, repurchased approximately \$168 million of stock, or 12.9 million CLNS Class A common shares, of which 10.8 million shares were acquired through market purchases at an average price of \$12.81 per share and 2.1 million shares were acquired in connection with the unwind of a legacy NSAM call spread option
- Subsequent to the first quarter 2017, the Company executed commitment letters to refinance approximately \$1.6 billion of consolidated debt in the Hospitality Real Estate segment, extending the fully extended maturity dates from 2019 to 2022 at a moderately reduced interest rate

First Quarter 2017 Financial Results

For the first quarter 2017, Colony NorthStar reported net loss attributable to common stockholders of \$(5.2) million, or \$(0.01) per basic share. Core FFO was \$173.1 million, or \$0.31 per basic share, and FFO was \$91.1 million, or \$0.17 per basic share.

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

"We remain on track to achieve our 2017 full year goals for Core FFO including synergies, new investor client capital formation, and simplification; notwithstanding some seasonal and other timing related performance differences in the first quarter," said Richard B. Saltzman, President and Chief Executive Officer. "Further, the environment and capital markets backdrop remain conducive to completing the priorities of strategic asset sales and repositioning certain of our businesses for much higher growth."

First Quarter 2017 Operating Results and Investment Activity by Segment

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

Healthcare Real Estate

As of March 31, 2017, the consolidated healthcare portfolio consisted of 425 properties: 113 medical office properties, 191 senior housing properties, 107 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71.3% as of March 31, 2017. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally



provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007, or RIDEA.

During the first quarter 2017, this segment's net loss attributable to common stockholders was \$(8.4) million and Core FFO was \$21.4 million, which reflects 80-days of operations in the quarter because this was a legacy NRF business. Consolidated healthcare NOI was \$79.4 million for the full 90-day period in the first quarter. In the first quarter 2017, healthcare same store portfolio experienced sequential quarter-over-quarter revenue growth of 1.4% and net operating income decline of (1.4)%. Over the same period last year, first quarter 2017 same store revenue growth was 1.6% and net operating income declined (2.6)%, of which (1.5)% was related to fluctuation in currency exchanges rates. Healthcare same store portfolio is defined as properties in operation throughout the full periods presented under the comparison and included 425 properties in the sequential quarter-over-quarter and year-over-year comparisons. The healthcare real estate portfolio was under NRF ownership in the prior comparative period.

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

(\$ In millions)	Consolidated		CLNS OP		Same Store					
	NOI ⁽¹⁾		Share NOI ⁽¹⁾		Consolidated NOI -		Occupancy % ⁽²⁾		TTM Coverage ⁽³⁾	
	Q1 2017		Q1 2017		Q1 2017	Q4 2016	Q1 2017	Q4 2016	12/31/2016	9/30/2016
Medical Office Buildings	\$ 13.7	\$ 9.8	\$ 13.6	\$ 14.8	85.1%	85.8%	N/A	N/A		
Senior Housing - Operating	18.3	13.0	18.3	18.3	86.8%	88.1%	N/A	N/A		
<i>Triple-Net Lease:</i>										
Senior Housing	13.5	9.6	13.5	14.0	85.7%	86.6%	1.5x	1.6x		
Skilled Nursing Facilities	28.5	20.3	28.5	28.2	84.2%	84.2%	1.4x	1.4x		
Hospitals	5.4	3.8	5.4	5.1	60.9%	62.8%	3.7x	3.3x		
Healthcare Total/W.A.	\$ 79.4	\$ 56.6	\$ 79.3	\$ 80.4	83.6%	84.5%	1.7x	1.7x		

(1) Represents net operating income for the full 90 day first quarter of 2017. CLNS OP Share represents Consolidated NOI multiplied by the Company's interest as of March 31, 2017.

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

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

Asset Dispositions

During the first quarter 2017, the Company sold a medical office building for \$15 million, at an approximate 5.6% cap rate, which resulted in net proceeds of approximately \$3 million. This sale was part of the fourth quarter 2016 overall medical office building portfolio asset monetization.

During the first quarter 2017, the Company sold an 18.7% preferred joint venture interest in its healthcare real estate portfolio, which resulted in net proceeds of approximately \$340 million, representing an implied 6.1% cap rate.

Industrial Real Estate

As of March 31, 2017, the consolidated industrial portfolio consisted of 353 primarily light industrial buildings totaling 39.0 million rentable square feet across 15 major U.S. markets and was 96% leased. The Company's equity interest in the consolidated Industrial Real Estate segment was approximately 43.0% as of March 31, 2017, which decreased from the prior quarter due to increased third-party capital commitments during the first quarter of 2017. Total third-party capital commitments were in excess of \$1 billion compared to cumulative balance sheet contributions of \$684 million as of March 31, 2017. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

During the full 90-day period in the first quarter 2017, this segment's net loss attributable to common stockholders was \$(0.1) million, Core FFO was \$13.4 million and consolidated industrial NOI was \$38.2 million. In the first quarter 2017, industrial same store portfolio experienced sequential quarter-over-quarter revenue growth of 3.5% and net operating income was unchanged in part due to higher property taxes. Over the same period last year, first quarter 2017 same store revenue growth was 4.9% and net operating income grew 5.3%. Industrial same store portfolio is defined as buildings in operation throughout the full periods presented

under the comparison and included 334 and 316 buildings in the sequential quarter-over-quarter and year-over-year comparisons, respectively.

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

(\$ In millions)	Consolidated		CLNS OP		Same Store	
	NOI ⁽¹⁾		Share NOI ⁽¹⁾		Leased % ⁽²⁾	
	Q1 2017	Q1 2017	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Industrial	\$ 38.2	\$ 16.4	\$ 35.5	\$ 35.4	95.8%	95.8%

(1) Represents net operating income for the full 90 day first quarter of 2017. CLNS OP Share represents Consolidated NOI multiplied by the Company's interest as of March 31, 2017.

(2) Leased % represents average during the presented quarter.

Asset Acquisitions

During the first quarter 2017, the Company acquired seven industrial buildings totaling approximately 1.4 million square feet for approximately \$118 million.

Subsequent to the first quarter 2017, the Company acquired three industrial buildings totaling approximately 0.2 million square feet for approximately \$16 million.

Hospitality Real Estate

As of March 31, 2017, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94.3% as of March 31, 2017. The hospitality portfolio is geographically diverse, consisting primarily of extended stay hotels and premium branded select service hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands.

During the first quarter 2017, this segment's net loss attributable to common stockholders was \$(3.0) million and Core FFO was \$27.4 million, which reflects 80-days of operations in the quarter because this was a legacy NRF business. Consolidated hospitality EBITDA was \$61.2 million for the full 90-day period in the first quarter. Over the same period last year, first quarter 2017 hospitality same store portfolio revenue declined (0.8)% and EBITDA declined (3.4)%, partially due to room displacement from renovations. The Company's hotels typically experience seasonal variations in occupancy which may cause quarterly fluctuations in revenues and therefore sequential quarter-over-quarter revenue and EBITDA result comparisons are not meaningful. Hospitality same store portfolio is defined as hotels in operation throughout the full periods presented under the comparison and included 167 hotels in the year-over-year comparison. The hospitality real estate portfolio was under NRF ownership in the prior comparative period.

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

(\$ In millions)	Consolidated		CLNS OP Share		Same Store							
	EBITDA ⁽¹⁾⁽²⁾		EBITDA ⁽¹⁾		Consolidated EBITDA		Occupancy % ⁽³⁾		Avg. Daily Rate (In dollars) ⁽³⁾		RevPAR (In dollars) ⁽³⁾	
	Q1 2017	Q1 2017	Q1 2017	Q1 2017	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Marriott	\$ 48.2	\$ 45.5	\$ 48.2	\$ 50.6	68.8%	69.3%	\$ 129	\$ 128	\$ 89	\$ 89		
Hilton	9.7	9.1	9.7	8.9	72.8%	70.9%	123	120	90	85		
Other	3.3	3.1	3.3	3.8	72.5%	72.5%	129	131	93	95		
Total/W.A.	\$ 61.2	\$ 57.7	\$ 61.2	\$ 63.3	69.7%	69.7%	\$ 128	\$ 127	\$ 89	\$ 89		

(1) Represents EBITDA for the full 90 day first quarter of 2017. CLNS OP Share represents Consolidated EBITDA multiplied by the Company's interest as of March 31, 2017.

(2) Q1 2017 Consolidated EBITDA excludes FF&E reserve amounts of \$8.5 million.

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

Other Equity and Debt

In addition to the Company's aforementioned real estate equity segments, the Company also holds investments in other real estate equity and debt. These other investments include direct interests and interests held through unconsolidated joint ventures in net lease real estate assets; other real estate equity & debt investments; limited partnership interests in third-party sponsored real estate private equity funds; multiple classes of commercial real estate ("CRE") securities; and an interest in Colony Starwood Homes (NYSE: SFR). During the first quarter 2017, this segment's aggregate net income attributable to common stockholders was \$143.9 million and Core FFO was \$135.6 million, which reflects 80-days of operations in the quarter for legacy NRF investments. The following table presents selected financial data by investment types in the Company's Other Equity and Debt segment:

(\$ In millions)	CLNS OP Share	
	March 31, 2017	
	Undepreciated Carrying Value	
	Assets	Equity
Net Lease Real Estate Equity	\$ 972	\$ 422
Other Real Estate Equity	980	587
Real Estate Debt	3,162	2,230
Real Estate Private Equity Funds and CRE Securities	531	531
Special Situations (SFR, CAF and Albertsons)	267	267
Other Equity and Debt Total	\$ 5,912	\$ 4,037

Other Equity and Debt Segment Asset Acquisitions and Dispositions

During the first quarter 2017, the Company invested and agreed to invest \$560 million in three real estate debt investments, which represented co-investments alongside the Company's closed-end credit funds and an investment we plan to syndicate to third-party investors.

During the first quarter 2017, the Company sold 7.6 million shares of SFR, or 50% of the Company's interest in SFR, resulting in net proceeds of \$239 million. As of March 31, 2017, the Company's interest represented approximately 6.3% ownership based on the total common shares and OP units outstanding of SFR.

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 funds, non-traded and traded real estate investment trusts and registered investment companies. As of March 31, 2017, the Company had approximately \$41 billion of third-party AUM, which was unchanged from approximately \$41 billion as of December 31, 2016. The increase in AUM from new capital raised in the first quarter was offset by sales of investments. During the first quarter 2017, this segment's aggregate net income attributable to common stockholders was \$18.3 million and Core FFO was \$31.4 million, which reflects 80-days of operations in the quarter for legacy NRF and NSAM businesses.

Capital Raising and Investment Activity

During the first quarter 2017, the Company raised approximately \$980 million of third-party capital, comprised of approximately \$940 million from institutional clients and approximately \$40 million from retail investors.

During the first quarter 2017, institutional funds and retail companies managed by the Company, excluding the industrial open-end fund, invested and agreed to invest approximately \$363 million in real estate equity and debt investments across the U.S. and Europe.



Assets Under Management ("AUM")

As of March 31, 2017, the Company had \$56 billion of AUM:

(\$ In billions)	Amount	% of Grand Total
Balance Sheet (CLNS OP Share):		
Healthcare	\$ 4.1	7.4%
Industrial	1.0	1.8%
Hospitality	3.9	7.0%
Other Equity and Debt	5.9	10.6%
Balance Sheet Subtotal	14.9	26.8%
Investment Management:		
Institutional Funds	10.2	18.3%
Retail Companies	7.0	12.6%
NorthStar Realty Europe (NYSE:NRE)	2.0	3.6%
Townsend	14.5	26.1%
Pro Rata Corporate Investments	7.0	12.6%
Investment Management Subtotal	40.7	73.2%
Grand Total	\$ 55.6	100.0%

Liquidity and Financing

As of May 5, 2017, the Company had a total of approximately \$272 million of unrestricted cash, net of minority interests, and \$924 million of undrawn capacity under its \$1.0 billion revolving credit facility.

In January 2017, the Company amended and restated its revolving credit facility increasing commitments from \$850 million to \$1.0 billion and renewed the initial term to four years with two 6-month extension options.

Common Stock and Operating Company Units

On February 23, 2017, the Company's Board of Directors authorized the Company to purchase up to \$300 million of its outstanding common stock through February 22, 2018. As of May 5, 2017, the Company had repurchased approximately \$168 million of stock, or 12.9 million CLNS Class A common shares, of which 10.8 million shares were acquired through market purchases at an average price of \$12.81 per share and 2.1 million shares were acquired in connection with the unwind of a legacy NSAM call spread option.

As of May 5, 2017, the Company had approximately 552.2 million Class A and B common stock and restricted stock units outstanding and the Company's operating partnership had approximately 32.9 million operating company units outstanding held by members other than the Company or its subsidiaries.

Common and Preferred Dividends

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

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

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

On May 4, 2017, the Company's Board of Directors declared a quarterly cash dividend of \$0.27 per share of Class A and Class B common stock for the second quarter of 2017, which will be paid on July 17, 2017 to respective stockholders of record on June 30,



2017. The Board of Directors also declared a cash dividend 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 A, Series B, Series C, Series D and Series E stock, such dividend to be paid on August 15, 2017 to the respective stockholders of record on August 10, 2017 and (ii) with respect to each of the Series F, Series G and Series H stock, such dividend to be paid on July 17, 2017 to the respective stockholders of record on June 30, 2017.

Non-GAAP Financial Measures and Definitions

Assets Under Management ("AUM")

Refers to assets which the Company and its affiliates provides investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is generally based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at March 31, 2017, while retail companies and NorthStar Realty Europe are presented as of May 5, 2017. AUM further includes a) uncalled capital commitments and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share assets of each affiliate as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

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

FFO and Core FFO should not be considered alternatives to GAAP net income as indications of operating performance, or to cash flows from operating activities as measures of liquidity, nor as indications of the availability of funds for 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 excludes depreciation and amortization and captures 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.



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 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 at 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 involved subjective judgment and discretion and may differ from the methodologies used by other comparable companies, including other REITs, when calculating the same or similar supplemental financial measures and may not be comparable with other companies.

First Quarter 2017 Conference Call

The Company will conduct a conference call to discuss the financial results on Wednesday, May 10, 2017 at 7:00 a.m. PT / 10:00 a.m. ET. To participate in the event by telephone, please dial (877) 407-4018 ten minutes prior to the start time (to allow time for registration). International callers should dial (201) 689-8471. The call will also be broadcast live over the Internet and can be accessed on the 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, 2017, at 10:00 a.m. PT / 1:00 p.m. ET, through May 17, 2017, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use passcode 13659872. International callers should dial (412) 317-6671 and enter the same conference ID number.

Supplemental Financial Report

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

About Colony NorthStar, Inc.

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



Cautionary Statement Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. 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., Colony NorthStar's liquidity, including its ability to complete identified monetization transactions and other potential sales of non-core investments, whether Colony NorthStar will be able to maintain its qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes, the timing of and ability to deploy available capital, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability maintain inclusion and relative performance on the RMZ, Colony NorthStar's leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony NorthStar's reports filed from time to time with the SEC.

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

Source: Colony NorthStar, Inc.

Investor Contacts:

Colony NorthStar, Inc.
Darren J. Tangen
Executive Vice President and Chief Financial Officer
310-552-7230

or

Addo Investor Relations
Lasse Glassen
(310) 829-5400

(FINANCIAL TABLES FOLLOW)



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

	Three Months Ended March 31,	
	2017	2016
Revenues		
Property operating income	\$ 426,854	\$ 91,617
Interest income	115,544	89,361
Fee income	53,250	16,609
Other income	11,517	3,202
Total revenues	607,165	200,789
Expenses		
Property operating expense	216,349	30,786
Interest expense	126,278	41,871
Investment, servicing and commission expense	11,807	6,931
Transaction costs	87,340	4,490
Depreciation and amortization	137,420	46,142
Provision for loan loss	6,724	4,630
Impairment loss	8,519	2,079
Compensation expense	91,818	26,867
Administrative expenses	25,914	12,771
Total expenses	712,169	176,567
Other income		
Gain on sale of real estate assets	8,970	51,119
Other gain, net	25,381	14,045
Earnings from investments in unconsolidated ventures	113,992	2,429
Income before income taxes	43,339	91,815
Income tax expense	(3,709)	(784)
Net income from continuing operations	39,630	91,031
Income from discontinued operations	12,560	—
Net income	52,190	91,031
Net income (loss) attributable to noncontrolling interests:		
Redeemable noncontrolling interests	617	—
Investment entities	27,059	57,595
Operating Company	(1,083)	3,421
Net income attributable to Colony NorthStar, Inc.	25,597	30,015
Preferred stock dividends	30,813	11,880
Net income (loss) attributable to common stockholders	\$ (5,216)	\$ 18,135
Basic earnings per share ⁽¹⁾		
Net income (loss) from continuing operations per basic common share	\$ (0.03)	\$ 0.11
Net income (loss) per basic common share	\$ (0.01)	\$ 0.11
Diluted earnings per share ⁽¹⁾		
Net income (loss) from continuing operations per diluted common share	\$ (0.03)	\$ 0.11
Net income (loss) per diluted common share	\$ (0.01)	\$ 0.11
Weighted average number of shares ⁽¹⁾		
Basic	506,405	163,727
Diluted	506,405	163,727

(1) As a result of the Merger, each outstanding share of common stock of Colony was exchanged for 1.4663 of newly issued common shares of Colony NorthStar. All historical share counts and per share amounts have been adjusted to reflect the exchange ratio.



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

	March 31, 2017 (Unaudited)	December 31, 2016
Assets		
Cash and cash equivalents	\$ 633,210	\$ 376,005
Restricted cash	316,288	111,959
Real estate assets, net	13,460,872	3,243,631
Loans receivable, net	4,039,995	3,430,608
Investments in unconsolidated ventures (\$400,984 and \$0 at fair value)	1,561,640	1,052,995
Securities, at fair value	413,570	23,446
Goodwill	1,717,365	680,127
Deferred leasing costs and intangible assets, net	1,019,204	278,741
Assets held for sale (\$106,959 and \$67,058 at fair value)	1,276,695	292,924
Other assets (\$32,527 and \$36,101 at fair value)	420,143	260,585
Due from affiliates	50,749	9,971
Total assets	\$ 24,909,731	\$ 9,760,992
Liabilities		
Debt, net	\$ 10,249,548	\$ 3,715,618
Accrued and other liabilities (\$133,034 and \$5,448 at fair value)	964,027	286,952
Intangible liabilities, net	228,623	19,977
Liabilities related to assets held for sale	77,141	14,296
Due to affiliates	39,878	41,250
Dividends payable	175,498	65,972
Total liabilities	11,734,715	4,144,065
Commitments and contingencies		
Redeemable noncontrolling interests	79,472	—
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$1,612,400 and \$625,750 liquidation preference; 250,000 and 50,000 shares authorized; 64,496 and 25,030 shares issued and outstanding	1,604,651	607,200
Common stock, \$0.01 par value per share		
Class A, 949,000 and 658,369 shares authorized; 557,404 and 166,440 shares issued and outstanding ⁽¹⁾	5,574	1,664
Class B, 1,000 shares authorized; 770 and 770 shares issued and outstanding ⁽¹⁾	8	8
Additional paid-in capital	7,994,460	2,443,100
Distributions in excess of earnings	(401,069)	(246,064)
Accumulated other comprehensive loss	(23,750)	(32,109)
Total stockholders' equity	9,179,874	2,773,799
Noncontrolling interests in investment entities	3,450,385	2,453,938
Noncontrolling interests in Operating Company	465,285	389,190
Total equity	13,095,544	5,616,927
Total liabilities, redeemable noncontrolling interests and equity	\$ 24,909,731	\$ 9,760,992

(1) As a result of the Merger, each outstanding share of common stock of Colony was exchanged for 1.4663 of newly issued common shares of Colony NorthStar. All historical share counts 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, 2017
Net loss attributable to common stockholders	\$ (5,216)
Adjustments for FFO attributable to common interests in Operating Company:	
Net loss attributable to noncontrolling common interests in Operating Company	(1,083)
Real estate depreciation and amortization	128,545
Impairment of real estate	8,513
Gain on sales of real estate	(6,993)
Less: Adjustments attributable to noncontrolling interests in investment entities	(32,695)
FFO attributable to common interests in Operating Company and common stockholders	<u>91,071</u>
Additional adjustments for Core FFO attributable to common interests in Operating Company and common stockholders:	
Gain on sales of real estate, net of depreciation, amortization and impairment previously adjusted for FFO ⁽¹⁾	(51,692)
Noncash equity compensation expense ⁽²⁾	32,184
Straight-line rent revenue	(7,957)
Gain on change in fair value of contingent consideration	(3,400)
Amortization of acquired above- and below-market lease intangibles, net	(757)
Amortization of deferred financing costs and debt premiums and discounts	19,928
Unrealized gain on derivatives	(23,333)
Acquisition and merger-related transaction costs	87,340
Merger integration costs ⁽³⁾	19,455
Amortization and impairment of investment management intangibles	12,344
Non-real estate depreciation and amortization	1,842
Amortization of gain on remeasurement of consolidated investment entities, net	8,649
Deferred tax benefit, net ⁽⁴⁾	(2,636)
Less: Adjustments attributable to noncontrolling interests in investment entities	(9,914)
Core FFO attributable to common interests in Operating Company and common stockholders	<u>\$ 173,124</u>
FFO per common share / common OP unit ⁽⁵⁾	<u>\$ 0.17</u>
FFO per common share / common OP unit—diluted ⁽⁵⁾	<u>\$ 0.17</u>
Core FFO per common share / common OP unit ⁽⁵⁾	<u>\$ 0.31</u>
Core FFO per common share / common OP unit—diluted ⁽⁵⁾	<u>\$ 0.31</u>
Weighted average number of common OP units outstanding used for FFO and Core FFO per common share and OP unit ⁽⁵⁾	<u>550,106</u>
Weighted average number of common OP units outstanding used for FFO per common share and OP unit—diluted ⁽⁵⁾⁽⁶⁾	<u>551,318</u>
Weighted average number of common OP units outstanding used for Core FFO per common share and OP unit—diluted ⁽⁵⁾⁽⁶⁾	<u>588,299</u>

(1) Includes \$51.1 million of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony prior to its internalization of the manager.

(2) Includes \$26.0 million of replacement award amortization.

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

(4) Adjustment represents the deferred tax effect of amortization and impairment of investment management intangibles assumed in business combinations.

(5) Calculated based on weighted average shares outstanding including participating securities (unvested shares) 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 was



exchanged for 1.4663 of newly issued common shares of Colony NorthStar. All historical share counts and per share amounts have been adjusted to reflect the exchange ratio.

- (6) For the three months ended March 31, 2017, included in the calculation of diluted FFO and Core FFO per share is the effect of adding back \$0.2 million and \$7.0 million of interest expense, respectively, associated with convertible senior notes and 1.2 million and 38.2 million weighted average dilutive common share equivalents, respectively, for the assumed conversion of the convertible senior notes.



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, 2017 to NOI or EBITDA:

NOI and EBITDA were determined as follows:

(In thousands)	Three Months Ended March 31, 2017		
	Healthcare	Industrial	Hospitality
Total revenues	\$ 138,813	\$ 57,042	\$ 175,713
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(6,999)	(1,663)	(14)
Property operating expenses ⁽¹⁾	(60,686)	(16,497)	(118,491)
Transaction, investment and servicing costs	—	(101)	—
Compensation expense ⁽¹⁾	—	(583)	—
NOI or EBITDA	<u>\$ 71,128</u>	<u>\$ 38,198</u>	<u>\$ 57,208</u>
NOI or EBITDA - January 1, 2017 to January 10, 2017	8,277	—	3,973
Full Q1 2017 NOI or EBITDA	<u>\$ 79,405</u>	<u>\$ 38,198</u>	<u>\$ 61,181</u>

⁽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, 2017		
	Healthcare	Industrial	Hospitality
Net income (loss) from continuing operations	\$ (9,266)	\$ 519	\$ (3,616)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(6,999)	(1,663)	(14)
Interest expense	41,092	12,426	27,249
Transaction, investment and servicing costs	2,123	—	1,737
Depreciation and amortization	40,881	24,639	30,041
Compensation and administrative expense	2,519	2,875	1,697
Other (gain) loss, net	(1,464)	—	76
Income tax (benefit) expense	2,242	(598)	38
NOI or EBITDA	<u>\$ 71,128</u>	<u>\$ 38,198</u>	<u>\$ 57,208</u>
NOI or EBITDA - January 1, 2017 to January 10, 2017	8,277	—	3,973
Full Q1 2017 NOI or EBITDA	<u>\$ 79,405</u>	<u>\$ 38,198</u>	<u>\$ 61,181</u>



Q1 2017 Net Income (Loss) from Continuing Operations by Segments

<u>(In thousands)</u>	<u>Net income (Loss) From Continuing Operations</u>
Healthcare	\$ (9,266)
Industrial	519
Hospitality	(3,616)
Other Equity and Debt	179,908
Investment Management	19,989
Amounts Not Allocated to Segments	(147,904)
Total Consolidated	<u>\$ 39,630</u>



Supplemental Financial Report First Quarter 2017

May 9, 2017



Cautionary Statement Regarding Forward-Looking Statements



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

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

Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in and benefits of the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., Colony NorthStar's liquidity, including its ability to complete identified monetization transactions and other potential sales of non-core investments, whether Colony NorthStar will be able to maintain its qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes, the timing of and ability to deploy available capital, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability maintain inclusion and relative performance on the RMZ, Colony NorthStar's leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony NorthStar's reports filed from time to time with the SEC.

Statements regarding the following subjects, among others, may constitute forward-looking: 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; the Company's ability to maintain its exemption from registration as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"); and the availability of qualified personnel.

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

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

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

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

Important Note Regarding Non-GAAP Financial Measures



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

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

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

FFO and Core FFO should not be considered alternatives to GAAP net income as indications of operating performance, or to cash flows from operating activities as measures of liquidity, nor as indications of the availability of funds for 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 excludes depreciation and amortization and captures neither the changes in the value of the Company's properties that resulted from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of its properties, all of which have real economic effect and could materially impact the Company's results from operations, the utility of FFO and Core FFO as measures of the Company's performance is limited. FFO and Core FFO should be considered only as supplements to net income as a measure of the Company's performance.

The Company believes that NOI and EBITDA are useful measures of operating performance of its respective real estate portfolios as they are more closely linked to the direct results of operations at the property level. NOI also reflects actual rents received during the period after adjusting for the effects of straight-line rents and amortization of above- and below- market leases; therefore, a comparison of NOI across periods better reflects the trend in occupancy rates and rental rates at 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 involved subjective judgment and discretion and may differ from the methodologies used by other comparable companies, including other REITs, when calculating the same or similar supplemental financial measures and may not be comparable with other companies.

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

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



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

Healthcare Real Estate

As of March 31, 2017, the consolidated healthcare portfolio consisted of 425 properties: 113 medical office properties, 191 senior housing properties, 107 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71.3% as of March 31, 2017. The healthcare portfolio earns rental and escalation income from leasing of space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007, or RIDEA.

Industrial Real Estate

As of March 31, 2017, the consolidated industrial portfolio consisted of 353 primarily light industrial buildings totaling 39.0 million rentable square feet across 15 major U.S. markets and was 96% leased. The Company's equity interest in the consolidated Industrial Real Estate segment was approximately 43.0% as of March 31, 2017, which decreased from the prior quarter due to increased third-party capital commitments during the first quarter of 2017. Total third-party capital commitments were in excess of \$1 billion compared to cumulative balance sheet contributions of \$684 million as of March 31, 2017. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

Hospitality Real Estate

As of March 31, 2017, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94.3% as of March 31, 2017. The hospitality portfolio is geographically diverse, consisting primarily of extended stay hotels and premium branded select service hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands.

Other Equity and Debt

In addition to the Company's aforementioned real estate equity segments, the Company also holds investments in other real estate equity and debt. These other investments include direct interests and interests held through unconsolidated joint ventures in net lease real estate assets; other real estate equity & debt investments; limited partnership interests in third-party sponsored real estate private equity funds; multiple classes of commercial real estate ("CRE") securities; and an interest in Colony Starwood Homes (NYSE: SFR).

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 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 non-controlling interests. Figures labeled as CLNS OP share represent the Company's pro rata share.

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Ia. Overview - Summary Metrics



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

Financial Data

Net income (loss) attributable to common stockholders ⁽¹⁾	\$	(5,216)
Net income (loss) attributable to common stockholders per basic share ⁽¹⁾		(0.01)
FFO ⁽¹⁾		91,071
FFO per basic share ⁽¹⁾		0.17
Core FFO ⁽¹⁾		173,124
Core FFO per basic share ⁽¹⁾		0.31
Q2 2017 dividend per share		0.27
Annualized Q2 2017 dividend per share		1.08

Balance Sheet, Capitalization and Trading Statistics

Total consolidated assets	24,909,731
CLNS OP share of consolidated assets	18,942,399
Total consolidated debt ⁽²⁾	10,239,832
CLNS OP share of consolidated debt ⁽²⁾	8,016,958
Shares and OP units outstanding as of May 5, 2017	585,019
Share price as of May 5, 2017	13.15
Market value of common equity & OP units	7,692,993
Liquidation preference of perpetual preferred equity	1,612,390
Insider ownership of shares and OP units	7.1%
AUM	55.6 billion

Notes:

See Appendix of this presentation for definitions.

(1) Colony NorthStar, Inc. was formed through a tri-party merger among Colony Capital, Inc. ("Colony"); NorthStar Asset Management Group Inc.; and NorthStar Realty Finance Corp., which closed on January 10, 2017. These earnings metrics represents the pre-merger financial information of Colony, as the accounting acquirer, on a stand-alone basis prior to, and including, January 10, 2017 and following January 10, 2017, results of operations of Colony NorthStar, Inc.

(2) Represents principal balance and excludes debt issuance costs, discounts and premiums. Excludes \$336 million principal balance of non-recourse CDO securitization debt.

Ib. Overview - Summary of Segments



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

	Consolidated amount	CLNS OP share of consolidated amount
Healthcare Real Estate⁽¹⁾		
Q1 2017 net operating income ⁽²⁾	\$ 79,405	\$ 56,600
Annualized net operating income	317,619	226,402
Investment-level non-recourse financing ⁽³⁾	3,353,825	2,395,039
Industrial Real Estate		
Q1 2017 net operating income ⁽²⁾	38,197	16,440
Annualized net operating income	152,789	65,760
Investment-level non-recourse financing ⁽³⁾	674,585	288,004
Hospitality Real Estate		
Q1 2017 EBITDA ⁽²⁾	61,181	57,666
Annualized EBITDA ⁽⁴⁾	274,686	258,906
Investment-level non-recourse financing ⁽³⁾	2,628,432	2,455,088

Notes:

(1) NOI includes \$1.4 million of interest earned related to \$85 million carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio. This interest income is in the Interest Income line item on the Company's financial statements.

(2) Represents NOI/EBITDA for the full 90 day first quarter of 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI/EBITDA, please refer to the Appendix of this presentation.

(3) Represents unpaid principal balance.

(4) Annualized EBITDA is calculated using the pro rata percentage of historical Q1 2016 EBITDA relative to historical full year 2016 EBITDA to account for seasonality.

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



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

	Consolidated amount	CLNS OP share of consolidated amount
Other Equity and Debt⁽¹⁾		
1) Net lease real estate equity		
a) Q1 2017 net operating income ⁽²⁾	\$ 16,376	\$ 16,358
b) Investment-level non-recourse financing ⁽³⁾	550,447	549,798
c) Carrying value - unconsolidated / equity method investments	6,168	6,168
2) Other real estate equity		
a) Undepreciated carrying value of real estate assets ⁽⁴⁾	1,729,382	744,057
b) Investment-level non-recourse financing ⁽³⁾	893,194	391,379
c) Carrying value - unconsolidated / equity method investments	332,929	284,917
3) Real estate debt		
a) Loans receivable ⁽⁵⁾	4,044,713	2,875,767
b) Investment-level non-recourse financing (CLNS OP share includes \$7 million of recourse debt) ⁽³⁾	1,186,715	985,017
c) Carrying value - equity method investments	312,136	135,166
d) Carrying value - real estate assets (REO within debt portfolio) and other ⁽⁴⁾	68,907	23,430
4) Special situations (see pg. 30 for details)		
a) Carrying value and market value of Colony Starwood Homes position		360,330
5) Real estate PE fund investments		
a) Carrying value		400,984
6) CRE securities		
a) Net carrying value		175,560
Investment Management		
AUM (\$ in millions)		40,705
Q1 2017 fee revenue and earnings of investments in unconsolidated ventures ⁽²⁾		60,385
Net Assets⁽⁶⁾		
Cash and cash equivalents, restricted cash and other assets	1,410,291	1,156,927
Accrued and other liabilities and dividends payable	978,812	814,858
Net assets	431,479	342,069

Notes:

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

(2) Represents financial data for the full 90 day first quarter of 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI/EBITDA, please refer to the Appendix of this presentation.

(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 \$4 million carrying value of real estate debt investments held in a CDO securitization and \$85 million carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

(6) Assets exclude \$10 million of deferred financing costs and liabilities excludes \$201 million 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, 2017

Assets	
Cash and cash equivalents	633,210
Restricted cash	316,288
Real estate assets, net	13,460,872
Loans receivable, net	4,039,995
Investments in unconsolidated ventures	1,561,640
Securities available for sale, at fair value	413,570
Goodwill	1,717,365
Deferred leasing costs and intangible assets, net	1,019,204
Assets held for sale	1,276,695
Other assets	420,143
Due from affiliates	50,749
Total assets	\$ 24,909,731
Liabilities	
Debt, net	10,249,548
Accrued and other liabilities	964,027
Intangible liabilities, net	228,623
Liabilities related to assets held for sale	77,141
Due to affiliates	39,878
Dividends payable	175,498
Total liabilities	11,734,715
Commitments and contingencies	
Redeemable noncontrolling interests	79,472
Equity	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,612,400 liquidation preference; 250,000 shares authorized; 64,496 shares issued and outstanding	1,604,651
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 557,404 shares issued and outstanding	5,574
Class B, 1,000 shares authorized; 770 shares issued and outstanding	8
Additional paid-in capital	7,994,460
Distributions in excess of earnings	(401,069)
Accumulated other comprehensive loss	(23,750)
Total stockholders' equity	9,179,874
Noncontrolling interests in investment entities	3,450,385
Noncontrolling interests in Operating Company	465,285
Total equity	13,095,544
Total liabilities, redeemable non-controlling interests and equity	\$ 24,909,731

I Ib. Financial Results - Noncontrolling Interests' Share Balance Sheet



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

As of March 31, 2017

Assets		As of March 31, 2017
Cash and cash equivalents	\$	116,731
Restricted cash		70,050
Real estate assets, net		3,777,337
Loans receivable, net		1,194,502
Investments in unconsolidated ventures		275,363
Securities available for sale, at fair value		-
Goodwill		1,530
Deferred leasing costs and intangible assets, net		184,189
Assets held for sale		281,060
Other assets		66,828
Due from affiliates		(258)
Total assets	\$	5,967,332
Liabilities		
Debt, net		2,186,178
Accrued and other liabilities		161,433
Intangible liabilities, net		71,390
Liabilities related to assets held for sale		15,953
Due to affiliates		2,521
Dividends payable		-
Total liabilities		2,437,475
Commitments and contingencies		-
Redeemable noncontrolling interests		79,472
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$1,612,400 liquidation preference; 250,000 shares authorized; 64,496 shares issued and outstanding		-
Common stock, \$0.01 par value per share		-
Class A, 949,000 shares authorized; 557,404 shares issued and outstanding		-
Class B, 1,000 shares authorized; 770 shares issued and outstanding		-
Additional paid-in capital		-
Distributions in excess of earnings		-
Accumulated other comprehensive loss		-
Total stockholders' equity		-
Noncontrolling interests in investment entities		3,450,385
Noncontrolling interests in Operating Company		-
Total equity		3,529,857
Total liabilities, redeemable non-controlling interests and equity	\$	5,967,332

Ilc. Financial Results - Consolidated Segment Operating Results



	Three Months Ended March 31, 2017						
	Healthcare	Industrial	Hospitality	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
<i>(\$ in thousands) (Unaudited)</i>							
Revenues							
Property operating income	\$ 137,431	\$ 56,679	\$ 175,670	\$ 57,074	\$ —	\$ —	\$ 426,854
Interest income	1,231	—	—	114,181	—	132	115,544
Fee income	—	—	—	40	53,210	—	53,250
Other income	151	363	43	3,791	6,430	739	11,517
Total revenues	138,813	57,042	175,713	175,086	59,640	871	607,165
Expenses							
Property operating expense	60,686	16,497	118,491	20,675	—	—	216,349
Interest expense	41,092	12,426	27,249	30,819	—	14,692	126,278
Investment, servicing and commission expense	2,820	101	1,737	4,306	2,247	596	11,807
Transaction costs	35	—	—	3,638	—	83,667	87,340
Depreciation and amortization	40,881	24,639	30,041	28,218	12,483	1,158	137,420
Provision for loan loss	—	—	—	6,724	—	—	6,724
Impairment loss	—	—	—	8,519	—	—	8,519
Compensation expense	1,450	2,237	1,303	3,708	24,142	58,978	91,818
Administrative expenses	337	1,221	394	3,404	3,415	17,143	25,914
Total expenses	147,301	57,121	179,215	110,011	42,287	176,234	712,169
Other income (loss)							
Gain on sale of real estate assets	—	—	—	8,970	—	—	8,970
Other gain (loss), net	1,464	—	(76)	(1,641)	(450)	26,084	25,381
Earnings of investments in unconsolidated ventures	—	—	—	108,837	5,155	—	113,992
Income (loss) before income taxes	(7,024)	(79)	(3,578)	181,241	22,058	(149,279)	43,339
Income tax benefit (expense)	(2,242)	598	(38)	(1,333)	(2,069)	1,375	(3,709)
Net income (loss) from continuing operations	(9,266)	519	(3,616)	179,908	19,989	(147,904)	39,630
Income (loss) from discontinued operations	—	—	—	—	—	12,560	12,560
Net income (loss)	(9,266)	519	(3,616)	179,908	19,989	(135,344)	52,190
Net income (loss) attributable to noncontrolling interests:							
Redeemable noncontrolling interests	\$ —	\$ —	\$ —	\$ —	\$ 617	\$ —	\$ 617
Investment entities	\$ (314)	\$ 585	\$ (441)	\$ 27,229	\$ —	\$ —	\$ 27,059
Operating Company	\$ (514)	\$ (4)	\$ (182)	\$ 8,767	\$ 1,112	\$ (10,262)	\$ (1,083)
Net income (loss) attributable to Colony NorthStar, Inc.	(8,438)	(62)	(2,993)	143,912	18,260	(125,082)	25,597
Preferred stock dividends	—	—	—	—	—	30,813	30,813
Net income (loss) attributable to common stockholders	\$ (8,438)	\$ (62)	\$ (2,993)	\$ 143,912	\$ 18,260	\$ (155,895)	\$ (5,216)

Ild. Financial Results - Noncontrolling Interests' Share Segment Operating Results



Three Months Ended March 31, 2017

(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
Revenues							
Property operating income	\$ 16,371	\$ 28,931	\$ 13,853	\$ 20,716	\$ -	\$ -	\$ 79,871
Interest income	182	-	-	35,709	-	-	35,891
Fee income	-	-	-	-	2,036	-	2,036
Other income	22	(357)	2	2,400	109	-	2,176
Total revenues	16,575	28,574	13,855	58,825	2,145	-	119,974
Expenses							
Property operating expense	6,740	8,405	9,433	9,683	-	-	34,261
Interest expense	5,184	6,302	2,287	7,346	-	-	21,119
Investment, servicing and commission expense	274	49	161	2,213	135	-	2,832
Transaction costs	-	-	-	1,109	-	-	1,109
Depreciation and amortization	4,806	12,478	2,495	8,740	340	-	28,859
Provision for loan loss	-	-	-	3,289	-	-	3,289
Impairment loss	-	-	-	5,683	-	-	5,683
Compensation expense	(1)	606	(1)	531	870	-	2,005
Administrative expenses	44	454	30	1,756	214	-	2,498
Total expenses	17,047	28,294	14,405	40,350	1,559	-	101,655
Other income (loss)							
Gain on sale of real estate assets	-	-	-	5,574	-	-	5,574
Other gain (loss), net	217	-	(12)	(750)	(1)	-	(546)
Earnings of investments in unconsolidated ventures	-	-	-	4,974	42	-	5,016
Income (loss) before income taxes	(255)	280	(562)	28,273	627	-	28,363
Income tax benefit (expense)	(59)	305	121	(1,044)	(10)	-	(687)
Net income (loss) from continuing operations	(314)	585	(441)	27,229	617	-	27,676
Income (loss) from discontinued operations	-	-	-	-	-	-	-
Net income (loss) attributable to noncontrolling interests	\$ (314)	\$ 585	\$ (441)	\$ 27,229	\$ 617	\$ -	\$ 27,676

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



	Three Months Ended March 31, 2017							Amounts attributable to noncontrolling interests	CLNS consolidated as reported
	OP pro rata share by segment								
(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total OP pro rata share		
Net income (loss) attributable to common stockholders	\$ (8,438)	\$ (62)	\$ (2,993)	\$ 143,912	\$ 18,260	\$ (155,895)	\$ (5,216)	\$ -	\$ (5,216)
Net income (loss) attributable to noncontrolling common interests in Operating Company	(514)	(4)	(182)	8,767	1,112	(10,262)	(1,083)	-	(1,083)
Net income (loss) attributable to common interests in Operating Company and common stockholders	(8,952)	(66)	(3,175)	152,679	19,372	(166,157)	(6,299)	-	(6,299)
Adjustments for FFO:									
Real estate depreciation and amortization	31,277	12,124	28,064	24,499	-	-	95,964	32,581	128,545
Impairment write-downs associated with depreciable real estate	-	-	-	2,827	-	-	2,827	5,686	8,513
(Gain) loss from sales of depreciable real estate	-	-	-	(3,529)	-	2,108	(1,421)	(5,572)	(6,993)
Less: Net income (loss) attributable to noncontrolling interests-Operating Company	-	-	-	-	-	-	-	(32,695)	(32,695)
FFO	\$ 22,325	\$ 12,058	\$ 24,889	\$ 176,476	\$ 19,372	\$ (164,049)	\$ 91,071	\$ -	\$ 91,071
Additional adjustments for Core FFO:									
Gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO ⁽¹⁾	-	-	-	(51,572)	-	-	(51,572)	(120)	(51,692)
Equity-based compensation expense ⁽²⁾	724	384	160	300	1,820	28,796	32,184	-	32,184
Straight-line rent revenue and straight-line rent expense on ground leases	(3,460)	(913)	(5)	(943)	-	-	(5,321)	(2,636)	(7,957)
Change in fair value of contingent consideration	-	-	-	-	-	(3,400)	(3,400)	-	(3,400)
Amortization of acquired above- and below-market lease values	(1,598)	82	(9)	1,134	-	-	(391)	(366)	(757)
Amortization of deferred financing costs and debt premiums and discounts	4,330	1,743	2,059	4,505	(26)	1,619	14,230	5,698	19,928
Unrealized fair value gains or losses and foreign currency remeasurements	(994)	-	76	332	(414)	(22,153)	(23,153)	(180)	(23,333)
Acquisition and merger-related transaction costs	29	-	-	2,529	-	83,666	86,224	1,116	87,340
Merger integration costs ⁽³⁾	-	-	-	-	-	19,455	19,455	-	19,455
Amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships	-	-	(235)	-	12,019	-	11,784	560	12,344
Non-real estate depreciation and amortization	-	37	450	-	1,296	-	1,783	59	1,842
Gain on remeasurement of consolidated investment entities and the effect of amortization thereof	-	-	-	2,867	-	-	2,867	5,782	8,649
Deferred tax effect on certain of the foregoing adjustments ⁽⁴⁾	-	-	-	-	(2,637)	-	(2,637)	1	(2,636)
Less: Adjustments attributable to noncontrolling interests in investment entities	-	-	-	-	-	-	-	(9,914)	(9,914)
Core FFO	\$ 21,356	\$ 13,391	\$ 27,385	\$ 135,628	\$ 31,430	\$ (56,066)	\$ 173,124	\$ -	\$ 173,124

Notes:

(1) Includes \$51.1 million of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony prior to its internalization of the manager.

(2) Includes \$26.0 million of replacement award amortization.

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

(4) Adjustment represents the deferred tax effect of amortization and impairment of investment management intangibles assumed in business combinations.

IIIa. Capitalization - Overview and Liquidity



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

	Consolidated amount	CLNS OP share of consolidated amount
Debt (UPB)		
\$1,000,000 Revolving credit facility	\$ -	\$ -
Convertible/exchangeable senior notes	631,860	631,860
Corporate aircraft promissory note	40,656	40,656
Trust Preferred Securities ("TruPS")	280,117	280,117
Investment-level debt:		
Healthcare	3,353,825	2,395,039
Industrial	674,585	288,004
Hospitality	2,628,432	2,455,088
Other Equity and Debt ⁽¹⁾	2,630,356	1,926,194
Total investment-level debt	9,287,198	7,064,325
Total debt	10,239,832	8,016,958
Perpetual preferred equity, redemption value		
Total perpetual preferred equity		1,612,390
Common equity as of May 5, 2017		
	Price per share	Shares / Units
Class A and B common stock and restricted stock units	\$ 13.15	552,151
OP units	13.15	32,868
Total market value of common equity		7,692,993
Total capitalization		\$ 17,322,341
Liquidity as of May 5, 2017		
Unrestricted cash		\$ 271,872
Undrawn revolving credit facility		924,000
Total potential liquidity		\$ 1,195,872

Notes:

(1) Excludes \$336 million principal balance of non-recourse CDO securitization debt.

IIIb. Capitalization - Investment-Level Debt Overview



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

Investment-level debt overview

	Type	Consolidated		CLNS OP share of consolidated amount	
		Unpaid principal balance	Unpaid principal balance	Wtd. avg. years remaining to maturity	Wtd. avg. interest rate
Healthcare	Non-recourse	\$ 3,353,825	\$ 2,395,039	3.7	4.8%
Industrial	Non-recourse	674,585	288,004	11.0	3.7%
Hospitality	Non-recourse	2,628,432	2,455,088	2.6	4.1%
Other Equity and Debt					
Net lease real estate equity	Non-recourse	550,447	549,798	8.0	4.0%
Other real estate equity	Non-recourse	893,194	391,379	3.0	3.3%
Real estate debt ⁽¹⁾	Non-recourse ⁽²⁾	1,186,715	985,017	9.8	3.3%
Total investment-level debt		\$ 9,287,198	\$ 7,064,325	4.8	4.2%

Notes:

(1) Excludes \$336 million principal balance of non-recourse CDO securitization debt.

(2) \$7 million is recourse debt.

IIIc. Capitalization - Revolving Credit Facility Overview



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

Revolving credit facility

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

Financial covenants as defined in the Credit Agreement:

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

Company status:

As of March 31, 2017, CLNS is meeting all required covenant threshold levels

III.d. Capitalization - Corporate Securities Overview



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

Convertible/exchangeable debt

Description	Outstanding principal	Final due date	Interest rate	Conversion price (per share of common stock)	Conversion ratio	Conversion shares	Redemption date
5.0% Convertible senior notes	\$ 200,000	April 15, 2023	5.00% fixed	\$ 15.76	63.4700	12,694	On or after April 22, 2020 ⁽¹⁾
3.875% Convertible senior notes	402,500	January 15, 2021	3.875% fixed	16.57	60.3431	24,288	On or after January 22, 2019 ⁽¹⁾
7.25% Exchangeable senior notes	12,955	June 15, 2027	7.25% fixed	21.95	45.5548	590	Redeemable
5.375% Exchangeable senior notes	16,405	June 15, 2033	5.375% fixed	12.04	83.0837	1,363	On or after June 15, 2020 ⁽¹⁾
Total convertible debt	\$ 631,860						

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 A 8.75% cumulative redeemable perpetual preferred stock	\$ 61,667	2,467	Callable
Series B 8.25% cumulative redeemable perpetual preferred stock	349,973	13,999	Callable
Series C 8.875% cumulative redeemable perpetual preferred stock	125,000	5,000	On or after October 11, 2017
Series D 8.5% cumulative redeemable perpetual preferred stock	200,000	8,000	On or after April 10, 2018
Series E 8.75% cumulative redeemable perpetual preferred stock	250,000	10,000	On or after May 15, 2019
Series F 8.5% cumulative redeemable perpetual preferred stock	252,000	10,080	Callable
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
Total preferred stock	\$ 1,612,390	64,496	

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, 2017)

Consolidated debt maturity and amortization schedule

	Payments due by period ⁽¹⁾					Total
	Q2-Q4 2017	2018	2019 ⁽²⁾	2020	2021 and after	
\$1,000,000 Revolving credit facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Convertible/exchangeable senior notes	-	-	-	-	631,860	631,860
Corporate aircraft promissory note	1,449	2,029	2,134	2,244	32,800	40,656
TruPS	-	-	-	-	280,117	280,117
Investment-level debt:						
Healthcare	280,871	10,074	2,236,752	61,550	764,577	3,353,825
Industrial	583	806	78,113	875	594,209	674,585
Hospitality	211,682	-	2,169,000	247,750	-	2,628,432
Other Equity and Debt ⁽³⁾	441,539	386,035	145,887	70,033	1,586,862	2,630,356
Total debt	\$ 936,125	\$ 398,944	\$ 4,631,886	\$ 382,452	\$ 3,890,425	\$ 10,239,832

Pro rata debt maturity and amortization schedule

	Payments due by period ⁽¹⁾					Total
	Q2-Q4 2017	2018	2019 ⁽²⁾	2020	2021 and after	
\$1,000,000 Revolving credit facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Convertible/exchangeable senior notes	-	-	-	-	631,860	631,860
Corporate aircraft promissory note	1,449	2,029	2,134	2,244	32,800	40,656
TruPS	-	-	-	-	280,117	280,117
Investment-level debt:						
Healthcare	196,041	7,525	1,574,471	46,005	570,997	2,395,039
Industrial	249	344	33,349	373	253,689	288,004
Hospitality	206,390	-	2,000,948	247,750	-	2,455,088
Other Equity and Debt ⁽³⁾	281,019	142,964	35,716	38,364	1,428,131	1,926,194
Total debt	\$ 685,148	\$ 152,862	\$ 3,646,618	\$ 334,737	\$ 3,197,594	\$ 8,016,958

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) Subsequent to the first quarter 2017, the Company executed commitment letters to refinance approximately \$1.6 billion of consolidated mortgage debt in the Hospitality Real Estate segment, extending the fully extended maturity dates from 2019 to 2022 at a moderately reduced interest rates.

(3) Excludes \$336 million principal balance of non-recourse CDO securitization debt.

IVa. Healthcare Real Estate - Summary Metrics and Operating Results



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

	Consolidated amount ⁽¹⁾	CLNS OP share of consolidated amount ⁽¹⁾
Net operating income		
Net operating income ⁽²⁾ :		
MOB's	\$ 13,700	\$ 9,766
Senior Housing - Operating	18,333	13,068
<i>Triple-Net Lease:</i>		
Senior Housing	13,503	9,625
Skilled Nursing Facilities	28,451	20,280
Hospitals	5,418	3,862
Total net operating income	\$ 79,405	\$ 56,601
Annualized net operating income	\$ 317,620	\$ 226,404

	Total number of buildings	Capacity	% Occupied	TTM Lease Coverage	WA Remaining Lease Term
MOB's	113	4.0 million sq. ft.	85.1%	N/A	5.1
Senior Housing - Operating	109	6,436 units	86.8%	N/A	N/A
<i>Triple-Net Lease:</i>					
Senior Housing	82	4,065 units	85.7%	1.5x	11.5
Skilled Nursing Facilities	107	12,794 beds	84.2%	1.4x	7.6
Hospitals	14	817 beds	60.9%	3.7x	12.0
Total/W.A healthcare	425		83.6%	1.7x	9.5

Same store financial/operating results related to the segment

	% Occupied ⁽³⁾		TTM Lease Coverage ⁽⁴⁾		NOI		
	Q1 2017	Q4 2016	12/31/2016	9/30/2016	Q1 2017	Q4 2016	% Change
MOB's	85.1%	85.8%	n/a	n/a	\$ 13,593	\$ 14,806	-8.2%
Senior Housing - Operating	86.8%	88.1%	n/a	n/a	18,333	18,291	0.2%
<i>Triple-Net Lease:</i>							
Senior Housing	85.7%	86.6%	1.5x	1.6x	13,503	14,034	-3.8%
Skilled Nursing Facilities	84.2%	84.2%	1.4x	1.4x	28,451	28,162	1.0%
Hospitals	60.9%	62.8%	3.7x	3.3x	5,418	5,125	5.7%
Total/W.A healthcare	83.6%	84.5%	1.7x	1.7x	\$ 79,298	\$ 80,418	-1.4%

Notes:

- (1) Represents NOI for the full 90 day first quarter of 2017. CLNS OP Share represents Consolidated NOI multiplied by the Company's interest as of March 31, 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the Appendix of this presentation.
- (2) Consolidated NOI includes \$1.4 million of interest earned related to \$85 million of healthcare real estate development loans related to the Company's healthcare real estate portfolio. This interest income is in the Interest Income line item on the Company's financial statements.
- (3) Occupancy % for Senior Housing - Operating represents average of the presented quarter, MOB's is as of last day in the quarter and for Triple-Net Lease represents average of the prior quarter. Occupancy represents real estate property operator's patient occupancy for all types except MOB.
- (4) Represents the ratio of EBITDAR to cash rent on a trailing twelve month basis.

IVb. Healthcare Real Estate - Portfolio Overview



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

Triple-Net Lease Coverage⁽¹⁾

December 31, 2016 TTM Lease Coverage	# of Leases	% of Total Portfolio December 31, 2016 TTM NOI				WA Remaining Lease Term
		Senior Housing	Skilled Nursing Facilities & Hospitals	% Total NOI		
Less than 0.99x	3	2%	6%	8%	5 yrs	
1.00x - 1.09x	2	1%	2%	3%	11 yrs	
1.10x - 1.19x	2	0%	6%	6%	9 yrs	
1.20x - 1.29x	2	2%	3%	5%	8 yrs	
1.30x - 1.39x	1	0%	5%	5%	12 yrs	
1.40x - 1.49x	2	0%	4%	4%	10 yrs	
1.50x and greater	6	8%	11%	19%	10 yrs	
Total / W.A.	18	13%	37%	50%	9 yrs	

Revenue Mix⁽²⁾

	December 31, 2016 TTM		
	Private Pay	Medicare	Medicaid
MOB's	100%	0%	0%
Senior Housing - Operating	85%	4%	11%
<i>Triple-Net Lease:</i>			
Senior Housing	64%	0%	36%
Skilled Nursing Facilities	21%	20%	58%
Hospitals	12%	37%	51%
W.A.	56%	11%	33%

Notes:

(1) Represents the ratio of EBITDAR to cash rent on a trailing twelve month basis. Represents leases with EBITDAR coverage in each listed range. Excludes interest income associated with triple-net lease senior housing and hospital types. Caring Homes (U.K.) lease (EBITDAR) coverage includes additional collateral provided by the operator.

(2) Revenue mix represents percentage of revenues derived from private, Medicare and Medicaid payor sources. The payor source percentages for the hospital category excludes two operating partners, whom do not track or report payor source data and totals approximately one-third of NOI in the hospital category. Overall percentages are weighted by NOI exposure in each category.

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



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

Top 10 Geographic Locations by NOI

	Number of buildings	NOI
Illinois	39	\$ 8,777
UK	43	8,384
Florida	27	7,222
Indiana	55	7,186
Oregon	31	5,016
California	18	4,839
Texas	32	4,834
Ohio	35	4,826
Pennsylvania	11	4,705
Georgia	22	4,657
Total	313	\$ 60,446

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	\$ 15,273	88.5%	n/a	n/a
Caring Homes (U.K.) ⁽¹⁾	Sr. Housing / NNN	43	7,353	90.4%	1.8x	14 yrs
Mid-Atlantic Healthcare	SNF / NNN	11	4,721	90.0%	1.3x	12 yrs
Wellington Healthcare	SNF / NNN	11	4,354	90.1%	1.1x	10 yrs
Frontier	Sr. Housing / RIDEA/NNN	20	3,962	86.0%	n/a	n/a
Miller	SNF / NNN	28	3,776	72.7%	2.1x	0 yrs
Symphony / NuCare	SNF / NNN	9	3,426	76.6%	0.8x	5 yrs
Consulate	SNF / NNN	10	2,846	94.2%	1.4x	11 yrs
Opis	SNF / NNN	11	2,741	90.3%	1.3x	7 yrs
Grace	SNF / NNN	9	2,555	84.7%	0.9x	4 yrs
Total		234	\$ 51,007			

Notes:

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

Va. Industrial Real Estate - Summary Metrics and Operating Results



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

	Consolidated amount	CLNS OP share of consolidated amount
Net operating income		
Net operating income ⁽¹⁾	\$ 38,197	\$ 16,440
Annualized net operating income	\$ 152,789	\$ 65,760

Portfolio Overview

Total number of buildings	353
Rentable square feet	39,029
% leased at end of period	95.9%
Average remaining lease term	4 years

Same store financial/operating results related to the segment

	Q1 2017	Q4 2016	% Change
Same store number of buildings	334	334	0.0%
% leased at end of period	95.8%	95.8%	0.1%
Revenues	\$ 51,501	\$ 49,743	3.5%
NOI	\$ 35,471	\$ 35,383	0.2%

Notes:

(1) Represents NOI for the full 90 day first quarter of 2017. CLNS OP Share represents Consolidated NOI multiplied by the Company's interest as of March 31, 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the Appendix of this presentation.

Vb. Industrial Real Estate - Portfolio Overview



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

<i>Top 10 Geographic Locations by NOI</i>	Number of buildings	Rentable square feet (in thousands)	NOI	% leased at end of period
Atlanta	82	8,105	\$ 7,616	96.4%
Dallas	70	7,191	7,093	98.2%
Chicago	34	3,972	3,534	93.9%
New Jersey, South / Philadelphia	30	3,328	3,108	93.8%
Orlando	18	3,032	2,924	97.0%
Minneapolis	18	2,814	2,883	95.6%
Phoenix	18	1,705	1,964	97.6%
Houston	21	1,713	1,642	90.7%
Kansas City	9	1,664	1,423	97.9%
Salt Lake City	16	1,269	1,369	99.8%
Total / W.A.	316	34,793	\$ 33,556	96.2%

Top 10 Tenant Base by Industry

Industry	Total Leased Square Feet (in thousands)	% of total
Warehousing & Transportation	14,217	38.0%
Manufacturing	6,340	16.9%
Wholesale Trade	4,486	12.0%
Professional, Scientific, and Technical Services	3,979	10.6%
Health & Science	2,796	7.5%
Construction & Contractors	2,512	6.7%
Retail Trade	1,261	3.4%
Entertainment & Recreation	1,058	2.8%
Media & Information	665	1.8%
Public Administration & Government	113	0.3%
Total	37,427	100.0%

Vla. Hospitality Real Estate - Summary Metrics and Operating Results



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

	Consolidated amount ⁽¹⁾	CLNS OP share of consolidated amount ⁽¹⁾
EBITDA		
EBITDA ⁽²⁾ :		
Select Service	\$ 34,219	\$ 32,253
Extended Stay	24,146	22,759
Full Service	2,816	2,654
Total EBITDA	\$ 61,181	\$ 57,666
Annualized EBITDA ⁽³⁾	\$ 274,686	\$ 258,906

Portfolio overview by type

	Number of hotels	Number of rooms	Avg. qtr. % occupancy	Avg. daily rate (ADR)	RevPAR	Q1 2017 EBITDA ⁽¹⁾⁽²⁾	EBITDA margin
Select Service	97	13,193	67.6%	\$ 123	\$ 83	\$ 34,219	32.0%
Extended Stay	66	7,936	73.4%	130	96	24,146	35.0%
Full Service	4	962	67.3%	167	112	2,816	18.0%
Total / W.A.	167	22,091	69.7%	\$ 128	\$ 89	\$ 61,181	32.1%

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

Brand	Avg. qtr. % occupancy		Avg. daily rate (ADR)		RevPAR		Q1 2017 EBITDA ⁽¹⁾⁽²⁾		% Change
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	
Marriott	68.8%	69.3%	\$ 129	\$ 128	\$ 89	\$ 89	\$ 48,229	\$ 50,644	-4.8%
Hilton	72.8%	70.9%	123	120	90	85	9,679	8,863	9.2%
Other	72.5%	72.5%	129	131	93	95	3,273	3,798	-13.8%
Total / W.A.	69.7%	69.7%	\$ 128	\$ 127	\$ 89	\$ 89	\$ 61,181	\$ 63,305	-3.4%

Notes:

(1) Represents EBITDA for the full 90 day first quarter of 2017. CLNS OP Share represents Consolidated EBITDA multiplied by the Company's interest as of March 31, 2017. For a reconciliation of net income/(loss) attributable to common stockholders to EBITDA please refer to the Appendix of this presentation.

(2) Q1 2017 Consolidated EBITDA excludes FF&E reserve amounts of \$8.5 million.

(3) Annualized EBITDA is calculated using the pro rata percentage of historical Q1 2016 EBITDA relative to historical full year 2016 EBITDA to account for seasonality.

Vlb. Hospitality Real Estate - Portfolio Overview



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

<i>Top 10 Geographic Locations by EBITDA</i>	Number of hotels	Number of rooms	Number of rooms-select service	Number of rooms-extended stay	Number of rooms-full service	EBITDA
California	18	2,254	1,243	1,011	-	\$ 11,575
Florida	12	2,060	1,186	291	583	11,623
Texas	28	3,230	1,952	1,278	-	6,645
New Jersey	12	1,884	718	942	224	3,206
New York	8	1,010	710	300	-	1,522
North Carolina	7	981	831	150	-	2,773
Washington	5	664	160	504	-	2,822
Virginia	11	1,473	1,210	263	-	2,461
Michigan	6	809	601	208	-	2,295
Georgia	7	974	694	280	-	2,684
Total / W.A.	114	15,339	9,305	5,227	807	\$ 47,606

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



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

	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNS OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			NOI	NOI		
Net Lease Real Estate Equity						
U.S.:						
Office	8	1,716	\$ 6,094	\$ 6,076	94.7%	4.3
Retail	10	468	1,205	1,205	100.0%	6.8
Industrial	3	1,140	587	587	100.0%	12.3
Education	1	82	382	382	100.0%	10.2
Europe:						
Office	29	1,478	5,153	5,153	100.0%	12.8
Education	20	304	2,954	2,954	100.0%	17.8
Total / weighted average	71	5,188	\$ 16,376	\$ 16,358	98.3%	9.6

	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNS OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			Undepreciated carrying value	Undepreciated carrying value		
Other Real Estate Equity						
U.S.:						
Office	14	1,480	\$ 262,337	\$ 228,034	78.5%	3.5
Multifamily	1	N/A	59,752	53,822	96.7%	N/A
Hotel	5	N/A	29,801	9,805	59.4%	N/A
Europe:						
Industrial	38	2,795	151,833	68,832	100.0%	7.0
Office	37	973	141,668	65,464	73.0%	10.1
Mixed / Retail	274	8,620	1,083,991	318,101	70.9%	7.4
Total / weighted average	369	13,867	\$ 1,729,382	\$ 744,057	77.7%	7.1

Unconsolidated joint ventures (Net Lease & Other RE Equity)	339,097	291,085
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VIIb. Other Equity and Debt - Real Estate Debt



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

Portfolio Overview ⁽¹⁾

	Consolidated amount	CLNS OP share of consolidated amount
Non-PCI loans		
Loans receivables held for investment, net	\$ 3,277,168	\$ 2,386,913
Loans receivables held for sale, net	93,270	93,270
Non-recourse investment-level financing (UPB)	970,714	912,574
Carrying value - equity method investments	308,787	131,818
PCI loans		
Loans receivables held for investment, net	674,275	395,584
Non-recourse investment-level financing (UPB)	63,807	22,200
Carrying value - equity method investments	3,349	3,349
Other		
Carrying value - real estate assets (REO)	68,907	23,430
Warehouse facility (UPB)	27,860	27,860
Subscription line (UPB)	124,334	22,384
Total Portfolio		
Loans receivables held for investment, net	3,951,443	2,782,497
Loans receivables held for sale, net	93,270	93,270
Carrying value - equity method investments	312,136	135,166
Carrying value - real estate assets (REO)	68,907	23,430
Non-recourse investment-level financing (UPB)	1,034,521	934,774
Warehouse facility (UPB)	27,860	27,860
Subscription Line (UPB)	124,334	22,384
Total debt (UPB)	1,186,715	985,017

Notes:

(1) Excludes \$4 million carrying value of real estate debt investments held in a CDO securitization and \$85 million carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

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



(\$ in thousands; as of or for the three months ended March 31, 2017, unless otherwise noted)
 Loans receivable held for investment by loan type⁽¹⁾

	Consolidated amount		CLNS OP share of consolidated amount	
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI loans				
<i>Fixed rate</i>				
First mortgage loans	\$ 830,086	\$ 475,943	5.4%	2.2
Securitized mortgage loans	65,881	65,881	5.8%	13.4
Second mortgage loans / B-notes	282,679	193,837	10.4%	4.6
Mezzanine loans	319,756	158,452	11.3%	2.4
Corporate	60,155	60,155	12.4%	10.0
Total fixed rate non-PCI loans	1,558,555	954,267	7.9%	4.0
<i>Variable rate</i>				
First mortgage loans	520,722	421,406	9.0%	0.9
Securitized mortgage loans	706,869	694,812	6.3%	3.1
Second mortgage loans / B-notes	146,855	126,728	6.5%	5.3
Mezzanine loans	347,698	192,688	11.5%	0.4
Total variable rate non-PCI loans	1,722,143	1,435,635	7.8%	2.3
Total non-PCI loans	3,280,698	2,389,903		
Allowance for loan losses	(3,531)	(2,989)		
Total non-PCI loans, net of allowance for loan losses	3,277,168	2,386,913		
PCI loans				
First mortgage loans	730,807	404,688		
Securitized mortgage loans	5,739	5,739		
Mezzanine loans	3,671	3,671		
Total PCI loans	740,217	414,098		
Allowance for loan losses	(65,943)	(18,515)		
Total PCI loans, net of allowance for loan losses	674,275	395,584		
Total loans receivable, net of allowance for loan losses	\$ 3,951,443	\$ 2,782,497		

Notes:

(1) Excludes \$4 million carrying value of real estate debt investments held in a CDO securitization and \$85 million carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

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



(\$ in thousands; as of or for the three months ended March 31, 2017, unless otherwise noted)
Loans receivable held for investment by collateral type⁽¹⁾

	Consolidated amount		CLNS OP share of consolidated amount	
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI Loans				
Hospitality	\$ 989,144	\$ 618,443	9.7%	2.5
Office	713,010	570,335	6.0%	1.1
Retail	553,277	419,505	7.5%	1.3
Multifamily	490,381	452,698	6.2%	7.8
Other	237,814	147,617	8.7%	0.8
Land	169,528	84,764	11.1%	1.6
Residential	60,548	30,274	13.3%	0.6
Corporate	54,058	54,058	11.6%	11.1
Industrial	9,407	9,219	13.6%	0.9
Total non-PCI loans, net of allowance for loan losses	3,277,168	2,386,913	7.8%	3.0
PCI Loans				
Retail	145,031	88,114		
Multifamily	133,096	48,858		
Office	121,291	99,606		
Hospitality	90,513	60,636		
Industrial	71,332	41,613		
Other	48,805	17,313		
Land	41,426	30,518		
Residential	22,683	8,847		
Healthcare	98	80		
Total PCI loans, net of allowance for loan losses	674,275	395,584		
Total loans receivable, net of allowance for loan losses	\$ 3,951,443	\$ 2,782,497		

Notes:

(1) Excludes \$4 million carrying value of real estate debt investments held in a CDO securitization and \$85 million carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

VIIIc. Other Equity and Debt - Special Situations



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

Colony Starwood Homes (NYSE: SFR)

	Consolidated amount	CLNS OP share of consolidated amount amount
CLNS OP interest in SFR as of May 5, 2017	6.3%	6.3%
SFR shares beneficially owned by OP and common stockholders	7.5 million	7.5 million
SFR share price as of May 5, 2017	\$ 33.87	\$ 33.87
Total market value of shares	255,243	255,243

Colony American Finance ("CAF")

Carrying value	55,285	55,285
CLNS OP interest in CAF as of May 5, 2017	17.4%	17.4%

Albertsons

Carrying value	99,604	49,802
Number of post-IPO shares in Albertsons pursuant to preliminary prospectus dated October 2, 2015		8.45 million
CLNS OP % ownership interest in post-IPO AB Acquisition LLC based on preliminary prospectus dated October 2, 2015		2.17%

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



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

Operating Results

Q1 2017 income ⁽¹⁾	\$	12,331
Return of capital		15,785
Total distributions		28,116
Contributions		73
Net	\$	28,043
Carrying value	\$	400,984
Weighted average remaining term as of March 31, 2017		1.1 yrs

Portfolio Overview⁽²⁾

Number of funds	102
Number of general partners ⁽³⁾	66
Underlying assets, at cost	\$ 22,554,700
Implied leverage ⁽⁴⁾	44%
Expected remaining future capital contributions ⁽⁵⁾	\$ 3,728

Investment by Types⁽²⁾⁽⁶⁾

Type	%
Office	19%
Land	16%
Multifamily	13%
Cash	12%
Lodging	12%
Other	8%
Retail	7%
Residential/Condo	5%
Debt	3%
Financial Services	3%
Healthcare	1%
Industrial	1%
Total	100%

Investment by Geography⁽²⁾⁽⁶⁾

Location	%
West	20%
Northeast	19%
Primarily Various U.S.	16%
Cash	12%
Southeast	9%
Midwest	8%
Mid-Atlantic	7%
Asia	5%
Europe	4%
Total	100%

Notes:

- (1) Represents income for the full 90 day first quarter of 2017.
- (2) Amounts presented exclude an immaterial economic interest retained in a real estate private equity fund portfolio which NRF sold in the fourth quarter 2015.
- (3) Includes 12 funds and 16 general partners held across multiple PE Investments.
- (4) Represents implied leverage for funds with investment-level financing, calculated as debt divided by assets at fair value.
- (5) Represents the estimated amount of expected future capital contributions to funds as of December 31, 2016.
- (6) Represents the underlying fund interests in PE Investments by investment type and geographic location based on NAV as of March 31, 2017.

VIIe. Other Equity and Debt - CRE Securities



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

Portfolio Overview

Owned Bonds and Equity of Deconsolidated CDO's	Principal amount	Carrying Value
Total owned deconsolidated CDO bonds	\$ 367,022	\$ 87,560
Total owned deconsolidated CDO equity		16,872
Consolidated CDO's	Principal amount	Carrying Value
Total consolidated CDO investments	715,244	287,287
Total consolidated non-recourse CDO financing	336,119	237,855
Net book value - consolidated CDOs	379,124	49,432
CMBS	Principal amount	Carrying Value
	98,291	21,696
Income		
Q1 2017 aggregate income ⁽¹⁾		15,975

Notes:

(1) Represents income for the full 90 day first quarter of 2017.

VIIIa. Investment Management - Summary Metrics



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

Overview

Segment	Q1 2017 Fee Revenue - CLNS OP Share
Institutional funds	\$ 14,787
Retail companies ⁽¹⁾	24,506
NorthStar Realty Europe (NYSE:NRE) ⁽¹⁾	3,500
Townsend ⁽¹⁾	11,785
Pro rata corporate investments (earnings of investments in unconsolidated ventures) ⁽¹⁾	5,806
Total fee revenue	60,385
(Less): Pre-merger fee revenue	(4,613)
Total Q1 2017 reported fee revenue and earnings of investments in unconsolidated ventures	\$ 55,772

Operating Results

Revenues

Total fee revenue and earnings of investments in unconsolidated ventures	\$ 55,772
Other income and commission income	6,836

Expenses

Investment, servicing and commission expenses	2,112
Depreciation and amortization	12,143
Compensation expense	23,272
Administrative expenses	3,201
Total expenses	40,728
Other loss, net	(449)
Income tax expense	(2,059)
Net income attributable to common interests in OP and common stockholders	19,372
Equity-based compensation expense	1,820
Unrealized fair value gains or losses and foreign currency remeasurements	(414)
Amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships	12,019
Non-real estate depreciation and amortization	1,296
Amortization of deferred financing costs and debt premiums and discounts	(26)
Deferred tax effect on certain of the foregoing adjustments	(2,637)
Core FFO	\$ 31,430

Notes:

(1) Represents fee revenue for the full 90 day first quarter of 2017.

VIIIb. Investment Management – Assets Under Management



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

Segment	Products	Description	AUM CLNS OP Share
Institutional Funds	<ul style="list-style-type: none"> • Credit (\$3.8 billion) • Core plus / value-added (\$1.8 billion) • Opportunistic (\$1.9 billion) • Colony Industrial (\$1.4 billion) • Other co-investment vehicles (\$1.3 billion) 	<ul style="list-style-type: none"> • 26 years of institutional investment management experience • Sponsorship of private equity funds and vehicles earning asset management fees and performance fees • More than 300 investor relationships • \$10 billion of private equity capital raised since the beginning of 2008; \$25 billion of private equity capital raised since inception 	\$ 10,201
Retail Companies	<ul style="list-style-type: none"> • NorthStar Income I (\$1.6 billion) • NorthStar Healthcare (\$3.6 billion) • NorthStar Income II (\$1.8 billion) • NorthStar/RXR NY Metro Real Estate • NorthStar Real Estate Capital Income Fund • NorthStar/Townsend Institutional Real Estate Fund ⁽¹⁾ 	<ul style="list-style-type: none"> • Wholly-owned broker-deal subsidiary engaged as dealer-manager for all retail product offerings • Over \$4 billion of capital raised to date with over \$5 billion of current effective products • Manage public non-traded vehicles earning asset management, performance, acquisition and disposition fees 	7,018
Public Company	<ul style="list-style-type: none"> • NorthStar Realty Europe Corp. 	<ul style="list-style-type: none"> • Manage NYSE-listed European equity REIT • Earns base management fee with potential for incentive fees 	1,975
Townsend	<ul style="list-style-type: none"> • Segregated Mandates • Commingled Funds • Advisory Services 	<ul style="list-style-type: none"> • 84% investment in The Townsend Group • Manage custom portfolios and fund-of-funds primary invested in direct real estate funds • Source co-investments and joint ventures alongside GPs • Fees comprised of recurring investment management fees, recurring advisory fees, and performance fees 	14,507
Pro Rata Corporate Investments	<ul style="list-style-type: none"> • RXR Realty • American Healthcare Investors • Steelwave • Hamburg Trust 	<ul style="list-style-type: none"> • CLNS recognizes at-share earnings from underlying pro rata corporate investments • 27% investment in RXR Realty, a real estate owner, developer and investment management company with over \$12 billion of AUM • 43% investment in American Healthcare Investors, a healthcare investment management firm and sponsor of non-traded vehicles with \$2.5 billion of AUM 	7,004
Total			\$ 40,705

Notes:

(1) NorthStar/Townsend Institutional Real Estate Fund Inc. filed a registration statement on Form N-2 to the SEC in October 2016, which as of May 5, 2017, is not yet effective.

VIIIc. Investment Management - Retail Companies



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

	NorthStar Income	NorthStar Healthcare	NorthStar Income II	NorthStar/RXR NY Metro Real Estate ⁽¹⁾	NorthStar Real Estate Capital Income Fund	Total
Capital Raising Status	Completed July 2013	Completed January 2016	Completed November 2016	Active	Active	
Primary Strategy	CRE Debt	Healthcare Equity and Debt	CRE Debt	NY Metro Area CRE Equity and Debt	CRE Debt	
Offering Size	\$1.2 billion ⁽²⁾	\$2.1 billion ⁽²⁾	\$1.65 billion ⁽²⁾	\$2.0 billion ⁽²⁾	\$3.2 billion ⁽²⁾	\$10.15 billion
Capital Raised						
During Q1 2017	\$ 9,354	\$ 16,701	\$ 8,715	\$ 5,200	-	\$ 39,970
Year-to-date through 5-5-17	15,186	27,956	14,580	8,507	2,200	68,429
Inception to 5-5-17	1,262,555	1,897,297	1,154,041	21,916	2,200	4,338,009
Investments⁽³⁾						
During Q1 2017	33,450	118,865	150,184	-	-	302,499
As of 3-31-17	1,603,010	3,414,511	1,839,058	11,030	-	6,867,609
Cash as of 3-31-17	147,594	160,399	61,083	10,200	1,435	380,711
Fees earned during Q1 2017⁽⁴⁾						
Asset management fees	4,695	8,267	5,284	15	5	18,267
Acquisition fees	120	3,188	1,446	-	-	4,754
Disposition fees	776	-	709	-	-	1,485
Total fees	\$ 5,591	\$ 11,456	\$ 7,439	\$ 15	\$ 5	\$ 24,506

Notes:

(1) Fees earned are split 50/50 with partner.

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

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

(4) Represents fee revenue for the full 90 day first quarter of 2017.



APPENDICES

IXa. Appendices - Definitions



Assets Under Management ("AUM")

Refers to assets which the Company and its affiliates provides investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is generally based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at March 31, 2017, while retail companies and NorthStar Realty Europe are presented as of May 5, 2017. AUM further includes a) uncalled capital commitments and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share assets of each affiliate as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

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

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

ADR: Average Daily Rate

RevPAR: Revenue per Available Room

UPB: Unpaid Principal Balance

PCI: Purchased Credit-Impaired

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



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

<i>NOI and EBITDA Determined as Follows</i>				Other Equity and
	Healthcare	Industrial	Hospitality	Debt—Net Lease Properties
Total revenues	\$ 138,813	\$ 57,042	\$ 175,713	\$ 20,001
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(6,999)	(1,663)	(14)	(482)
Property operating expenses ⁽¹⁾	(60,686)	(16,497)	(118,491)	(3,143)
Transaction, investment and servicing costs	—	(101)	—	—
Compensation expense ⁽¹⁾	—	(583)	—	—
NOI or EBITDA	\$ 71,128	\$ 38,198	\$ 57,208	\$ 16,376

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

	Healthcare	Industrial	Hospitality
Net income (loss) from continuing operations	\$ (9,266)	\$ 519	\$ (3,616)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(6,999)	(1,663)	(14)
Interest expense	41,092	12,426	27,249
Transaction, investment and servicing costs	2,123	—	1,737
Depreciation and amortization	40,881	24,639	30,041
Compensation and administrative expense	2,519	2,875	1,697
Other (gain) loss, net	(1,464)	—	76
Income tax (benefit) expense	2,242	(598)	38
NOI or EBITDA	\$ 71,128	\$ 38,198	\$ 57,208
NOI or EBITDA - January 1, 2017 to January 10, 2017	8,277	—	3,973
Full Q1 2017 NOI or EBITDA	\$ 79,405	\$ 38,198	\$ 61,181

Notes:

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

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



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

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

	Other Equity and Debt
Net income from continuing operations	\$ 179,908
Adjustments:	
Property operating income of other real estate equity	(37,073)
Straight-line rent revenue and amortization of above- and below-market lease intangibles for net lease real estate equity	(482)
Interest income	(114,181)
Fee and other income	(3,831)
Property operating expense of other real estate equity	17,532
Interest expense	30,819
Transaction, investment and servicing costs	7,944
Depreciation and amortization	28,218
Provision for loan loss	6,724
Impairment loss	8,519
Compensation and administrative expense	7,112
Gain on sale of real estate assets	(8,970)
Other loss, net	1,641
Earnings of investments in unconsolidated ventures	(108,837)
Income tax expense	1,333
NOI of net lease real estate equity	\$ 16,376

