

**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): August 9, 2019

COLONY CAPITAL, 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) (Zip Code)

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

N/A
(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-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

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 August 9, 2019, Colony Capital, Inc. (the "Company") issued a press release announcing its financial position as of June 30, 2019 and its financial results for the quarter ended June 30, 2019. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On August 9, 2019, the Company made available a Corporate Overview and Supplemental Financial Disclosure Presentation for the quarter ended June 30, 2019 on the Company's website at www.clny.com. A copy of the Corporate Overview and Supplemental Financial Disclosure Presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

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

Use of Website to Distribute Material Company Information

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

Item 9.01 Financial Statements and Exhibits.

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

Exhibit No.	Description
<u>99.1</u>	Press Release dated August 9, 2019
<u>99.2</u>	Corporate Overview and Supplemental Financial Disclosure Presentation for the quarter ended June 30, 2019

SIGNATURES

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

Date: August 9, 2019

COLONY CAPITAL, INC.

By: _____ /s/ Mark M. Hedstrom
Mark M. Hedstrom
Chief Financial Officer, Chief Operating Officer and Treasurer

COLONY CAPITAL ANNOUNCES SECOND QUARTER 2019 FINANCIAL RESULTS AND STRATEGIC ASSET REVIEW UPDATE

Los Angeles, CA, August 9, 2019 - Colony Capital, Inc. (NYSE:CLNY) and subsidiaries (collectively, "Colony Capital," or the "Company") today announced its financial results for the second quarter ended June 30, 2019 and the Company's Board of Directors declared a third quarter 2019 cash dividend of \$0.11 per share to holders of Class A and Class B common stock.

Second Quarter 2019 Financial Results and Highlights

- Second quarter 2019 U.S. GAAP net loss attributable to common stockholders was \$(468.9) million, or \$(0.98) per share and Core FFO was \$57.1 million, or \$0.11 per share; and for the six months ended June 30, 2019, U.S. GAAP net loss attributable to common stockholders was \$(571.0) million, or \$(1.19) per share and Core FFO was \$104.8 million, or \$0.20 per share
 - U.S. GAAP net loss included impairments and provision for loan losses totaling \$353.1 million for the Company's share, including: (i) a \$227.9 million noncash write-down of the carrying value of the Company's 48 million shares of Colony Credit Real Estate, Inc. (NYSE:CLNC) to a value based on CLNC's closing stock price of \$15.50 on June 28, 2019, the last trading day of the second quarter, required under generally accepted accounting principles as a result of the prolonged period of time in which the carrying value of the Company's CLNC shares has exceeded CLNC share trading prices; (ii) \$47.0 million for the Company's share of impairments and provision for loan losses incurred by CLNC; and (iii) \$78.2 million of impairments and provision for loan losses in other segments
- Excluding net investment losses of \$17.2 million primarily related to investments in Other Equity and Debt and CLNC, Core FFO was \$74.3 million, or \$0.14 per share; and for the six months ended June 30, 2019, excluding net investment losses of \$44.9 million, Core FFO was \$149.7 million, or \$0.29 per share
- The Company's Board of Directors declared and paid a second quarter 2019 dividend of \$0.11 per share to holders of Class A and B common stock
- Completed the planned sales and/or monetization of \$189 million of assets within the Other Equity and Debt segment resulting in net equity proceeds of \$166 million; and for the six months ended June 30, 2019, \$379 million of assets within the Other Equity and Debt segment were sold or monetized resulting in net equity proceeds of \$259 million
- Refinanced \$1.725 billion in healthcare debt, which was scheduled to mature in December 2019, through an equity contribution by the Company of \$175 million for its share; upon receipt of proceeds from certain assets that were previously encumbered by this loan and are under contract to be sold, the Company's equity contribution is expected to decrease to approximately \$90 million
 - This refinancing, along with previously completed refinancing transactions earlier this year, addresses four of the six healthcare loans maturing in 2019, or 87% of consolidated outstanding principal balances; the remaining two healthcare loans are expected to be refinanced or otherwise resolved by year-end
- Completed the acquisition of Abraaj Group's private equity platform in Latin America, which has been renamed Colony Latam Partners and manages approximately \$574 million of AUM
- Digital Colony entered into a definitive agreement to acquire Zayo Group Holdings, Inc., a leading provider of communications infrastructure services, for \$14.3 billion with a co-sponsor and the transaction has received shareholder approval; separately Digital Colony completed the acquisition of Cogeco Peer 1, a leading Canadian provider of colocation, network connectivity and managed services through its substantial fiber and data center assets, for C\$720 million
- As part of our ongoing strategic review, described in more detail herein, the Company engaged advisors to market its light industrial portfolio consisting of approximately 450 properties and approximately 60 million square feet of space; the Company expects to generate a significant gain given the current strength in the industrial investment sales market; assets and liabilities of the Industrial segment are presented as held for sale on the balance sheet, and all revenues, costs and expenses are combined on the income statement under the category of discontinued operations
- Opened a Singapore office as another base for future capital raising in Asia
- Subsequent to the second quarter 2019:
 - Acquired Digital Bridge Holdings, LLC ("DBH"), the premier investment manager dedicated to the next generation of mobile and internet connectivity, for \$325 million as part of the Company's strategic initiative to become the leading platform for digital infrastructure and real estate, while also paving the way for leadership succession plans in which Marc C. Ganzi, a founder and Chief Executive Officer of Digital Bridge, and a Managing Partner and an Investment Committee Member of

Digital Colony, will become the CEO of the Company, following a transition period ending no sooner than December 31, 2020, succeeding Thomas J. Barrack, Jr., who will then return to the sole position of Executive Chairman

- NorthStar Realty Europe Corp. (NYSE:NRE) entered into a definitive agreement to be acquired for an estimated \$17.03 per share, which will result in the sale of the Company's 11% equity interest in NRE, together with the termination of the Company's management agreement with NRE for consideration of \$70 million, inclusive of incentive fees paid and due to the Company
- Held the first closing of its fifth global real estate credit fund (the "Global Credit Fund") with total capital commitments of \$428 million, inclusive of capital commitments of \$121 million from certain subsidiaries of the Company, which may decrease to no less than 5% of total commitments from total third party commitments to the Global Credit Fund
- Formed a strategic joint venture with California Resources Corporation (NYSE: CRC) through the Company's energy investment management arm Colony HB2 Energy, which committed to fund \$320 million for the development of CRC's flagship Elk Hills field; a substantial portion of this investment is expected to be syndicated to third-party investors
- Achieved approximately two-thirds of the expected total \$50 to \$55 million (\$45 to \$50 million on a cash basis) of the previously announced annual compensation and administrative cost savings on a run rate basis through various initiatives including the reduction of more than 10% of the Company's headcount since the date the restructuring was announced
- As of August 6, 2019, the Company had approximately \$390 million of liquidity through availability under its revolving credit facility and cash-on-hand

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

Strategic Asset Review Update

As part of a comprehensive review undertaken by management together with our Strategic Asset Review Committee and an independent advisor, which was unanimously supported by the Company's Board of Directors, the Company has undertaken certain strategic initiatives intended to build on core investment management competencies while focusing on high-growth businesses. A key component of this strategic evolution was the Company's recent acquisition of DBH, a leading investment manager of digital infrastructure investments dedicated to the next generation of mobile and internet connectivity, which also addresses CEO succession plans. These previously announced and/or completed initiatives also include the anticipated termination of the Company's management agreement with NRE in connection with the pending sale of the company, a corporate restructuring and reorganization plan that is on track with its cost savings objectives, the stabilization of the healthcare portfolio's capital structure, the acquisition of a high growth Latin American private equity platform, and the formation of investment management platforms addressing innovative energy investments and a data-driven REIT public securities platform.

Additionally, the Company has engaged advisors to market the Company's multi-billion dollar industrial portfolio for sale, which may include the related management platform. There has been significant appreciation in the value of our industrial portfolio driven by favorable operating fundamentals and strong investor demand for light industrial assets. As a result, a sale of the industrial portfolio may yield a price higher than the value that may be ascribed by the market to the industrial portfolio as part of the Company's overall valuation. The Company is seeking to complete a sale by the end of 2019, however, no assurances can be made that a sale can be completed within the timeframe contemplated, or at all. In addition, the Company continues to monetize non-strategic Other Equity and Debt investments and other non-core assets to generate liquidity and simplify the business. With these anticipated proceeds, the Company may redeploy a portion of the proceeds into higher total return strategies (e.g. digital infrastructure, emerging markets and energy) and may further consider the reduction of corporate leverage.

Second Quarter 2019 Operating Results and Investment Activity by Segment

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

Healthcare Real Estate

As of June 30, 2019, the consolidated healthcare portfolio consisted of 413 properties: 192 senior housing properties, 108 medical office properties, 99 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of June 30, 2019. The healthcare portfolio earns rental income from our senior housing, skilled nursing facilities and hospital assets that are under net leases to single tenants/operators and from medical office buildings which are both single tenant and multi-tenant. In addition, we also earn resident fee income from senior housing properties that are managed by operators under a REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA") structure.

During the second quarter 2019, this segment's net loss attributable to common stockholders was \$(58.6) million, Core FFO was \$11.8 million and consolidated NOI was \$77.1 million. Net loss included \$36.9 million of impairments related to assets under contract to be sold, including certain assets that were previously encumbered by the \$1.725 billion consolidated healthcare loan. Impairments are added back to the Company's net income (loss) to calculate FFO and Core FFO. Net loss and Core FFO included \$5 million, \$3 million CLNY OP share, of refinancing related expenses not capitalized in connection with the \$1.725 billion consolidated fixed rate mortgage loan refinancing. In the second quarter 2019, healthcare same store portfolio sequential quarter to quarter comparable net operating income increased 1.2% and compared to the same period last year, second quarter 2019 same store net operating income was flat. The sequential quarter to quarter increase in net operating income was partially due to a certain one-time benefit within Skilled Nursing Facilities and a true up within Medical Office Buildings offset by continued occupancy and rate challenges within Senior Housing - Operating. On a year over year basis, net operating income was flat overall with one-time benefits within Skilled Nursing Facilities offset by higher operating expenses within Senior Housing - Operating. The healthcare same store portfolio is defined as properties in operation throughout the full periods presented under the comparison and included 413 properties in the comparisons. Properties acquired or disposed during these periods are excluded for the same store portfolio and same store results exclude certain non-recurring uncollectible rent.

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

(\$ in millions)	Consolidated		CLNY OP		Same Store					
	NOI		Share NOI ⁽¹⁾		Consolidated NOI		Occupancy % ⁽²⁾		TTM Lease Coverage ⁽³⁾	
	Q2 2019	Q2 2019	Q2 2019	Q1 2019	Q2 2019	Q1 2019	Q2 2019	Q1 2019	3/31/19	12/31/18
Senior Housing - Operating	\$ 16.4	\$ 11.7	\$ 16.4	\$ 17.3	84.8%	86.7%	N/A	N/A		
Medical Office Buildings (MOB)	13.5	9.6	13.5	12.4	82.3%	82.4%	N/A	N/A		
<i>Triple-Net Lease:</i>										
Senior Housing	15.3	10.8	15.3	15.4	80.9%	82.1%	1.3x	1.3x		
Skilled Nursing Facilities ⁽⁴⁾	26.9	19.1	26.9	25.7	83.3%	82.4%	1.2x	1.2x		
Hospitals	5.0	3.5	5.0	5.4	63.4%	58.5%	2.4x	2.3x		
Healthcare Total	\$ 77.1	\$ 54.7	\$ 77.1	\$ 76.2						

(1) CLNY OP Share NOI represents second quarter 2019 Consolidated NOI multiplied by CLNY OP's ownership interest as of June 30, 2019.

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

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

(4) Second quarter 2019 NOI included \$0.9 million of consolidated or \$0.7 million CLNY OP share of a one-time recovery of uncollectible rents in the skilled nursing facilities portfolio.

Asset Dispositions and Financing

During the second quarter 2019, the Company refinanced an aggregate \$1.784 billion of consolidated, or \$1.265 billion CLNY OP share, of debt in the Healthcare Real Estate segment, including a \$1.725 billion consolidated fixed rate mortgage loan, which was scheduled to mature in December 2019. The \$1.725 billion loan was refinanced with an interest-only loan with a consolidated outstanding balance of \$1.515 billion, a five year term (inclusive of three one-year extension options) and a blended interest rate of one-month LIBOR plus 3.33%. The Company and its joint venture partners contributed new equity of \$250 million, which is expected to decrease to approximately \$131 million, or \$90 million CLNY OP share, upon receipt of proceeds from certain assets that were previously encumbered by the \$1.725 billion loan and are under contract to be sold.

Industrial Real Estate

As of June 30, 2019, the consolidated light industrial portfolio consisted of 446 light industrial buildings totaling 55.7 million rentable square feet across 26 major U.S. markets and was 92% leased. The Company's equity interest in the consolidated light industrial portfolio was approximately 34% as of June 30, 2019 and March 31, 2019. Total third-party capital commitments in the light industrial portfolio were approximately \$1.7 billion compared to cumulative balance sheet contributions of \$749 million as of June 30, 2019. The light industrial portfolio is composed of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets generally targeting multi-tenanted warehouses less than 250,000 square feet.

As of June 30, 2019, the consolidated bulk industrial portfolio consisted of six bulk industrial buildings totaling 4.2 million rentable square feet across five major U.S. markets and was 67% leased. The Company's equity interest in the consolidated bulk industrial portfolio was approximately 51%, or \$72 million, with the other 49% owned by third-party capital, which is managed by the Company's industrial operating platform.

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

During the second quarter 2019, this segment's net loss attributable to common stockholders was \$(3.1) million, Core FFO was \$11.9 million and consolidated NOI was \$62.2 million. In the second quarter 2019, light industrial same store portfolio sequential quarter to quarter comparable rental revenue increased 0.5% and net operating income increased 0.9%. Compared to the same period last year, second quarter 2019 light industrial same store rental revenue increased 1.5% and net operating income increased 0.9%, primarily due to an increase in contractual rental revenue offset by higher repairs and maintenance expenses. The Company's light industrial same store portfolio consisted of 312 buildings. The same store portfolio is defined once a year at the beginning of the current calendar year and includes buildings that were owned and stabilized throughout the entirety of both the current and prior calendar years. Properties acquired or disposed of after the same store portfolio is determined are excluded. Stabilized properties are defined as properties owned for more than one year or are greater than 90% leased. Same store NOI excludes lease termination fee revenue.

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

(\$ in millions)	Consolidated		CLNY OP		Same Store					
	NOI		Share NOI ⁽¹⁾		Consolidated NOI		Leased % ⁽²⁾			
	Q2 2019		Q2 2019		Q2 2019	Q1 2019	6/30/19	3/31/19		
Light Industrial	\$	59.2	\$	19.9	\$	42.3	\$	41.9	94.6%	95.1%
Bulk Industrial ⁽³⁾		3.0		1.5	N/A	N/A	N/A	N/A	N/A	N/A
Total Industrial	\$	62.2	\$	21.4	N/A	N/A	N/A	N/A	N/A	N/A

(1) CLNY OP Share NOI represents second quarter 2019 Consolidated NOI multiplied by CLNY OP's ownership interest as of June 30, 2019.

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

(3) Same store results are not presented for the Bulk Industrial portfolio which was acquired in the first quarter 2019 and included partial quarter financial results for the period of February 27, 2019 to March 31, 2019.

Held for Sale

As of June 30, 2019, the industrial segment met the criteria as held for sale and discontinued operations. Accordingly, for all prior periods presented, the related assets and liabilities were reclassified as assets and liabilities held for sale on the consolidated balance sheets and the related operating results were reclassified as income from discontinued operations on the consolidated statement of operations. Additional fundraising is currently on hold given the ongoing sale process.

Hospitality Real Estate

As of June 30, 2019, the consolidated hospitality portfolio consisted of 164 properties: 94 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94% as of June 30, 2019. The hospitality portfolio consists primarily of premium branded select service hotels and extended stay hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands. The select service hospitality portfolio referred to as the THL Hotel Portfolio, which the Company acquired through consensual transfer during the third quarter 2017, is not included in the Hospitality Real Estate segment and is included in the Other Equity and Debt segment.

During the second quarter 2019, this segment's net loss attributable to common stockholders was \$(3.3) million, Core FFO was \$35.8 million and consolidated NOI before FF&E Reserve was \$82.7 million. Compared to the same period last year, second quarter 2019 hospitality same store portfolio revenue decreased (0.6)% and NOI before FF&E Reserve decreased (3.1)%, primarily due

to a combination of (i) weaker corporate travel demand, (ii) the presence of new supply in certain markets and (iii) increased labor and property tax expenses. The Company's hotels typically experience seasonal variations in occupancy which may cause quarterly fluctuations in revenues and therefore sequential quarter to quarter revenue and NOI before FF&E Reserve result comparisons are not meaningful. The hospitality same store portfolio is defined as hotels in operation throughout the full periods presented under the comparison and included 164 hotels.

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

(\$ in millions)	Consolidated NOI before FF&E Reserve ⁽¹⁾	CLNY OP Share NOI before FF&E Reserve ⁽²⁾	Same Store							
			Consolidated		Occupancy % ⁽⁴⁾		Avg. Daily Rate		RevPAR ⁽³⁾	
			NOI before FF&E Reserve				(In dollars) ⁽⁴⁾		(In dollars) ⁽⁴⁾	
			Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018
Marriott	\$ 64.0	\$ 60.4	\$ 63.6	\$ 65.7	77.5%	78.5%	\$ 132	\$ 131	\$ 102	\$ 103
Hilton	14.2	13.4	14.2	14.8	82.1%	83.9%	135	135	110	113
Other	4.5	4.2	4.5	4.4	87.4%	86.3%	141	138	123	119
Total/W.A.	\$ 82.7	\$ 78.0	\$ 82.3	\$ 84.9	78.7%	79.8%	\$ 133	\$ 132	\$ 105	\$ 106

(1) Second quarter 2019 consolidated FF&E reserve was \$10.0 million.

(2) CLNY OP Share NOI before FF&E Reserve represents second quarter 2019 Consolidated NOI before FF&E Reserve multiplied by CLNY OP's ownership interest as of June 30, 2019.

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

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

Asset Dispositions

During the second quarter 2019, the Hospitality Real Estate segment disposed of three non-core hotels for \$22 million.

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

Colony Credit Real Estate, Inc. is a commercial real estate credit REIT, externally managed by the Company, with \$5.8 billion in assets and \$2.6 billion in GAAP book equity value as of June 30, 2019. The Company owns 48.0 million shares and share equivalents, or 36%, of CLNC and earns an annual base management fee of 1.5% on stockholders' equity (as defined in the CLNC management agreement) and an incentive fee of 20% of CLNC's Core Earnings over a 7% hurdle rate. During the second quarter 2019, this segment's net loss attributable to common stockholders was \$(251.8) million and Core FFO was \$13.2 million. Net loss included a \$227.9 million noncash write-down of the carrying value of the Company's 48 million shares of CLNC to a value based on CLNC's closing stock price of \$15.50 on June 28, 2019, the last trading day of the second quarter. This write-down was required under generally accepted accounting principles as a result of the prolonged period of time in which the carrying value of the Company's CLNC shares has exceeded CLNC share trading prices. In addition, net loss included \$47.0 million for CLNY OP's share of impairments and provision for loan losses incurred by CLNC. The \$227.9 million noncash write-down by the Company is independent of CLNC's financial reporting and is added back in the calculation of CLNY's Core FFO. CLNY's Core FFO pickup from CLNC represents a 36% share of CLNC's Core Earnings, which included our share of CLNC's loss of \$5.3 million resulting primarily from the foreclosure of a loan collateralized by a U.S. retail property. This loss was anticipated in the fourth quarter of 2018, when CLNC recorded a related loan loss provision. Please refer to the CLNC's earnings release and financial supplemental furnished on Form 8-K and its Quarterly Report on Form 10-Q filed with the SEC for additional detail.

Other Equity and Debt

The Company owns a diversified group of strategic and non-strategic real estate and real estate-related debt and equity investments. Strategic investments include our 11% interest in NorthStar Realty Europe Corp. (NYSE: NRE) and other investments for which the Company acts as a general partner and/or manager ("GP Co-Investments") and receives various forms of investment management economics on the related third-party capital. Non-strategic investments are composed of those investments the Company does not intend to own for the long term including other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; real estate debt; net leased assets; and multiple classes of commercial real estate ("CRE") securities. During the second quarter 2019, this segment's aggregate net loss attributable to common stockholders was \$(5.8) million and Core FFO was \$16.2 million. Net loss included \$9.6 million of impairments primarily related to a real estate portfolio in the United Kingdom and \$10.8 million of provision for loan losses on certain loans. Impairments are added back to the Company's net income (loss) to calculate

FFO and Core FFO. Core FFO included \$11.9 million of net investment losses primarily from losses on sale of and provision for loan losses on certain Other Equity & Debt investments.

As of June 30, 2019, the undepreciated carrying value of assets and equity within the Other Equity and Debt segment were \$3.1 billion and \$1.8 billion, respectively.

(\$ in millions)	CLNY OP Share Undepreciated Carrying Value			
	June 30, 2019		March 31, 2019	
	Assets	Equity	Assets	Equity
Strategic:				
GP co-investments	\$ 1,176	\$ 707	\$ 1,197	\$ 724
Interest in NRE	87	87	88	88
Strategic Subtotal	1,263	794	1,285	812
Non-Strategic:				
Other Real Estate Equity & Albertsons	1,285	596	1,372	704
Real Estate Debt	274	274	290	290
Net Lease Real Estate Equity	184	77	182	74
CRE Securities and Real Estate Private Equity Funds	67	67	70	70
Non-Strategic Subtotal	1,810	1,014	1,914	1,138
Total Other Equity and Debt	\$ 3,073	\$ 1,808	\$ 3,199	\$ 1,950

Other Equity and Debt Segment Asset Dispositions

During the second quarter 2019, the Company sold or received payoffs in aggregate of \$189 million with net equity proceeds of \$166 million from various investments, including \$46 million from the GP co-investments category, \$117 million from the Other Real Estate Equity category, and an aggregate \$3 million in the Real Estate Debt and Real Estate Private Equity Funds categories.

Subsequent to the second quarter 2019, NRE entered into a definitive agreement to be acquired for an estimated \$17.03 per share. Upon closing, the Company is expected to receive proceeds of approximately \$96 million for its 11% equity interest in NRE. For more information, please refer to the preliminary proxy statement that was filed with the SEC by NRE on August 1, 2019.

Subsequent to the second quarter 2019, the Company sold a portfolio of U.S. multi-tenant office properties which will result in a Core FFO loss of approximately \$40 million. This loss was anticipated in the fourth quarter of 2018, when the Company recorded a related impairment, which was added back to the Company's net income (loss) to calculate Core FFO in the fourth quarter of 2018.

Investment Management

The Company's Investment Management segment includes the business and operations of managing capital on behalf of third-party investors through closed and open-end private funds, and traded and non-traded real estate investment trusts. As of June 30, 2019, the Company had \$28.6 billion of third-party AUM compared to \$28.8 billion as of March 31, 2019. As of June 30, 2019, Fee-Earning Equity Under Management ("FEEUM") was \$18.0 billion compared to \$17.8 billion as of March 31, 2019. The increase in FEEUM was primarily attributable to the acquisition of Colony Latam Partners partially offset by the sale of Steelwave, LLC and other asset sales. During the second quarter 2019, this segment's aggregate net income attributable to common stockholders was \$4.4 million and Core FFO was \$35.0 million. Net income included a \$19.9 million impairment as a result of a termination of future capital commitments to Colony S2K, the Company's broker-dealer joint venture. This write-down was added back to the Company's net income (loss) to calculate FFO and Core FFO.

Digital Bridge Holdings

On July 25, 2019, the Company, acquired DBH for \$325 million as part of the Company's strategic initiative to become a leading owner and investment manager of assets, businesses, and investment management products in which the digital and real estate frontiers intersect. DBH manages nearly \$20 billion of digital infrastructure globally, directly and through Digital Colony Partners,

and pro forma for Digital Colony Partners' pending Zayo Group Holdings, Inc. transaction, which has received shareholder approval. Combining this portfolio with the Company's footprint, the merged firm will manage approximately \$60 billion of assets.

The combination of the two companies also paves the way for the Company's leadership succession plans, which will be implemented over approximately 18 to 24 months. Following a transition period, Marc C. Ganzi, a founder and Chief Executive Officer of Digital Bridge, and a Managing Partner and an Investment Committee Member of Digital Colony, will become the CEO of the Company, succeeding Thomas J. Barrack, Jr., who will return to the position of Executive Chairman. For more information, please refer to the Company's press release announcing this transaction on July 25, 2019 and the Form 8-K filed by the Company with the SEC on July 30, 2019.

Colony Latam Partners

During the second quarter 2019, the Company acquired the Abraaj Group's private equity platform in Latin America, which has been renamed Colony Latam Partners and will continue to be headed by its senior management team, led by Miguel Olea, Hector Martinez, Gerardo Mendoza and Eduardo Cortina. Colony Latam Partners manages approximately \$574 million of AUM and \$509 million of FEEUM and has made 22 investments across Latin America since its establishment in 2006.

NRE Termination

Upon closing of the sale of NRE, the Company's management agreement with NRE will terminate and the Company is estimated to receive a balance of \$65 million from the negotiated \$70 million overall termination fee (after a \$5 million incentive fee was paid to the Company in the second quarter of 2019). The \$65 million balance is estimated to be split between a \$44 million termination fee and \$20 million incentive fee, which will be subject to taxes and/or incentive fee compensation.

Energy Strategic Joint Venture

Subsequent to the second quarter 2019, the Company formed a strategic joint venture with CRC through the Company's energy investment management arm Colony HB2 Energy, which committed to fund \$320 million for the development of CRC's flagship Elk Hills field; a substantial portion of this investment is expected to be syndicated to third-party investors.

Global Credit Fund

On July 29, 2019, the Company, through wholly-owned subsidiaries of its operating company, Colony Capital Operating Company, LLC ("OP"), held the first closing of its fifth global real estate credit fund ("Global Credit Fund"), a United States dollar and Euro denominated fund structure primarily focused on opportunistic credit investments in Europe. The Global Credit Fund has total capital commitments of approximately \$428 million (€384 million), inclusive of capital commitments of approximately \$121 million (€109 million) by certain wholly-owned subsidiaries of the OP ("Sponsor Commitment"). The general partner of the Global Credit Fund may reduce the Sponsor Commitment to no less than 5% of total commitments from total partner commitments to the Global Credit Fund.

Assets Under Management ("AUM")

As of June 30, 2019, the Company had \$43 billion of AUM:

(\$ in billions)	June 30, 2019		March 31, 2019	
	Amount	% of Grand Total	Amount	% of Grand Total
Balance Sheet (CLNY OP Share):				
Healthcare	\$ 3.9	9.0%	\$ 3.9	9.0%
Industrial	1.7	3.9%	1.6	3.7%
Hospitality	3.9	9.0%	3.9	9.0%
Other Equity and Debt	3.1	7.2%	3.2	7.4%
CLNC ⁽¹⁾	2.1	4.8%	2.0	4.6%
Balance Sheet Subtotal	14.7	33.9%	14.6	33.7%
Investment Management:				
Institutional Funds	10.2	23.6%	9.9	22.7%
Retail Companies	3.4	7.9%	3.5	8.1%
Colony Credit Real Estate (NYSE:CLNC) ⁽²⁾	3.7	8.5%	3.5	8.1%
NorthStar Realty Europe (NYSE:NRE) ⁽³⁾	1.5	3.5%	1.6	3.7%
Non-Wholly Owned REIM Platforms ⁽⁴⁾	9.8	22.6%	10.3	23.7%
Investment Management Subtotal	28.6	66.1%	28.8	66.3%
Grand Total	\$ 43.3	100.0%	\$ 43.4	100.0%

(1) Represents the Company's 36% ownership share of CLNC's total pro-rata share of assets of \$5.8 and \$5.5 billion as of June 30, 2019 and March 31, 2019, respectively.

(2) Represents third-party 64% ownership share of CLNC's total pro-rata share of assets of \$5.8 and \$5.5 billion as of June 30, 2019 and March 31, 2019, respectively.

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

(4) REIM: Real Estate Investment Management

Liquidity and Financing

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

As of August 6, 2019, the Company had an outstanding balance of \$366 million on its revolving credit facility, resulting in approximately \$390 million of liquidity through availability under its revolving credit facility and cash-on-hand.

\$2 Billion Notional Interest Rate Swap

In connection with the merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., the Company assumed a \$2 billion notional interest rate swap intended to hedge against future interest rate increases of certain Healthcare mortgage debt at a breakeven 10-year swap rate of 3.394%. This swap does not qualify for hedge accounting; therefore, unrealized gains (losses) resulting from mark-to-market value changes at the end of each reporting period are recognized in earnings but do not affect Core FFO. This swap is currently out of the money and is subject to margin calls at a mark-to-market liability in excess of \$160 million. The swap expires in December 2019 with a mandatory cash settlement at mark-to-market value (receivable to the Company if the 10-year swap rate is greater than 3.394% and a liability of the Company if the 10-year swap rate is lower than 3.394%) and can be terminated by the Company any time prior to expiration at mark-to-market value. As of June 30, 2019, the mark-to-market value of the swap liability was \$272 million, resulting in an unrealized GAAP loss in the second quarter 2019 of \$87 million. As of August 6, 2019, the mark-to-market value of the swap liability was \$344 million.

Common Stock and Operating Company Units

As of August 6, 2019, the Company had 487.7 million shares of Class A and B common stock outstanding and the Company's operating partnership had 52.7 million operating company units outstanding held by members other than the Company or its subsidiaries, which includes 21.5 million operating company units issued on July 25, 2019 as part of the consideration for the acquisition of Digital Bridge Holdings.

As of August 6, 2019, the Company had \$247 million remaining under its share repurchase program.

Common and Preferred Dividends

On May 7, 2019, the Company's Board of Directors declared a quarterly cash dividend of \$0.11 per share to holders of Class A and Class B common stock for the second quarter of 2019, which was paid on July 15, 2019 to respective stockholders of record on June 28, 2019. The Board of Directors also declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock each in accordance with terms of such series as follows: (i) with respect to each of the Series B stock - \$0.515625 per share and Series E stock - \$0.546875 per share, such dividends to be paid on August 15, 2019 to the respective stockholders of record on August 9, 2019 and (ii) with respect to each of the Series G stock - \$0.46875 per share, Series H stock - \$0.4453125 per share, Series I stock - \$0.446875 per share and Series J stock - \$0.4453125 per share, such dividends were paid on July 15, 2019 to the respective stockholders of record on July 10, 2019.

On August 6, 2019, the Company's Board of Directors declared a quarterly cash dividend of \$0.11 per share to holders of Class A and Class B common stock for the third quarter of 2019, which will be paid on October 15, 2019 to respective stockholders of record on September 30, 2019. The Board of Directors also declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock each in accordance with terms of such series as follows: (i) with respect to each of the Series B stock - \$0.515625 per share and Series E stock - \$0.546875 per share, such dividends to be paid on November 15, 2019 to the respective stockholders of record on November 8, 2019 and (ii) with respect to each of the Series G stock - \$0.46875 per share, Series H stock - \$0.4453125 per share, Series I stock - \$0.446875 per share and Series J stock - \$0.4453125 per share, such dividends to be paid on October 15, 2019 to the respective stockholders of record on October 10, 2019.

Non-GAAP Financial Measures and Definitions

Assets Under Management ("AUM")

Assets for which the Company and its affiliates provide investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at June 30, 2019. AUM further includes a) uncalled capital commitments and b) includes the Company's pro-rata share of each affiliate non wholly-owned real estate investment management platform's assets as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

CLNY Operating Partnership ("CLNY OP")

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

Fee-Earning Equity Under Management ("FEEUM")

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

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

The Company calculates funds from operations ("FFO") in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts, which defines FFO as net income or loss calculated in accordance with GAAP, excluding (i) extraordinary items, as defined by GAAP; (ii) gains and losses from sales of depreciable real estate; (iii) impairment write-downs associated with depreciable real estate; (iv) gains and losses from a change in control in connection with interests in depreciable real estate or in-substance real estate, plus (v) real estate-related depreciation and amortization; and (vi) including similar adjustments for equity method investments. Included in FFO are gains and losses from sales of assets which are not depreciable real estate such as loans receivable, equity method investments, as well as equity and debt securities, as applicable.

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

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

The Company uses FFO and Core FFO as supplemental performance measures because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that captures trends in occupancy rates, rental rates, and operating costs. The Company also believes that, as widely recognized measures of the performance of REITs, FFO and Core FFO will be used by investors as a basis to compare its operating performance with that of other REITs. However, because FFO and Core FFO exclude depreciation and amortization and capture neither the changes in the value of the Company's properties that resulted from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of its properties, all of which have real economic effect and could materially impact the Company's results from operations, the utility of FFO and Core FFO as measures of the Company's performance is limited. FFO and Core FFO should be considered only as supplements to GAAP net income as a measure of the Company's performance. Additionally, Core FFO excludes the impact of certain fair value fluctuations, which, if they were to be realized, could have a material impact on the Company's operating performance. The Company also presents Core FFO excluding gains and losses from sales of certain investments as well as its share of similar adjustments for CLNC. The Company believes that such a measure is useful to investors as it excludes periodic gains and losses from sales of investments that are not representative of its ongoing operations.

Net Operating Income ("NOI")

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

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

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

usefulness of NOI. NOI may fail to capture significant trends in these components of U.S. GAAP net income (loss) which further limits its usefulness.

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

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

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

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

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

TTM Lease Coverage

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

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

Second Quarter 2019 Conference Call

The Company will conduct a conference call to discuss the financial results on Friday, August 9, 2019 at 7:00 a.m. PT / 10:00 a.m. ET. To participate in the event by telephone, please dial (877) 407-4018 ten minutes prior to the start time (to allow time for registration). International callers should dial (201) 689-8471. The call will also be broadcast live over the Internet and can be accessed on the Public Shareholders section of the Company's website at www.clny.com. 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 August 9, 2019, at 10:00 a.m. PT / 1:00 p.m. ET, through August 16, 2019, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use passcode 13692364. International callers should dial (412) 317-6671 and enter the same conference ID number.

Corporate Overview and Supplemental Financial Report

A Second Quarter 2019 Corporate Overview and Supplemental Financial Report is available on the Company's website at www.clny.com. This information has also been furnished to the U.S. Securities and Exchange Commission in a Current Report on Form 8-K.

About Colony Capital, Inc.

Colony Capital, Inc. (NYSE: CLNY) is a leading global investment management firm with assets under management of \$55 billion, which includes approximately \$14 billion of assets under management from Digital Bridge, a leading global investment manager of digital infrastructure assets including cell towers, small cells, fiber and data centers. The Company manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, and traded and non-traded real estate investment trusts. The Company has significant holdings in: (a) the healthcare, industrial and hospitality property sectors; (b) Colony Credit Real Estate, Inc. (NYSE: CLNC) and NorthStar Realty Europe Corp. (NYSE: NRE), which are both externally managed by subsidiaries of the Company; and (c) various other equity and debt investments. The Company is headquartered in Los Angeles with key offices in Boca Raton, New York, Paris and London, and has over 450 employees across 21 locations in 13 countries as a result of the business combination with Digital Bridge. For additional information regarding the Company and its management and business, please refer to www.clny.com.

Cautionary Statement Regarding Forward-Looking Statements

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

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, and may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, our ability to achieve anticipated compensation and administrative cost savings pursuant to our corporate restructuring and reorganization plan, in the timeframe expected or at all, the Company's ability to realize anticipated benefits from its strategic initiatives, including the acquisition of DBH, the potential sale of our industrial platform, the acquisition of a Latin American private equity platform, and the formation of certain other investment management platforms, including any impact of such initiatives on our company's growth and earnings profile, the impact of changes to the Company's management, employee and organizational structure, including the implementation and timing of CEO succession plans, the Company's ability to complete a sale of its industrial portfolio, including the related management platform, on favorable terms, within the timeframe contemplated, or at all, the Company's use of any proceeds received from a sale of its industrial portfolio if completed, whether the pending sale of NorthStar Realty Europe Corp. ("NRE"), including the anticipated termination of the Company's management contract with NRE, will be completed within the timeframe and manner contemplated, or at all, Digital Colony's ability to complete the pending acquisition of Zayo Group Holdings, Inc. on the terms contemplated or at all, the Company's financial flexibility, including borrowing capacity under its revolving credit facility, the Company's ability to grow its investment management business, the timing, pace of growth and performance of the Company's industrial platform, the performance of the Company's investment in Colony Credit Real Estate, Inc. ("CLNC"), the Company's ability to maintain or create future permanent capital vehicles under its management, the level of the Company's commitments to its managed vehicles, whether the Company will realize any anticipated benefits from the CRC strategic joint venture, including the Company's ability to syndicate its investment to third parties, the Company's ability to complete certain anticipated sales of healthcare assets, the Company's portfolio composition, Colony Capital's liquidity, including its ability to continue to generate liquidity by additional sales of assets in its Other Equity and Debt segment, the Company's expected taxable income and net cash flows, excluding the contribution of gains, whether the Company will maintain or produce higher Core FFO per share (including or excluding gains and losses from sales of certain investments) in the coming quarters, or ever, the Company's ability to maintain or grow the dividend at all in the future, the impact of any changes to the Company's management agreements with NorthStar Healthcare Income, Inc. and other managed companies, whether Colony Capital will be able to maintain its qualification as a REIT for U.S. federal income tax purposes, the timing of and ability to deploy available capital, including whether any redeployment of capital will generate higher total returns, the timing of and ability to complete repurchases of Colony Capital's stock, Colony Capital's ability to maintain inclusion and relative performance on the RMZ, Colony Capital's leverage, including the Company's ability to reduce debt and the timing and amount of borrowings under its credit facility, the ability of the Company to refinance certain mortgage debt on similar terms to those currently existing or at all, whether the Company will benefit from the combination of its broker-dealer business with S2K Financial, increased interest rates and operating costs, adverse economic or real estate developments in Colony Capital's markets, Colony Capital's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, increased costs of capital expenditures, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony Capital's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony Capital's reports filed from time to time with the SEC.

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

Source: Colony Capital, Inc.

Investor Contacts:
Addo Investor Relations
Lasse Glassen
310-829-5400

(FINANCIAL TABLES FOLLOW)

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

	June 30, 2019	December 31, 2018
Assets		
Cash and cash equivalents	\$ 353,984	\$ 461,912
Restricted cash	336,491	364,605
Real estate, net	10,348,430	10,826,010
Loans receivable, net	1,487,611	1,659,217
Equity and debt investments	2,373,690	2,529,747
Goodwill	1,514,561	1,514,561
Deferred leasing costs and intangible assets, net	372,351	445,930
Assets held for sale	5,205,340	3,967,345
Other assets	621,673	400,143
Due from affiliates	44,407	45,779
Total assets	\$ 22,658,538	\$ 22,215,249
Liabilities		
Debt, net	\$ 8,739,667	\$ 8,975,372
Accrued and other liabilities	1,020,709	634,144
Intangible liabilities, net	100,730	147,470
Liabilities related to assets held for sale	2,168,168	1,218,495
Dividends and distributions payable	84,221	84,013
Total liabilities	12,113,495	11,059,494
Commitments and contingencies		
Redeemable noncontrolling interests	7,945	9,385
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$1,436,605 liquidation preference; 250,000 shares authorized; 57,464 shares issued and outstanding	1,407,495	1,407,495
Common stock, \$0.01 par value per share		
Class A, 949,000 shares authorized; 487,013 and 483,347 shares issued and outstanding, respectively	4,870	4,834
Class B, 1,000 shares authorized; 734 shares issued and outstanding	7	7
Additional paid-in capital	7,621,655	7,598,019
Distributions in excess of earnings	(2,699,276)	(2,018,302)
Accumulated other comprehensive income	26,967	13,999
Total stockholders' equity	6,361,718	7,006,052
Noncontrolling interests in investment entities	3,861,047	3,779,728
Noncontrolling interests in Operating Company	314,333	360,590
Total equity	10,537,098	11,146,370
Total liabilities, redeemable noncontrolling interests and equity	\$ 22,658,538	\$ 22,215,249

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
Property operating income	\$ 488,788	\$ 518,953	\$ 947,686	\$ 1,006,046
Interest income	35,055	44,121	81,125	107,443
Fee income	35,433	38,290	66,461	73,818
Other income	14,163	14,124	26,226	24,778
Total revenues	573,439	615,488	1,121,498	1,212,085
Expenses				
Property operating expense	279,240	300,191	549,982	585,150
Interest expense	141,738	142,453	276,627	281,152
Investment and servicing expense	20,017	25,891	38,466	44,470
Transaction costs	318	2,641	2,822	3,357
Placement fees	—	1,170	309	1,293
Depreciation and amortization	109,382	105,414	220,734	220,174
Provision for loan loss	15,003	13,933	18,614	19,308
Impairment loss	84,695	69,660	110,317	223,058
Compensation expense				
Cash and equity-based compensation	42,430	52,527	73,947	99,616
Carried interest and incentive fee compensation	1,146	—	2,418	—
Administrative expenses	20,146	23,536	42,531	46,969
Total expenses	714,115	737,416	1,336,767	1,524,547
Other income (loss)				
Gain on sale of real estate assets	6,077	42,702	35,530	58,853
Other gain (loss), net	(89,506)	28,798	(138,575)	104,054
Equity method earnings (losses)	(259,288)	(775)	(225,225)	29,307
Equity method earnings—carried interest	1,836	—	6,732	—
Loss before income taxes	(481,557)	(51,203)	(536,807)	(120,248)
Income tax benefit (expense)	(2,585)	531	(3,783)	33,324
Loss from continuing operations	(484,142)	(50,672)	(540,590)	(86,924)
Income (loss) from discontinued operations	(504)	7,764	25,789	16,858
Net loss	(484,646)	(42,908)	(514,801)	(70,066)
Net income (loss) attributable to noncontrolling interests:				
Redeemable noncontrolling interests	509	1,873	1,953	1,177
Investment entities	(13,414)	26,360	36,574	45,603
Operating Company	(29,989)	(5,728)	(36,600)	(10,106)
Net loss attributable to Colony Capital, Inc.	(441,752)	(65,413)	(516,728)	(106,740)
Preferred stock redemption	—	(3,995)	—	(3,995)
Preferred stock dividends	27,138	31,388	54,275	62,775
Net loss attributable to common stockholders	\$ (468,890)	\$ (92,806)	\$ (571,003)	\$ (165,520)
Basic loss per share				
Loss from continuing operations per basic common share	\$ (0.98)	\$ (0.20)	\$ (1.21)	\$ (0.35)
Net loss per basic common share	\$ (0.98)	\$ (0.19)	\$ (1.19)	\$ (0.33)
Diluted loss per share				
Loss from continuing operations per diluted common share	\$ (0.98)	\$ (0.20)	\$ (1.21)	\$ (0.35)
Net loss per diluted common share	\$ (0.98)	\$ (0.19)	\$ (1.19)	\$ (0.33)
Weighted average number of shares				
Basic	479,228	488,676	479,577	509,562
Diluted	479,228	488,676	479,577	509,562

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

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Net loss attributable to common stockholders	\$ (468,890)	\$ (571,003)
Adjustments for FFO attributable to common interests in Operating Company and common stockholders:		
Net loss attributable to noncontrolling common interests in Operating Company	(29,989)	(36,600)
Real estate depreciation and amortization	159,496	313,898
Impairment of real estate	87,600	113,222
Gain from sales of real estate	(7,088)	(62,322)
Less: Adjustments attributable to noncontrolling interests in investment entities	(88,705)	(123,979)
FFO attributable to common interests in Operating Company and common stockholders	<u>(347,576)</u>	<u>(366,784)</u>
Additional adjustments for Core FFO attributable to common interests in Operating Company and common stockholders:		
Gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO ⁽¹⁾	3,285	(7,850)
Gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	19,878	22,420
CLNC Core Earnings & NRE Cash Available for Distribution adjustments ⁽²⁾	265,794	251,806
Equity-based compensation expense	9,385	16,738
Straight-line rent revenue and expense	(6,766)	(12,261)
Amortization of acquired above- and below-market lease values, net	(3,458)	(7,324)
Amortization of deferred financing costs and debt premiums and discounts	24,686	42,998
Unrealized fair value losses on interest rate and foreign currency hedges, and foreign currency remeasurements	89,133	147,276
Acquisition and merger-related transaction costs	1,283	4,178
Merger integration and restructuring costs ⁽³⁾	361	1,130
Amortization and impairment of investment management intangibles	6,911	15,573
Non-real estate depreciation and amortization	1,565	3,142
Amortization of gain on remeasurement of consolidated investment entities	28	3,807
Deferred tax benefit, net	(2,204)	(4,867)
Less: Adjustments attributable to noncontrolling interests in investment entities	(5,170)	(5,134)
Core FFO attributable to common interests in Operating Company and common stockholders	<u>\$ 57,135</u>	<u>\$ 104,848</u>
FFO per common share / common OP unit ⁽⁴⁾	<u>\$ (0.67)</u>	<u>\$ (0.71)</u>
FFO per common share / common OP unit—diluted ⁽⁴⁾⁽⁵⁾	<u>\$ (0.67)</u>	<u>\$ (0.71)</u>
Core FFO per common share / common OP unit ⁽⁴⁾	<u>\$ 0.11</u>	<u>\$ 0.20</u>
Core FFO per common share / common OP unit—diluted ⁽⁴⁾⁽⁵⁾⁽⁶⁾	<u>\$ 0.11</u>	<u>\$ 0.20</u>
Weighted average number of common OP units outstanding used for FFO and Core FFO per common share and OP unit ⁽⁴⁾	<u>518,441</u>	<u>516,976</u>
Weighted average number of common OP units outstanding used for FFO per common share and OP unit—diluted ⁽⁴⁾⁽⁵⁾	<u>518,441</u>	<u>516,976</u>
Weighted average number of common OP units outstanding used for Core FFO per common share and OP unit—diluted ⁽⁴⁾⁽⁵⁾⁽⁶⁾	<u>518,993</u>	<u>517,846</u>

(1) For the three months ended June 30, 2019, net of \$3.1 million consolidated or \$1.0 million CLNY OP share and for the six months ended June 30, 2019, net of \$46.5 million consolidated or \$25.3 million CLNY OP share of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings.

(2) Represents adjustments to align the Company's Core FFO with CLNC's definition of Core Earnings and NRE's definition of Cash Available for Distribution ("CAD") to reflect the Company's percentage interest in the respective company's earnings. These adjustments include provisions

for loan losses, realized gains and losses, the Company's recognition of other-than-temporary impairment of its investment in CLNC, plus other differences that are included/excluded in CLNC's core earnings and NRE's CAD.

- (3) Merger integration and restructuring costs represent costs and charges incurred during the integration of Colony, NSAM and NRF and from the corporate restructuring and reorganization plan. These integration and restructuring costs are not reflective of the Company's core operating performance and the Company does not expect to incur these costs subsequent to the completion of the merger integration and restructuring and reorganization plan. The majority of these costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.
- (4) Calculated based on weighted average shares outstanding including participating securities and assuming the exchange of all common OP units outstanding for common shares.
- (5) For the three and six months ended June 30, 2019, excluded in the calculation of diluted FFO and Core FFO per share is the effect of adding back interest expense associated with convertible senior notes and weighted average dilutive common share equivalents for the assumed conversion of the convertible senior notes as the effect of including such interest expense and common share equivalents would be antidilutive.
- (6) For the three months ended June 30, 2019, included in the calculation of diluted Core FFO per share are 459,800 weighted average performance stock units, which are subject to both a service condition and market condition, and 92,700 weighted average shares of non-participating restricted stock. For the six months ended June 30, 2019, included in the calculation of diluted Core FFO per share are 755,700 weighted average performance stock units, which are subject to both a service condition and market condition, and 115,200 weighted average shares of non-participating restricted stock.

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

The following tables present: (1) a reconciliation of property and other related revenues less property operating expenses for properties in our Healthcare, Industrial, and Hospitality segments to NOI and (2) a reconciliation of such segments' net income (loss) for the three months ended June 30, 2019 to NOI:

(In thousands)	Three Months Ended June 30, 2019		
	Healthcare	Industrial ⁽¹⁾	Hospitality
Total revenues	\$ 145,896	\$ 92,969	\$ 227,080
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(4,817)	(4,067)	316
Interest income	—	(119)	(6)
Other income	(36)	—	(3)
Property operating expenses ⁽²⁾	(63,924)	(25,669)	(144,691)
Compensation and administrative expense ⁽²⁾	—	(875)	—
NOI ⁽³⁾	\$ 77,119	\$ 62,239	\$ 82,696

⁽¹⁾ Industrial financial results are classified as discontinued operations on the Company's consolidated statement of operations for the three months ended June 30, 2019.

⁽²⁾ For healthcare and hospitality, property operating expenses include property management fees paid to third parties. For industrial, there are direct costs of managing the portfolio which are included in compensation expense.

⁽³⁾ For hospitality, NOI is before FF&E Reserve.

(In thousands)	Three Months Ended June 30, 2019		
	Healthcare	Industrial ⁽¹⁾	Hospitality
Net income (loss)	\$ (81,520)	\$ (2,663)	\$ (3,505)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(4,817)	(4,067)	316
Interest income	—	(119)	(6)
Interest expense	57,135	19,726	41,591
Transaction, investment and servicing costs	9,097	8	2,712
Depreciation and amortization	40,778	45,360	37,008
Impairment loss	51,324	—	420
Compensation and administrative expense	2,301	4,192	2,183
Gain on sale of real estate	—	(547)	(140)
Other (gain) loss, net	2,261	49	114
Other income	(36)	—	(3)
Income tax (benefit) expense	596	300	2,006
NOI ⁽²⁾	\$ 77,119	\$ 62,239	\$ 82,696

⁽¹⁾ Industrial financial results are classified as discontinued operations on the Company's consolidated statement of operations for the three months ended June 30, 2019.

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

The following table summarizes second quarter 2019 net income (loss) by segment:

(In thousands)	Net Income (Loss)
Healthcare	\$ (81,520)
Industrial	(2,663)
Hospitality	(3,505)
CLNC	(267,912)
Other Equity and Debt	(4)
Investment Management	4,009
Amounts Not Allocated to Segments	(133,051)
Total Consolidated	\$ (484,646)



ColonyCapital

August 9, 2019

**CORPORATE OVERVIEW
AND SUPPLEMENTAL
FINANCIAL REPORT
SECOND QUARTER 2019**

Cautionary Statement Regarding Forward-Looking Statements

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

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

Factors that might cause such a difference include, without limitation, our ability to achieve anticipated compensation and administrative cost savings pursuant to the Company's corporate restructuring and reorganization plan, in the timeframe expected or at all, the Company's ability to realize anticipated benefits from its strategic initiatives, including the acquisition of DBH, the potential sale of our industrial platform, the acquisition of a Latin American private equity platform, and the formation of certain other investment management platforms, including any impact of such initiatives on our company's growth and earnings profile, the impact of changes to the Company's management, employee and organizational structure, including the implementation and timing of CEO succession plans, the Company's ability to complete a sale of its industrial portfolio, including the related management platform, on favorable terms, within the timeframe contemplated, or at all, the Company's use of any proceeds received from a sale of its industrial portfolio if completed, whether the pending sale of NorthStar Realty Europe Corp. ("NRE"), including the anticipated termination of the Company's management contract with NRE, will be completed within the timeframe and manner contemplated, or at all, Digital Colony's ability to complete the pending acquisition of Zayo Group Holdings, Inc. on the terms contemplated or at all, Colony Capital's liquidity, including its ability to complete sales of non-core investments, whether Colony Capital will be able to maintain its qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes, the timing of and ability to deploy available capital, the Company's financial flexibility, including borrowing capacity under its revolving credit facility, Colony Capital's ability to grow its investment management business, the timing, pace of growth and performance of the Company's industrial platform, the performance of the Company's investment in Colony Credit Real Estate, Inc., Colony Capital's ability to maintain or create future permanent capital vehicles under its management, the level of the Company's commitments to its managed vehicles, the timing of and ability to complete additional repurchases of Colony Capital's stock, Colony Capital's ability to maintain inclusion and relative performance on the RMZ, Colony Capital's leverage, including the ability to reduce debt and the timing and amount of borrowings under its credit facility, the ability of the Company to refinance certain mortgage debt on similar terms to those currently existing or at all, increased interest rates and operating costs, whether the Company will maintain or produce higher Core FFO per share (including or excluding gains and losses from sales of certain investments) in the coming quarters, or ever, the impact of any changes to the Company's management agreements with NorthStar Healthcare Income, Inc. and other managed companies, adverse economic or real estate developments in Colony Capital's markets, Colony Capital's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, increased costs of capital expenditures, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony Capital's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC").

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

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

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

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

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

Important Note Regarding Non-GAAP Financial Measures

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

FFO: The Company calculates funds from operations ("FFO") in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts, which defines FFO as net income or loss calculated in accordance with GAAP, excluding (i) extraordinary items, as defined by GAAP; (ii) gains and losses from sales of depreciable real estate; (iii) impairment write-downs associated with depreciable real estate; (iv) gains and losses from a change in control in connection with interests in depreciable real estate or in-substance real estate, plus (v) real estate-related depreciation and amortization; and (vi) including similar adjustments for equity method investments. Included in FFO are gains and losses from sales of assets which are not depreciable real estate such as loans receivable, equity method investments, as well as equity and debt securities, as applicable.

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

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

The Company uses FFO and Core FFO as supplemental performance measures because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that captures trends in occupancy rates, rental rates, and operating costs. The Company also believes that, as widely recognized measures of the performance of REITs, FFO and Core FFO will be used by investors as a basis to compare its operating performance with that of other REITs. However, because FFO and Core FFO exclude depreciation and amortization and capture neither the changes in the value of the Company's properties that resulted from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of its properties, all of which have real economic effect and could materially impact the Company's results from operations, the utility of FFO and Core FFO as measures of the Company's performance is limited. FFO and Core FFO should be considered only as supplements to net income as a measure of the Company's performance. Additionally, Core FFO excludes the impact of certain fair value fluctuations, which, if they were to be realized, could have a material impact on the Company's operating performance. The Company also presents Core FFO excluding gains and losses from sales of certain investments as well as its share of similar adjustments for CLNC. The Company believes that such a measure is useful to investors as it excludes periodic gains and losses from sales of investments that are not representative of its ongoing operations.

Important Note Regarding Non-GAAP Financial Measures

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

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

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

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

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

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

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

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

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

Healthcare Real Estate

As of June 30, 2019, the consolidated healthcare portfolio consisted of 413 properties: 192 senior housing properties, 108 medical office properties, 99 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of June 30, 2019. The healthcare portfolio earns rental income from our senior housing, skilled nursing facilities and hospital assets that are under net leases to single tenants/operators and from medical office buildings which are both single tenant and multi-tenant. In addition, we also earn resident fee income from senior housing properties that are managed by operators under a REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA") structure.

Industrial Real Estate

As of June 30, 2019, the industrial segment met the criteria as held for sale and discontinued operations. Accordingly, for all prior periods presented, the related assets and liabilities were reclassified as assets and liabilities held for sale on the consolidated balance sheets and the related operating results were reclassified as income from discontinued operations on the consolidated statement of operations.

As of June 30, 2019, the consolidated light industrial portfolio consisted of 446 light industrial buildings totaling 55.7 million rentable square feet across 26 major U.S. markets and was 92% leased. The Company's equity interest in the consolidated light industrial portfolio was approximately 34% as of June 30, 2019 and March 31, 2019. Total third-party capital commitments in the light industrial portfolio were approximately \$1.7 billion compared to cumulative balance sheet contributions of \$749 million as of June 30, 2019. The light industrial portfolio is composed of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets generally targeting multi-tenanted warehouses less than 250,000 square feet.

As of June 30, 2019, the consolidated bulk industrial portfolio consisted of six bulk industrial buildings totaling 4.2 million rentable square feet across five major U.S. markets and was 67% leased. The Company's equity interest in the consolidated bulk industrial portfolio was approximately 51%, or \$72 million, with the other 49% owned by third-party capital, which is managed by the Company's industrial operating platform.

Hospitality Real Estate

As of June 30, 2019, the consolidated hospitality portfolio consisted of 164 properties: 94 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94% as of June 30, 2019. The hospitality portfolio consists primarily of premium branded select service hotels and extended stay hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands. The select service hospitality portfolio referred to as the THL Hotel Portfolio, which the Company acquired through consensual transfer during the third quarter 2017, is not included in the Hospitality Real Estate segment and is included in the Other Equity and Debt segment.

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

Colony Credit Real Estate, Inc. is a commercial real estate credit REIT, externally managed by the Company, with \$5.8 billion in assets and \$2.6 billion in GAAP book equity value as of June 30, 2019. The Company owns 48.0 million shares and share equivalents, or 36%, of CLNC and earns an annual base management fee of 1.5% on stockholders' equity (as defined in the CLNC management agreement) and an incentive fee of 20% of CLNC's Core Earnings over a 7% hurdle rate.

Other Equity and Debt

The Company owns a diversified group of strategic and non-strategic real estate and real estate-related debt and equity investments. Strategic investments include our 11% interest in NorthStar Realty Europe Corp. (NYSE: NRE) and other investments for which the Company acts as a general partner and/or manager ("GP Co-Investments") and receives various forms of investment management economics on the related third-party capital. Non-strategic investments are composed of those investments the Company does not intend to own for the long term including other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; real estate debt; net leased assets; and multiple classes of commercial real estate ("CRE") securities.

Investment Management

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

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

Table of Contents

	<u>Page</u>		<u>Page</u>
I. Corporate Overview Section	6-15	VII. Hospitality Real Estate	
II. Financial Overview		a. Summary Metrics and Operating Results	34
a. Summary Metrics	16	b. Portfolio Overview	35
b. Summary of Segments	17-18	VIII. CLNC	
III. Financial Results		a. Overview	36
a. Consolidated Balance Sheet	19	IX. Other Equity and Debt Summary	37
b. Noncontrolling Interests' Share Balance Sheet	20	a. Strategic Investments	38
c. Consolidated Segment Operating Results	21	b. Net Lease and Other Real Estate Equity	39
d. Noncontrolling Interests' Share Segment Operating Results	22	c. Real Estate Debt	40-42
e. Segment Reconciliation of Net Income to FFO & Core FFO	23	d. CRE Securities and Real Estate PE Fund Interests	43
IV. Capitalization		X. Investment Management	
a. Overview	24	a. Summary Metrics	44
b. Investment-Level Debt Overview	25	b. Assets Under Management	45
c. Revolving Credit Facility Overview	26	XI. Appendices	
d. Corporate Securities Overview	27	a. Definitions	47-48
e. Debt Maturity and Amortization Schedules	28	b. Reconciliation of Net Income (Loss) to NOI	49-50
V. Healthcare Real Estate		c. Industrial Real Estate - Held for Sale and Discontinued Operations	51-52
a. Summary Metrics and Operating Results	29		
b. Portfolio Overview	30-31		
VI. Industrial Real Estate			
a. Summary Metrics and Operating Results	32		
b. Portfolio Overview	33		

I. Corporate Overview – Introducing Colony Capital

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

- Global brand spans 13 countries
- Experienced and aligned senior management team
- \$100Bn+ invested over 27 years in 20+ countries
- Proven acquisition platform with:
 - Global presence, but local market expertise
 - Heritage of first mover advantage
 - Proprietary access to transactions and relationships
 - Disciplined underwriting standards

AT A GLANCE

1991
Founded

13
Countries

\$43Bn
Assets Under Management¹

\$18Bn
Fee Earning Equity Under
Management²

\$0.44
Annualized Dividend per Share

Notes:





(1) Represents balance sheet and third-party AUM as of June 30, 2019.

(2) As of June 30, 2019.

I. Corporate Overview – Business Overview

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

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

GLOBAL HEALTHCARE	HOSPITALITY	INDUSTRIAL	CLNC and GLOBAL EQUITY & DEBT
			
\$3.9Bn PORTFOLIO ¹	\$3.9Bn PORTFOLIO ¹	\$1.7Bn PORTFOLIO ¹	\$5.2Bn PORTFOLIO ¹
Colony Interest: 71% Senior Housing, MOB, SNFs, Hospitals	Colony Interest: 94% Extended Stay and Premium- Branded Select Service Hotels	Colony Interest - Light Industrial: 34% Critical last mile of logistics chain Colony Interest - Bulk Industrial: 51% Integral to highly-functional distribution networks ⁽²⁾	Colony Interest: Various % Includes interests in CLNC & NRE, GP co-investments and other real estate equity & debt

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

Institutional Funds - \$10.2Bn	Public Vehicles - \$5.2Bn	Retail - \$3.4Bn	Affiliates (REIM) - \$9.8Bn
<ul style="list-style-type: none"> • Colony Industrial Fund • Real Estate Credit • Opportunistic Real Estate • Other co-investment vehicles 	<ul style="list-style-type: none"> • External manager of two NYSE listed REITs (Colony Credit Real Estate and NorthStar Realty Europe ⁽³⁾) 	<ul style="list-style-type: none"> • Primarily NorthStar Healthcare Income 	<ul style="list-style-type: none"> • Minority interests in other real estate investment management platforms • Primarily interests in Digital Colony and RXR Realty

Notes:

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

(1) Represents pro rata carrying value of assets as of June 30, 2019.

(2) Bulk Industrial pro rata carrying value of assets was \$190 million as of June 30, 2019.

(3) Subsequent to the second quarter 2019, NRE entered into a definitive agreement to be acquired. Upon closing of the sale of NRE, the Company's management agreement with NRE will terminate and the Company will receive a balance of \$65 million from the \$70 million overall termination fee (a \$5 million incentive fee was paid to the Company in the second quarter of 2019).

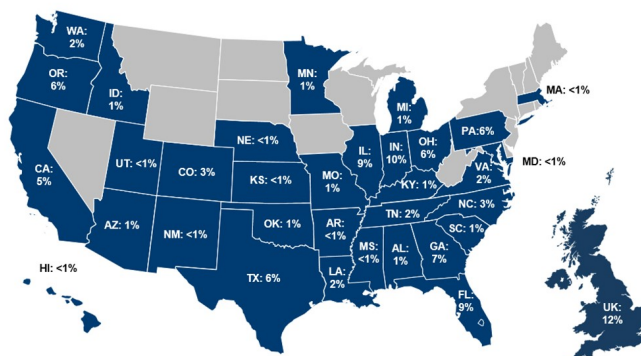
I. Corporate Overview – Healthcare Real Estate Vertical

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

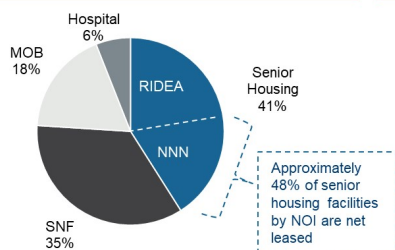
Consolidated Key Stats as of 6/30/19

Property Count	413
Beds / Units	~23,300
MOB Total SF	3.8MM
2Q19 Consolidated NOI	\$77MM
Sr. Housing - Operating Occupancy	84.8%
MOB Occupancy	82.3%
NNN Rent Coverage	1.4x
% of NOI - NNN	61%
CLNY Ownership	71%

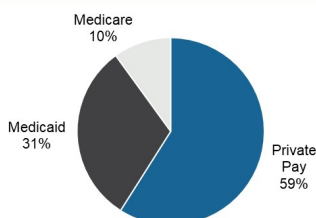
Geographic Overview (% of 2Q19 NOI)



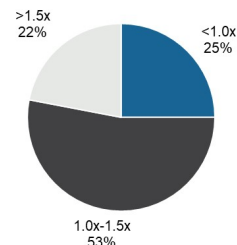
Sub-Sector Composition ^{1,2}



Revenue Mix ^{1,2}



NNN Rent Coverage ^{1,3}



Notes:

- Data as of June 30, 2019 unless otherwise noted.
- Based on NOI for the quarter ended June 30, 2019, at CLNY share.
- Overall percentages are weighted by March 31, 2019 trailing twelve month NOI exposure in each category.

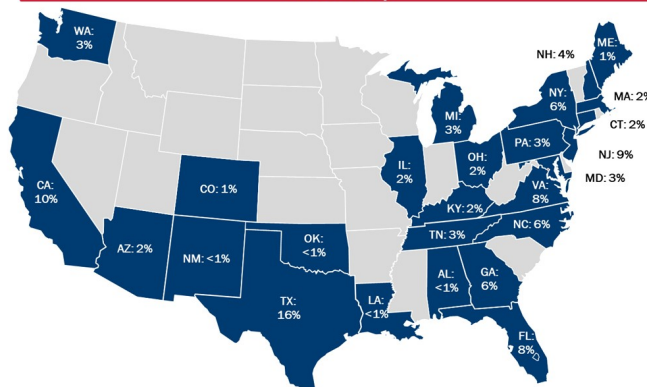
I. Corporate Overview – Hospitality Real Estate Vertical

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

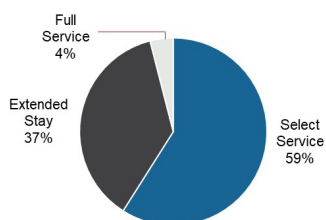
Consolidated Key Stats as of 6/30/19

Hotels	164
Keys	~21,700
2Q19 Consolidated NOI before FF&E Reserve	\$83MM
2Q19 Occupancy	78.6%
2Q19 ADR	\$133
2Q19 RevPAR	\$104
2Q19 NOI Margin	36%
CLNY Ownership	94%

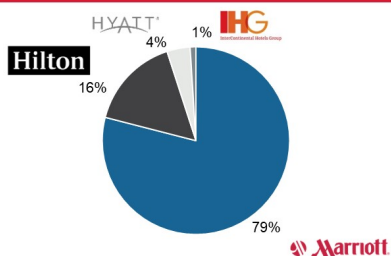
Geographic Overview (% of 2Q19 NOI before FF&E Reserve)



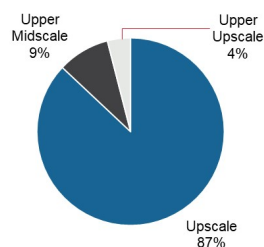
Hotel Type ¹



Brand ¹



Chain Scale ¹



Notes:
(1) Based on room count.

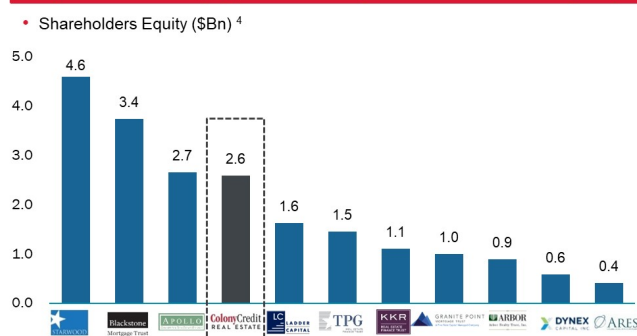
I. Corporate Overview – Colony Credit Real Estate (CLNC)

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

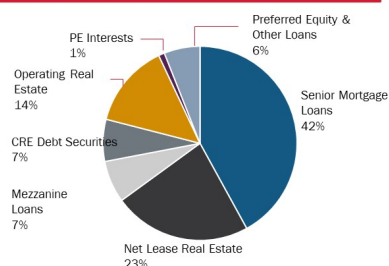
Key Stats as of 6/30/19

Monthly Dividend / Share	\$0.145
Annualized Dividend / Share	\$1.74
Total At-Share Assets ¹	\$5.8Bn
Book Equity Value ¹	\$2.6Bn
Debt-to-Asset Ratio ²	52%
Net Debt-to-Equity Ratio ³	1.1x
CLNY Ownership	36%

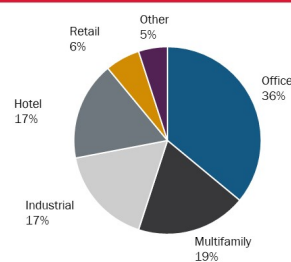
Top CRE Mortgage REITs by Shareholders Equity



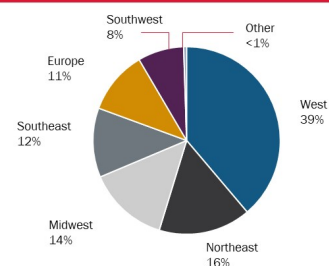
Investment Type ⁵



Property Type ⁵



Geography ⁵



Notes:

- (1) Represents total assets and GAAP book equity value at CLNC share as of June 30, 2019. Includes noncontrolling interest in operating partnership and excludes noncontrolling interest in investment entities.
- (2) Debt-to-asset ratio based on total outstanding secured debt agreements (UPB) at CLNC share divided by total assets at CLNC share as of June 30, 2019.
- (3) Represents CLNC's share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC share divided by total shareholders' equity as of June 30, 2019; shareholders' equity includes noncontrolling interest in operating partnership and excludes noncontrolling interest in investment entities.
- (4) Excludes noncontrolling interest and preferred stock at liquidation preference and includes operating partnership interest; based on company filings as of June 30, 2019.
- (5) Based on carrying values at CLNC share as of June 30, 2019; excludes CMBS, mortgage loans held in securitization trusts and Private Equity interests (except for Investment Type chart).

I. Corporate Overview – Other Equity and Debt

- Total \$3.1Bn Assets and \$1.8Bn Net Equity; Non-Strategic OED totals \$1.8Bn of assets and \$1.0Bn of net equity, which will be monetized in near term to simplify the balance sheet and generate capital for strategic initiatives

Selected Assets



Tolka Loan Portfolio – Strategic
(Dublin, Ireland)

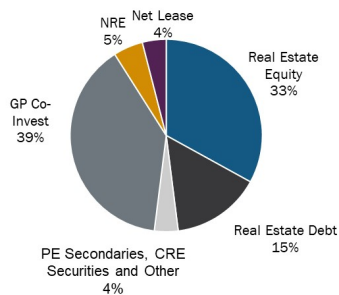


One California Plaza –Strategic
(Los Angeles)

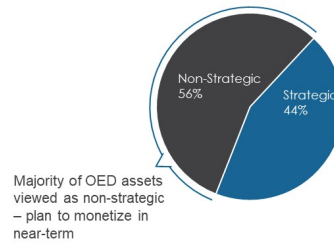


THL Hotel Portfolio – Non-Strategic
(U.S., Nationwide)

Asset Type ¹



Strategy Type ²



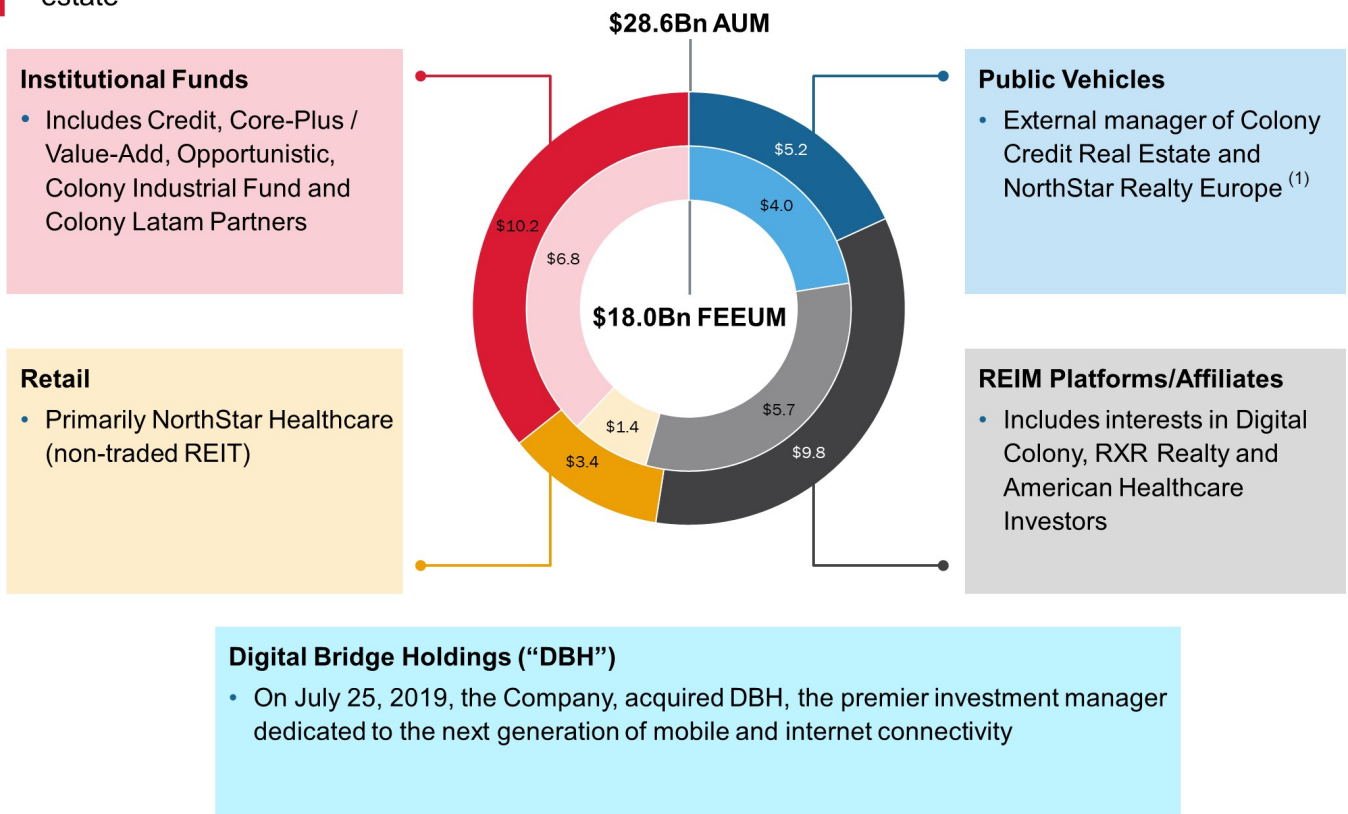
Notes:

(1) Based on total undepreciated carrying value of equity of \$1.8 billion as of June 30, 2019.

(2) Based on undepreciated carrying value of equity of non-strategic and strategic investments of \$1.0 billion and \$794 million, respectively, as of June 30, 2019.

I. Corporate Overview – Investment Management

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



Notes:

(1) Subsequent to the second quarter 2019, NRE entered into a definitive agreement to be acquired. Upon closing of the sale of NRE, the Company's management agreement with NRE will terminate and the Company will receive a balance of \$65 million from the \$70 million overall termination fee (a \$5 million incentive fee was paid to the Company in the second quarter of 2019).

I. Corporate Overview – Digital Bridge Holdings

- In July, Colony completed the business combination with Digital Bridge Holdings (DBH), a leading global investment manager of digital infrastructure assets including cell towers, small cells, fiber and data centers
- DBH manages nearly \$14 billion⁽²⁾ of AUM
 - Manages and operates nine portfolio companies globally including Andean Telecom Partners, DataBank, ExteNet Systems, Mexico Tower Partners, Vantage Data Centers, Vertical Bridge, Digita, Peer 1, Freshwave Group
 - Under definitive agreement to acquire Zayo Group Holdings, Inc., a leading provider of communications infrastructure services, for \$14.3 billion, in partnership with EQT Partners (shareholder approval received)
- Transaction consideration of \$325M comprised of 2/3 cash and 1/3 OP units (21.5M OP units)⁽¹⁾
- Marc Ganzi, co-founder and CEO of DBH, to succeed Tom Barrack as CEO of CLNY in approximately 18-24 months upon which Tom Barrack will return to the sole position of Executive Chairman
 - In the meantime, Marc Ganzi and Ben Jenkins, the Chairman and co-founder of Digital Bridge, will continue to oversee DBH substantially consistent with past practices⁽³⁾

EXISTING PORTFOLIO COMPANIES	
Tower Assets	4 Companies; 310,000+ Total Sites
Small Cell & Fiber Assets	3 Companies; 30,000+ Nodes 500+ Networks 5,000+ route miles fiber
Enterprise & Hyperscale Data Centers	3 Companies; 35+ Data Centers

AUM / FEEUM ⁽²⁾	
AUM	\$13.7 billion
FEEUM	\$7.3 billion

(1) OP Unit pricing based on 30-day volume-weighted average price calculation of \$5.04 as of July 24, 2019. Subject to 3-year lock-up burning off ratably at the end of each year. 10% of the total consideration, or \$32.5 million, is deferred until the expiration of certain customary seller indemnification obligations following completion of the DBH 2019 audited financial statements.

(2) Includes 100% share of AUM & FEEUM from Digital Colony Partners of \$4.6B and \$3.6B, respectively (CLNY previously reported 50% share); excludes pending co-investment commitments.

(3) Messrs. Ganzi and Jenkins have entered into employment agreements with Colony with five- and three-year terms, respectively. Mr. Ganzi also received a sign-on award of 10,000,000 OP Units under the CLNY incentive plan, which vest if CLNY shares close at \$10 or higher for 90 consecutive trading days during the five-year period following the transaction, generally contingent on continued employment.

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

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

SINGLE FAMILY RENTAL

ColonyAmericanHomes

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

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

INDUSTRIAL

**COLONY
INDUSTRIAL**

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

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

DIGITAL

digitalcolony

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

- Aggregate fund commitments of \$4Bn as of June 30, 2019
- Attractive third-party capital ratio of over 12:1

Ila. Financial Overview - Summary Metrics

(\$ and shares in thousands, except per share data and as noted; as of or for the three months ended June 30, 2019, unless otherwise noted) (Unaudited)

Financial Data

Net income (loss) attributable to common stockholders	\$	(468,890)
Net income (loss) attributable to common stockholders per basic share		(0.98)
Core FFO ⁽¹⁾		57,135
Core FFO per basic share		0.11
Q3 2019 dividend per share		0.11
Annualized Q3 2019 dividend per share		0.44

Balance Sheet, Capitalization and Trading Statistics

Total consolidated assets	\$	22,658,538
CLNY OP share of consolidated assets		15,171,761
Total consolidated debt ⁽²⁾		10,958,484
CLNY OP share of consolidated debt ⁽²⁾		7,540,091
Shares and OP units outstanding as of June 30, 2019		518,918
Shares and OP units outstanding as of August 6, 2019 ⁽³⁾		540,350
Share price as of August 6, 2019		5.41
Market value of common equity & OP units as of August 6, 2019		2,923,294
Liquidation preference of perpetual preferred equity		1,436,605
Insider ownership of shares and OP units as of August 6, 2019		9.4%
Total Assets Under Management ("AUM")	\$	43.3 billion
Fee Earning Equity Under Management ("FEEUM")	\$	18.0 billion

Notes:

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

(1) Second quarter 2019 Core FFO included net investment losses of \$17.2 million.

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

(3) Includes 21.5 million operating company units issued on July 25, 2019 for the acquisition of Digital Bridge Holdings.

IIb. Financial Overview - Summary of Segments

(\$ in thousands; as of or for the three months ended June 30, 2019, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
Healthcare Real Estate		
Q2 2019 net operating income ⁽¹⁾⁽²⁾	\$ 77,119	\$ 54,678
Annualized net operating income ⁽³⁾	304,756	216,072
Investment-level non-recourse financing ⁽⁴⁾	3,022,747	2,156,983
Industrial Real Estate		
Q2 2019 net operating income ⁽²⁾	62,239	21,402
Annualized net operating income	248,956	85,608
Investment-level non-recourse financing ⁽⁴⁾	2,022,391	719,663
Hospitality Real Estate		
Q2 2019 NOI before FF&E Reserve ⁽²⁾	82,696	77,982
TTM NOI before FF&E Reserve ⁽⁵⁾	283,585	267,421
Investment-level non-recourse financing ⁽⁴⁾	2,659,562	2,488,688

Notes:

(1) NOI includes \$0.9 million consolidated or \$0.7 million CLNY OP share of interest earned related to \$50 million consolidated or \$35 million CLNY OP share carrying value of healthcare real estate development loans. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended June 30, 2019.

(2) For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.

(3) Excludes \$0.9 million of consolidated or \$0.7 million CLNY OP share of one-time recovery of uncollectible rents received during the second quarter 2019.

(4) Represents unpaid principal balance.

(5) TTM = trailing twelve month.

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

(\$ in thousands except as noted; as of or for the three months ended June 30, 2019, unless otherwise noted)

	Consolidated amount	CLNY OP share of consolidated amount
CLNC		
Net carrying value of 36% interest	\$ 743,015	\$ 743,015 ⁽¹⁾
Other Equity and Debt ⁽²⁾		
1) Strategic Investments		
a) GP co-investments - net carrying value	1,879,642	707,308
b) Net carrying value of 11% interest in NRE	86,581	86,581
2) Net lease real estate equity		
a) Q2 2019 net operating income	695	694
b) Investment-level non-recourse financing ⁽³⁾	107,608	106,983
3) Other real estate equity		
a) Undepreciated carrying value of real estate assets ⁽⁴⁾	2,007,451	1,031,488
b) Investment-level non-recourse financing ⁽³⁾	1,341,950	689,515
c) Carrying value - equity method investments (including Albertsons)	333,128	253,877
4) Real estate debt		
a) Carrying value - consolidated ⁽⁵⁾	339,597	239,120
b) Investment-level non-recourse financing ⁽³⁾	—	—
c) Carrying value - equity method investments	18,253	13,186
d) Carrying value - real estate assets (REO within debt portfolio) and other ⁽⁴⁾	34,543	21,261
5) CRE securities and real estate PE fund investments		
a) Carrying value		67,940
Investment Management		
Third-party AUM (\$ in millions)		28,569
FEEUM (\$ in millions)		17,960
Q2 2019 fee revenue and REIM platform equity method earnings		40,204
Net Assets		
Cash and cash equivalents, restricted cash and other assets ⁽⁶⁾	1,298,021	998,973
Accrued and other liabilities and dividends payable ⁽⁷⁾	952,478	832,904
Net assets	\$ 345,543	\$ 166,069

Notes:

- (1) Includes a \$228 million noncash write-down of the carrying value of the Company's 48 million shares of CLNC to a value based on CLNC's closing stock price of \$15.50 on June 28, 2019, the last trading day of the second quarter, required under generally accepted accounting principles as a result of the prolonged period of time in which the carrying value of the Company's CLNC shares has exceeded CLNC share trading prices.
- (2) Includes assets classified as held for sale on the Company's financial statements.
- (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 \$50 million consolidated or \$35 million CLNY OP share carrying value of healthcare real estate development loans.
- (6) Other assets excludes \$4 million consolidated and CLNY OP share of deferred financing costs and \$54 million consolidated or \$30 million CLNY OP share of restricted cash which is included in the undepreciated carrying value of the hotel portfolio in Other Real Estate Equity shown on page 41.
- (7) Accrued and other liabilities exclude \$40 million consolidated and CLNY OP share of deferred tax liabilities and other liabilities which are not due in cash and \$112 million of derivative liability which is included in the debt of Other GP Co-investments shown on page 40.

IIIa. Financial Results - Consolidated Balance Sheet

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

	As of June 30, 2019
Assets	
Cash and cash equivalents	\$ 353,984
Restricted cash	336,491
Real estate, net	10,348,430
Loans receivable, net	1,487,611
Equity and debt investments	2,373,690
Goodwill	1,514,561
Deferred leasing costs and intangible assets, net	372,351
Assets held for sale	5,205,340
Other assets	621,673
Due from affiliates	44,407
Total assets	\$ 22,658,538
Liabilities	
Debt, net	\$ 8,739,667
Accrued and other liabilities	1,020,709
Intangible liabilities, net	100,730
Liabilities related to assets held for sale	2,168,168
Dividends and distributions payable	84,221
Total liabilities	12,113,495
Commitments and contingencies	
Redeemable noncontrolling interests	7,945
Equity	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,436,605 liquidation preference; 250,000 shares authorized; 57,464 shares issued and outstanding	1,407,495
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 487,013 shares issued and outstanding	4,870
Class B, 1,000 shares authorized; 734 shares issued and outstanding	7
Additional paid-in capital	7,621,655
Distributions in excess of earnings	(2,699,276)
Accumulated other comprehensive income	26,967
Total stockholders' equity	6,361,718
Noncontrolling interests in investment entities	3,861,047
Noncontrolling interests in Operating Company	314,333
Total equity	10,537,098
Total liabilities, redeemable noncontrolling interests and equity	\$ 22,658,538

IIIb. Financial Results - Noncontrolling Interests' Share Balance Sheet

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

	As of June 30, 2019
Assets	
Cash and cash equivalents	\$ 123,623
Restricted cash	105,530
Real estate, net	2,608,800
Loans receivable, net	695,595
Equity and debt investments	510,135
Deferred leasing costs and intangible assets, net	77,804
Assets held for sale	3,270,934
Other assets	94,356
Total assets	\$ 7,486,777
Liabilities	
Debt, net	\$ 2,077,509
Accrued and other liabilities	119,573
Intangible liabilities, net	30,564
Liabilities related to assets held for sale	1,390,139
Total liabilities	3,617,785
Commitments and contingencies	
Redeemable noncontrolling interests	7,945
Equity	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,436,605 liquidation preference; 250,000 shares authorized; 57,464 shares issued and outstanding	—
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 487,013 shares issued and outstanding	—
Class B, 1,000 shares authorized; 734 shares issued and outstanding	—
Additional paid-in capital	—
Distributions in excess of earnings	—
Accumulated other comprehensive income	—
Total stockholders' equity	—
Noncontrolling interests in investment entities	3,861,047
Noncontrolling interests in Operating Company	—
Total equity	3,861,047
Total liabilities, redeemable noncontrolling interests and equity	\$ 7,486,777

IIIc. Financial Results - Consolidated Segment Operating Results

Three Months Ended June 30, 2019

(\$ in thousands) (unaudited)	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
Revenues								
Property operating income	\$ 144,863	\$ —	\$ 227,016	\$ —	\$ 116,909	\$ —	\$ —	\$ 488,788
Interest income	946	—	1	—	32,983	405	720	35,055
Fee income	—	—	—	—	—	35,433	—	35,433
Other income	87	—	63	—	2,174	7,964	3,875	14,163
Total revenues	145,896	—	227,080	—	152,066	43,802	4,595	573,439
Expenses								
Property operating expense	63,924	—	144,691	—	70,625	—	—	279,240
Interest expense	57,135	—	41,591	—	29,216	—	13,796	141,738
Investment and servicing expense	9,097	—	2,712	—	7,355	—	853	20,017
Transaction costs	—	—	—	—	—	318	—	318
Depreciation and amortization	40,778	—	37,008	—	23,166	6,918	1,512	109,382
Provision for loan loss	—	—	—	—	15,003	—	—	15,003
Impairment loss	51,324	—	420	—	32,302	—	649	84,695
Compensation expense								
Cash and equity-based compensation	1,787	—	1,727	—	1,744	17,332	19,840	42,430
Carried interest and incentive compensation	—	—	—	—	—	1,146	—	1,146
Administrative expenses	514	—	456	—	1,952	1,212	16,012	20,146
Total expenses	224,559	—	228,605	—	181,363	26,926	52,662	714,115
Other income (loss)								
Gain on sale of real estate assets	—	—	140	—	5,937	—	—	6,077
Other gain (loss), net	(2,261)	—	(114)	—	(1,995)	5	(85,141)	(89,506)
Equity method earnings	—	—	—	(267,912)	25,757	(17,133)	—	(259,288)
Equity method earnings—carried interest	—	—	—	—	—	1,836	—	1,836
Income (loss) before income taxes	(80,924)	—	(1,499)	(267,912)	402	1,584	(133,208)	(481,557)
Income tax benefit (expense)	(596)	—	(2,006)	—	(406)	266	157	(2,585)
Income (loss) from continuing operations	(81,520)	—	(3,505)	(267,912)	(4)	1,850	(133,051)	(484,142)
Income (loss) from discontinued operations	—	(2,663)	—	—	—	2,159	—	(504)
Net income (loss)	(81,520)	(2,663)	(3,505)	(267,912)	(4)	4,009	(133,051)	(484,646)
Net income (loss) attributable to noncontrolling interests:								
Redeemable noncontrolling interests	—	—	—	—	509	—	—	509
Investment entities	(19,181)	673	13	—	5,702	(621)	—	(13,414)
Operating Company	(3,723)	(201)	(188)	(16,120)	(374)	279	(9,662)	(29,989)
Net income (loss) attributable to Colony Capital, Inc.	(58,616)	(3,135)	(3,330)	(251,792)	(5,841)	4,351	(123,389)	(441,752)
Preferred stock dividends	—	—	—	—	—	—	27,138	27,138
Net income (loss) attributable to common stockholders	\$ (58,616)	\$ (3,135)	\$ (3,330)	\$ (251,792)	\$ (5,841)	\$ 4,351	\$ (150,527)	\$ (468,890)

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

Three Months Ended June 30, 2019

(\$ in thousands) (unaudited)	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
Revenues								
Property operating income	\$ 40,987	\$ —	\$ 14,035	\$ —	\$ 58,392	\$ —	\$ —	\$ 113,414
Interest income	287	—	—	—	19,318	—	—	19,605
Fee income	—	—	—	—	—	—	—	—
Other income	22	—	6	—	609	—	—	637
Total revenues	41,296	—	14,041	—	78,319	—	—	133,656
Expenses								
Property operating expense	17,624	—	8,867	—	34,382	—	—	60,873
Interest expense	16,509	—	2,631	—	12,438	—	—	31,578
Investment and servicing expense	2,672	—	132	—	2,560	—	—	5,364
Transaction costs	—	—	—	—	—	—	—	—
Placement fees	—	—	—	—	—	—	—	—
Depreciation and amortization	11,762	—	2,357	—	12,415	—	—	26,534
Provision for loan loss	—	—	—	—	4,237	—	—	4,237
Impairment loss	14,456	—	1	—	22,739	—	—	37,196
Compensation expense								
Cash and equity-based compensation	—	—	—	—	124	—	—	124
Carried interest and incentive compensation	—	—	—	—	—	—	—	—
Administrative expenses	152	—	27	—	774	5	—	958
Total expenses	63,175	—	14,015	—	89,669	5	—	166,864
Other income (loss)								
Gain on sale of real estate assets	—	—	—	—	3,772	—	—	3,772
Other gain (loss), net	(686)	—	(13)	—	(370)	—	—	(1,069)
Equity method earnings (losses)	—	—	—	—	14,171	(4)	—	14,167
Equity method earnings—carried interest	—	—	—	—	—	(270)	—	(270)
Income (loss) before income taxes	(22,565)	—	13	—	6,223	(279)	—	(16,608)
Income tax benefit (expense)	(104)	—	—	—	(12)	—	—	(116)
Net income (loss)	(22,669)	—	13	—	6,211	(279)	—	(16,724)
Income (loss) from discontinued operations	—	673	—	—	—	—	—	673
Non-pro rata allocation of income (loss) to NCI	3,488	—	—	—	—	(342)	—	3,146
Net income (loss) attributable to noncontrolling interests	\$ (19,181)	\$ 673	\$ 13	\$ —	\$ 6,211	\$ (621)	\$ —	\$ (12,905)

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

Three Months Ended June 30, 2019										
(\$ in thousands) (Unaudited)	OP pro rata share by segment							Total OP pro rata share	Amounts attributable to noncontrolling interests	CLNY consolidated as reported
	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments			
Net income (loss) attributable to common stockholders	\$ (58,616)	\$ (3,135)	\$ (3,330)	\$ (251,792)	\$ (5,841)	\$ 4,351	\$ (150,527)	\$ (468,890)	\$ —	\$ (468,890)
Net income (loss) attributable to noncontrolling common interests in Operating Company	(3,723)	(201)	(188)	(16,120)	(374)	279	(9,662)	(29,989)	—	(29,989)
Net income (loss) attributable to common interests in Operating Company and common stockholders	(62,339)	(3,336)	(3,518)	(267,912)	(6,215)	4,630	(160,189)	(498,879)	—	(498,879)
Adjustments for FFO:										
Real estate depreciation and amortization	29,732	15,661	34,651	10,353	11,702	1,751	—	103,850	55,646	159,496
Impairment of real estate	36,868	—	419	3,555	9,563	—	—	50,405	37,195	87,600
Gain from sales of real estate	—	(184)	(140)	—	(2,628)	—	—	(2,952)	(4,136)	(7,088)
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	—	(88,705)	(88,705)
FFO	\$ 4,261	\$ 12,141	\$ 31,412	\$ (254,004)	\$ 12,422	\$ 6,381	\$ (160,189)	\$ (347,576)	\$ —	\$ (347,576)
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⁾	—	—	—	—	1,658	—	—	1,658	1,627	3,285
(Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	—	—	—	—	—	19,878	—	19,878	—	19,878
CLNC Core Earnings & NRE Cash Available for Distribution adjustments ⁽²⁾	—	—	—	266,276	(482)	—	—	265,794	—	265,794
Equity-based compensation expense	498	689	498	987	627	2,796	3,290	9,385	—	9,385
Straight-line rent revenue and expense	(1,814)	(1,103)	279	—	(1,361)	189	(23)	(3,833)	(2,933)	(6,766)
Amortization of acquired above- and below-market lease values	(1,512)	(341)	3	(303)	(51)	—	—	(2,204)	(1,254)	(3,458)
Amortization of deferred financing costs and debt premiums and discounts	8,840	465	3,655	77	2,952	88	1,661	17,738	6,948	24,686
Unrealized fair value gains or losses on interest rate and foreign currency hedges, and foreign currency remeasurements	1,490	(3)	—	—	179	(6)	86,705	88,365	768	89,133
Acquisition and merger-related transaction costs	—	—	—	174	236	873	—	1,283	—	1,283
Merger integration and restructuring costs ⁽³⁾	—	—	—	—	—	—	361	361	—	361
Amortization and impairment of investment management intangibles	—	—	—	—	—	6,911	—	6,911	—	6,911
Non-real estate depreciation and amortization	—	46	—	—	—	7	1,512	1,565	—	1,565
Amortization of gain on remeasurement of consolidated investment entities	—	—	—	—	14	—	—	14	14	28
Deferred tax (benefit) expense, net	—	—	—	—	—	(2,119)	(85)	(2,204)	—	(2,204)
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	—	(5,170)	(5,170)
Core FFO	\$ 11,763	\$ 11,894	\$ 35,847	\$ 13,207	\$ 16,194	\$ 34,998	\$ (66,768)	\$ 57,135	\$ —	\$ 57,135

Notes:

- (1) Net of \$3.1 million consolidated or \$1.0 million CLNY OP share of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings.
- (2) Represents adjustments to align the Company's Core FFO with CLNC's definition of Core Earnings and NRE's definition of Cash Available for Distribution ("CAD") to reflect the Company's percentage interest in the respective company's earnings. These adjustments include provisions for loan losses, realized gains and losses plus other differences that are included/excluded in CLNC's core earnings and NRE's CAD.
- (3) Merger integration and restructuring costs represent costs and charges incurred during the integration of Colony, NSAM and NRF and from the corporate restructuring and reorganization plan. These integration and restructuring costs are not reflective of the Company's core operating performance and the Company does not expect to incur these costs subsequent to the completion of the merger integration and restructuring and reorganization plan. The majority of these costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.

IVa. Capitalization - Overview

(\$ in thousands; except per share data; as of June 30, 2019, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
Debt (UPB)		
\$750,000 Revolving credit facility	\$ 85,000	\$ 85,000
Convertible/exchangeable senior notes	616,105	616,105
Corporate aircraft promissory note	36,143	36,143
Trust Preferred Securities ("TruPS")	280,117	280,117
Investment-level debt:		
Healthcare	3,022,747	2,156,983
Industrial	2,022,391	719,663
Hospitality	2,659,562	2,488,688
Other Equity and Debt	2,236,419	1,157,392
Total investment-level debt	<u>9,941,119</u>	<u>6,522,726</u>
Total debt	\$ 10,958,484	\$ 7,540,091

Perpetual preferred equity, redemption value

Total perpetual preferred equity	\$ 1,436,605
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Common equity as of August 6, 2019

	<u>Price per share</u>	<u>Shares / Units</u>	
Class A and B common stock	\$ 5.41	487,700	\$ 2,638,457
OP units ⁽¹⁾	5.41	52,650	284,837
Total market value of common equity			\$ 2,923,294
Total market capitalization			\$ 11,899,990

Notes:
 (1) Includes 21.5 million operating company units issued on July 25, 2019 for the acquisition of Digital Bridge Holdings.

IVb. Capitalization - Investment-Level Debt Overview

(\$ in thousands; as of or for the three months ended June 30, 2019, unless otherwise noted)

Non-recourse investment-level debt overview

	Fixed / Floating	Consolidated		CLNY OP share of consolidated amount	
		Unpaid principal balance	Unpaid principal balance	Wtd. avg. years remaining to maturity	Wtd. avg. interest rate ⁽¹⁾
Healthcare	Fixed	\$ 405,980	\$ 285,038	5.6	4.5%
Healthcare	Floating	2,616,767	1,871,945	4.2	6.0%
Light Industrial ⁽²⁾	Fixed	1,476,256	495,403	8.9	3.8%
Light Industrial ⁽²⁾	Floating	311,135	104,410	4.6	3.8%
Bulk Industrial	Floating	235,000	119,850	4.6	4.4%
Hospitality	Fixed	12,960	12,636	2.1	13.0%
Hospitality	Floating	2,646,602	2,476,052	3.5	5.5%
Other Equity and Debt					
Net lease real estate equity	Fixed	107,608	106,983	3.5	5.0%
Other real estate equity	Fixed	58,310	16,696	3.7	2.6%
Other real estate equity	Floating	1,283,640	672,819	3.0	4.9%
GP Co-investments	Floating	785,744	360,672	2.6	4.2%
GP Co-investments	Fixed	1,117	222	4.1	2.4%
Total investment-level debt		\$ 9,941,119	\$ 6,522,726	4.1	5.3%

Fixed / Floating Summary

Fixed	\$ 2,062,231	\$ 916,978
Floating	7,878,888	5,605,748
Total investment-level debt	\$ 9,941,119	\$ 6,522,726

Notes:

(1) Based on 1-month LIBOR of 2.40% and 3-month LIBOR of 2.32% for floating rate debt.

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

IVc. Capitalization - Revolving Credit Facility Overview

(\$ in thousands, except as noted; as of June 30, 2019)

Revolving credit facility

Maximum principal amount	\$	750,000
Amount outstanding		85,000
Initial maturity		January 11, 2021
Fully-extended maturity		January 10, 2022
Interest rate		LIBOR + 2.25%

Financial covenants as defined in the Credit Agreement:

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

Company status: As of June 30, 2019, CLNY is meeting all required covenant threshold levels

Notes:

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

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

Ivd. Capitalization - Corporate Securities Overview

(\$ in thousands, except per share data; as of June 30, 2019, unless otherwise noted)

Convertible/exchangeable debt

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

TruPS

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

Perpetual preferred stock

Description	Liquidation preference	Shares outstanding (In thousands)	Callable period
Series B 8.25% cumulative redeemable perpetual preferred stock	\$ 152,855	6,114	Callable
Series E 8.75% cumulative redeemable perpetual preferred stock	250,000	10,000	Callable
Series G 7.5% cumulative redeemable perpetual preferred stock	86,250	3,450	Callable
Series H 7.125% cumulative redeemable perpetual preferred stock	287,500	11,500	On or after April 13, 2020
Series I 7.15% cumulative redeemable perpetual preferred stock	345,000	13,800	On or after June 5, 2022
Series J 7.125% cumulative redeemable perpetual preferred stock	315,000	12,600	On or after September 22, 2022
Total preferred stock	\$ 1,436,605	57,464	

Notes:

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

IVe. Capitalization - Debt Maturity and Amortization Schedules

(\$ in thousands; as of June 30, 2019)

	Fixed / Floating	Payments due by period ⁽¹⁾					Total
		2019	2020	2021	2022	2023 and after	
Consolidated debt							
\$750,000 Revolving credit facility	Floating	\$ —	\$ —	\$ —	\$ 85,000	\$ —	\$ 85,000
Convertible/exchangeable senior notes	Fixed	—	—	402,500	—	213,605	616,105
Corporate aircraft promissory note	Fixed	1,077	2,243	2,359	2,480	27,984	36,143
TruPS	Floating	—	—	—	—	280,117	280,117
Investment-level debt:							
Healthcare	Fixed	—	6,809	8,083	9,068	382,020	405,980
Healthcare	Floating	304,145	97,502	280,486	4,212	1,930,422	2,616,767
Light Industrial ⁽²⁾	Fixed	424	5,825	2,690	6,736	1,460,581	1,476,256
Light Industrial ⁽²⁾	Floating	—	—	—	—	311,135	311,135
Bulk Industrial	Floating	—	—	—	—	235,000	235,000
Hospitality	Fixed	—	—	12,960	—	—	12,960
Hospitality	Floating	—	132,250	207,552	1,630,000	676,800	2,646,602
Other Equity and Debt	Fixed	36,845	13,616	13,772	19,838	82,964	167,035
Other Equity and Debt	Floating	100,725	211,468	265,520	1,027,685	463,986	2,069,384
Total consolidated debt		\$ 443,216	\$ 469,713	\$ 1,195,922	\$ 2,785,019	\$ 6,064,614	\$ 10,958,484
Pro rata debt							
\$750,000 Revolving credit facility	Floating	\$ —	\$ —	\$ —	\$ 85,000	\$ —	\$ 85,000
Convertible/exchangeable senior notes	Fixed	—	—	402,500	—	213,605	616,105
Corporate aircraft promissory note	Fixed	1,077	2,243	2,359	2,480	27,984	36,143
TruPS	Floating	—	—	—	—	280,117	280,117
Investment-level debt:							
Healthcare	Fixed	—	4,781	5,675	6,366	268,216	285,038
Healthcare	Floating	215,678	74,095	224,990	2,948	1,354,234	1,871,945
Light Industrial ⁽²⁾	Fixed	142	1,955	903	2,261	490,142	495,403
Light Industrial ⁽²⁾	Floating	—	—	—	—	104,410	104,410
Bulk Industrial	Floating	—	—	—	—	119,850	119,850
Hospitality	Fixed	—	—	12,636	—	—	12,636
Hospitality	Floating	—	132,250	202,363	1,464,639	676,800	2,476,052
Other Equity and Debt	Fixed	28,326	4,944	5,055	6,815	78,761	123,901
Other Equity and Debt	Floating	65,959	46,266	239,190	525,554	156,522	1,033,491
Total pro rata debt		\$ 311,182	\$ 266,534	\$ 1,095,671	\$ 2,096,063	\$ 3,770,641	\$ 7,540,091

Notes:

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

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

Va. Healthcare Real Estate - Summary Metrics and Operating Results

(\$ in thousands; as of or for the three months ended June 30, 2019, unless otherwise noted)

Net operating income	Consolidated amount	CLNY OP share of consolidated amount⁽¹⁾
Net operating income:		
Senior Housing - Operating	\$ 16,468	\$ 11,676
Medical Office Buildings	13,481	9,558
<i>Triple-Net Lease:</i>		
Senior Housing ⁽²⁾	15,290	10,841
Skilled Nursing Facilities ⁽³⁾	26,895	19,069
Hospitals	4,985	3,534
Total net operating income	\$ 77,119	\$ 54,678

Portfolio overview	Total number of buildings	Capacity	% Occupied⁽⁴⁾	TTM Lease Coverage⁽⁵⁾	WA Remaining Lease Term
Senior Housing - Operating	108	6,388 units	84.8%	N/A	N/A
Medical Office Buildings	108	3.8 million sq. ft.	82.3%	N/A	4.5
<i>Triple-Net Lease:</i>					
Senior Housing	84	4,231 units	80.9%	1.3x	11.2
Skilled Nursing Facilities	99	11,829 beds	83.3%	1.2x	5.6
Hospitals	14	872 beds	63.4%	2.4x	9.7
Total	413				

Same store financial/operating results related to the segment

	% Occupied⁽⁴⁾		TTM Lease Coverage⁽⁵⁾		NOI		
	Q2 2019	Q1 2019	3/31/2019	12/31/2018	Q2 2019	Q1 2019	% Change
Senior Housing - Operating	84.8%	86.7%	N/A	N/A	\$ 16,480	\$ 17,335	(4.9)%
Medical Office Buildings	82.3%	82.4%	N/A	N/A	13,481	12,424	8.5 %
<i>Triple-Net Lease:</i>							
Senior Housing	80.9%	82.1%	1.3x	1.3x	15,290	15,373	(0.5)%
Skilled Nursing Facilities ⁽³⁾	83.3%	82.4%	1.2x	1.2x	26,895	25,750	4.4 %
Hospitals	63.4%	58.5%	2.4x	2.3x	4,985	5,363	(7.0)%
Total					\$ 77,131	\$ 76,245	1.2 %

Notes:

(1) CLNY OP Share represents Consolidated NOI multiplied by CLNY OP's interest of 71% as of June 30, 2019.

(2) NOI includes \$0.9 million consolidated or \$0.7 million CLNY OP share of interest earned related to \$50 million consolidated or \$35 million CLNY OP share carrying value of healthcare real estate development loans. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended June 30, 2019. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.

(3) Second quarter 2019 NOI included \$0.9 million of consolidated or \$0.7 million CLNY OP share of one-time recovery of uncollectible rents in the skilled nursing facilities portfolio.

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

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

Vb. Healthcare Real Estate - Portfolio Overview

(As of or for the three months ended June 30, 2019, unless otherwise noted)

Triple-Net Lease Coverage⁽¹⁾

March 31, 2019 TTM Lease Coverage	# of Leases	% of Triple-Net Lease TTM NOI as of March 31, 2019				WA Remaining Lease Term
		Senior Housing	Skilled Nursing Facilities & Hospitals	% Triple-Net Lease NOI		
Less than 0.99x	7	6%	19%	25%	5 yrs	
1.00x - 1.09x	1	—%	10%	10%	8 yrs	
1.10x - 1.19x	1	4%	—%	4%	9 yrs	
1.20x - 1.29x	1	—%	11%	11%	9 yrs	
1.30x - 1.39x	3	20%	8%	28%	11 yrs	
1.40x - 1.49x	—	—%	—%	—%	—	
1.50x and greater	4	2%	20%	22%	4 yrs	
Total / W.A.	17	32%	68%	100%	8 yrs	

Revenue Mix⁽²⁾

	March 31, 2019 TTM		
	Private Pay	Medicare	Medicaid
Senior Housing - Operating	86%	4%	10%
Medical Office Buildings	100%	—%	—%
<i>Triple-Net Lease:</i>			
Senior Housing	63%	—%	37%
Skilled Nursing Facilities	27%	20%	53%
Hospitals	14%	42%	44%
W.A.	59%	10%	31%

Notes:

(1) Represents the ratio of the tenant's/operator's EBITDAR to cash rent payable to the Company's Healthcare Real Estate segment on a trailing twelve month basis. Refer to Important Notes Regarding Non-GAAP Financial Measures and Definitions pages in this presentation for additional information regarding the use of tenant/operator EBITDAR. Represents leases with EBITDAR coverage in each listed range. Excludes interest income associated with triple-net lease senior housing and hospital types. Caring Homes (U.K.) lease (EBITDAR) coverage includes additional collateral provided by the operator.

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

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

(\$ in thousands; as of or for the three months ended June 30, 2019, unless otherwise noted)

Top 10 Geographic Locations by NOI

	Number of buildings	NOI
United Kingdom	45	\$ 8,986
Indiana	55	7,309
Illinois	35	6,794
Florida	27	6,638
Georgia	22	5,309
Pennsylvania	11	4,920
Texas	31	4,585
Oregon	31	4,381
Ohio	35	4,285
California	14	3,869
Total	306	\$ 57,076

Top 10 Operators/Tenants by NOI

	Property Type/Primary Segment	Number of buildings	NOI	% Occupied	TTM Lease Coverage	WA Remaining Lease Term
Senior Lifestyle	Sr. Housing / RIDEA	81	\$ 13,363	87.0%	N/A	N/A
Caring Homes (U.K.) ⁽¹⁾	Sr. Housing / NNN	45	9,932	86.7%	1.4x	14 yrs
Wellington Healthcare ⁽²⁾	SNF / NNN	11	5,507	90.0%	1.0x	8 yrs
Sentosa	SNF / NNN	11	4,920	85.0%	1.2x	9 yrs
Millers	SNF / NNN	28	3,925	71.0%	1.9x	N/A
Frontier	Sr. Housing / RIDEA / NNN	20	3,439	82.0%	N/A	N/A
Opis	SNF / NNN	11	2,880	92.0%	1.4x	5 yrs
Grace	SNF / NNN	9	2,665	81.0%	0.9x	2 yrs
Avanti Hospital Systems	Hospital	5	2,361	57.0%	3.7x	8 yrs
Consulate	SNF / NNN	10	2,350	89.0%	1.0x	9 yrs
Total		231	\$ 51,342			

Notes:

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

(2) Second quarter 2019 NOI included \$0.9 million of consolidated or \$0.7 million CLNY OP share of one-time recovery of uncollectible rents.

Vla. Industrial Real Estate - Summary Metrics and Operating Results

(\$ in thousands; as of or for the three months ended June 30, 2019, unless otherwise noted)

	Consolidated amount ⁽¹⁾	CLNY OP share of consolidated amount ⁽¹⁾
Net operating income		
Light Industrial	\$ 59,287	\$ 19,896
Bulk Industrial	2,952	1,506
Total Industrial	\$ 62,239	\$ 21,402

	Light	Bulk	Total
Portfolio overview			
Total number of buildings	446	6	452
Rentable square feet (thousands)	55,728	4,183	59,911
% leased at end of period	91.6%	67.4%	
Average remaining lease term	3.9	11.7	

	Q2 2019	Q1 2019	% Change
Light industrial same store financial/operating results			
Same store number of buildings	312	312	—
% leased at end of period	94.6%	95.1%	(0.5)%
NOI	\$ 42,315	\$ 41,919	0.9 %

	Acquisition / Disposition date	Number of buildings	Rentable square feet (thousands)	% leased	Purchase price / Sales price
Recent acquisitions & dispositions					
Q2 2019 acquisitions:					
Orlando industrial property	5/8/2019	1	160	—%	\$ 15,500
Atlanta industrial property	5/29/2019	1	120	100.0%	12,275
Northern New Jersey industrial portfolio	6/10/2019	30	1,350	99.7%	177,500
Land for development	Various	N/A	N/A	N/A	14,450
Total / W.A.		32	1,630	89.9%	\$ 219,725
Q2 2019 dispositions:					
New Jersey industrial property	6/11/2019	1	76	N/A	\$ 3,750
Total / W.A.		1	76	N/A	\$ 3,750

Notes:

* As of June 30, 2019, the industrial segment met the criteria as held for sale and discontinued operations. Accordingly, for all prior periods presented, the related assets and liabilities were reclassified as assets and liabilities held for sale on the consolidated balance sheets and the related operating results were reclassified as income from discontinued operations on the consolidated statement of operations.

(1) CLNY OP Share represents Consolidated NOI multiplied by CLNY OP's light industrial portfolio interest of 34% and bulk industrial portfolio interest of 51% as of June 30, 2019. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.

Vlb. Industrial Real Estate - Portfolio Overview

(\$ in thousands; as of or for the three months ended June 30, 2019, unless otherwise noted)

Top 10 Geographic Locations by NOI - Light Industrial Portfolio	Number of buildings	Rentable square feet (thousands)	NOI	% leased at end of period
Atlanta	54	6,979	\$ 7,289	99.1%
Dallas	63	6,982	7,269	95.6%
Chicago	37	5,128	4,830	87.2%
Orlando	18	3,011	3,738	94.7%
Minneapolis	18	2,814	3,594	95.7%
Phoenix	27	3,100	3,346	97.7%
Baltimore	23	2,956	3,345	93.8%
Philadelphia	25	3,159	2,972	88.7%
Northern New Jersey	41	2,261	2,666	99.8%
Jacksonville	13	2,305	2,261	87.1%
Total / W.A.	319	38,695	\$ 41,310	94.3%

Top 10 Tenant Base by Industry - Light Industrial Portfolio

Industry	Total leased square feet (thousands)	% of total
Warehousing & Transportation	21,659	42.4%
Manufacturing	9,050	17.8%
Professional, Scientific & Technical Services	4,786	9.4%
Wholesale Trade	4,758	9.3%
Health & Science	3,510	6.9%
Media & Information	2,645	5.2%
Construction & Contractors	2,146	4.2%
Retail Trade	1,610	3.2%
Entertainment & Recreation	723	1.4%
Public Administration & Government	84	0.2%
Total	50,971	100.0%

Notes:

* As of June 30, 2019, the industrial segment met the criteria as held for sale and discontinued operations. Accordingly, for all prior periods presented, the related assets and liabilities were reclassified as assets and liabilities held for sale on the consolidated balance sheets and the related operating results were reclassified as income from discontinued operations on the consolidated statement of operations.

VIIa. Hospitality Real Estate - Summary Metrics and Operating Results

(\$ in thousands; as of or for the three months ended June 30, 2019, unless otherwise noted)

	Consolidated amount	CLNY OP share of consolidated amount ⁽¹⁾
NOI before FF&E Reserve		
NOI before FF&E Reserve:		
Select Service	\$ 45,701	\$ 43,096
Extended Stay	32,723	30,858
Full Service	4,272	4,028
Total NOI before FF&E Reserve ⁽²⁾	\$ 82,696	\$ 77,982

Portfolio overview by type

	Number of hotels	Number of rooms	Avg. qtr. % occupancy	Avg. daily rate (ADR)	RevPAR	Q2 2019 NOI before FF&E Reserve	NOI before FF&E Reserve margin
Select service	94	12,762	76.0%	\$ 128	\$ 98	\$ 45,701	35.7%
Extended stay	66	7,936	83.0%	135	112	32,723	39.3%
Full service	4	966	78.2%	168	132	4,272	27.3%
Total / W.A.	164	21,664	78.6%	\$ 133	\$ 104	\$ 82,696	36.4%

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

Brand	Avg. qtr. % occupancy		Avg. daily rate (ADR)		RevPAR		NOI before FF&E Reserve		
	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	% Change
Marriott	77.5%	78.5%	\$ 132	\$ 131	\$ 102	\$ 103	\$ 63,530	\$ 65,725	(3.3)%
Hilton	82.1%	83.9%	135	135	110	113	14,237	14,846	(4.1)%
Other	87.4%	86.3%	141	138	123	119	4,515	4,349	3.8 %
Total / W.A.	78.7%	79.8%	\$ 133	\$ 132	\$ 105	\$ 106	\$ 82,282	\$ 84,920	(3.1)%

Notes:

(1) CLNY OP Share represents Consolidated NOI before FF&E Reserve multiplied by CLNY OP's interest of 94% as of June 30, 2019.

(2) Q2 2019 FF&E reserve was \$10.0 million consolidated or \$9.4 million CLNY OP share. For a reconciliation of net income/(loss) attributable to common stockholders to NOI please refer to the appendix to this presentation.

VIIb. Hospitality Real Estate - Portfolio Overview

(\$ in thousands; as of June 30, 2019, unless otherwise noted)

Top 10 Geographic Locations by NOI before FF&E Reserve	Number of hotels	Number of rooms	Number of rooms-select service	Number of rooms-extended stay	Number of rooms-full service	NOI before FF&E Reserve
California	18	2,254	1,243	1,011	—	\$ 12,679
Texas	28	3,230	1,952	1,278	—	8,669
Florida	12	2,065	1,187	291	587	8,110
New Jersey	12	1,884	718	942	224	6,022
Virginia	10	1,327	1,064	263	—	5,028
North Carolina	7	981	831	150	—	4,070
New York	8	1,010	710	300	—	4,053
Washington	5	664	160	504	—	3,848
Maryland	7	953	666	132	155	3,242
Michigan	6	809	601	208	—	2,952
Total / W.A.	113	15,177	9,132	5,079	966	\$ 58,673

VIIIa. CLNC

(\$ in thousands, except as noted and per share data; as of June 30, 2019, unless otherwise noted)

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

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
CLNY OP interest in CLNC as of August 6, 2019	36.4%	36.4%
CLNC shares beneficially owned by OP and common stockholders	48.0 million	48.0 million
CLNC share price as of August 6, 2019	\$ 15.65	\$ 15.65
Total market value of CLNC shares	\$ 750,214	\$ 750,214
Net carrying value - CLNC	\$ 743,015	\$ 743,015

IX. Other Equity and Debt Summary

(\$ in thousands; as of June 30, 2019)

	Consolidated amount		CLNY OP share of consolidated amount	
	Assets	Equity	Assets	Equity
Strategic⁽¹⁾				
GP co-investments	\$ 2,755,573	\$ 1,879,642	\$ 1,175,934	\$ 707,308
11% interest in NRE	86,581	86,581	86,581	86,581
Strategic Subtotal	2,842,154	1,966,223	1,262,515	793,889
Non-Strategic⁽¹⁾				
Other real estate equity	2,340,579	998,627	1,285,365	595,850
Net lease real estate equity	185,055	77,447	184,034	77,051
Real estate debt	392,393	392,393	273,567	273,567
CRE securities and real estate PE fund investments	67,940	67,940	67,940	67,940
Non-Strategic Subtotal	2,985,967	1,536,407	1,810,906	1,014,408
Other Equity and Debt Total	\$ 5,828,121	\$ 3,502,630	\$ 3,073,421	\$ 1,808,297

Notes:

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

IXa. Other Equity and Debt - Strategic Investments

(\$ in thousands, except as noted and per share data; as of June 30, 2019, unless otherwise noted)

	Consolidated amount	CLNY OP share of consolidated amount
NorthStar Realty Europe Corp. (NYSE: NRE)		
CLNY OP interest in NRE as of August 6, 2019	11.1%	11.1%
NRE shares beneficially owned by OP and common stockholders	5.6 million	5.6 million
NRE share price as of August 6, 2019	\$ 17.07	\$ 17.07
Total market value of NRE shares	\$ 96,215	\$ 96,215
Carrying value - NRE	\$ 86,581	\$ 86,581

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

Assets - carrying value ⁽¹⁾	\$ 1,662,403	\$ 294,925
Debt - UPB	508,606	101,301
Net carrying value	\$ 1,153,797	\$ 193,624

NBV by Geography:

U.S.	32.9%	20.4%
Europe	67.1%	79.6%
Total	100.0%	100.0%

Other GP Co-investments ⁽²⁾

Assets - carrying value ⁽³⁾⁽⁴⁾	\$ 1,093,170	\$ 881,009
Debt - UPB ⁽⁴⁾	367,325	367,325
Net carrying value	\$ 725,845	\$ 513,684

Notes:

(1) \$724 million consolidated or \$118 million CLNY OP share of assets are classified as Loans Receivable on the Company's balance sheet.

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

(3) \$432 million consolidated or \$397 million CLNY OP share of assets are classified as Loans Receivable on the Company's balance sheet.

(4) Debt includes \$112 million of derivative liability with a corresponding derivative asset in Other GP Co-investments Assets above.

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

(\$ in thousands; as of June 30, 2019, unless otherwise noted)

Net Lease Real Estate Equity						
	Number of buildings	Rentable square feet (thousands)	Consolidated amount NOI ⁽¹⁾	CLNY OP share of consolidated amount NOI ⁽¹⁾	% leased at end of period	Weighted average remaining lease term
U.S. office	3	674	\$ 695	\$ 694	85.7%	5.4
Total / W.A.	3	674	\$ 695	\$ 694	85.7%	5.4

Other Real Estate Equity						
	Number of buildings	Rentable square feet (thousands)	Consolidated amount Undepreciated carrying value	CLNY OP share of consolidated amount Undepreciated carrying value	% leased at end of period	Weighted average remaining lease term
U.S.:						
Office	9	785	\$ 148,513	\$ 142,638	63.3%	5.0
Hotel ⁽²⁾	89	N/A	1,204,041	663,684	74.8%	N/A
Europe:						
Office	15	533	74,541	37,270	77.3%	12.1
Mixed / Retail	125	3,576	580,356	187,896	52.4%	4.5
Total / W.A.	238	4,894	\$ 2,007,451	\$ 1,031,488	57.1%	5.4

Unconsolidated joint ventures (Other RE Equity)

Preferred equity:

Multifamily		\$ 129,051	\$ 129,051
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Equity & Other:

Albertsons	89,129	44,565
Residential Land	70,695	36,008
Other	28,742	28,742
Corporate CLO Equity	15,511	15,511
Total	\$ 333,128	\$ 253,877

Notes:

(1) Second quarter 2019 net lease real estate equity NOI includes an aggregate \$0.4 million deduction for prior year tenant expense reimbursement income and incremental rent concession for a new tenant taking partial space from an existing tenant.

(2) Includes \$54 million consolidated or \$30 million CLNY OP share of restricted cash.

IXc. Other Equity and Debt - Real Estate Debt

(\$ in thousands, except as noted; as of June 30, 2019, unless otherwise noted)

Portfolio Overview⁽¹⁾

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
Non-PCI loans⁽²⁾		
Carrying value - consolidated	\$ 315,184	\$ 225,320
Carrying value - equity method investments	17,234	12,167
PCI loans⁽²⁾		
Carrying value - consolidated	24,413	13,800
Carrying value - equity method investments	1,019	1,019
Other		
Carrying value - real estate assets (REO)	34,543	21,261
Total Portfolio		
Carrying value - consolidated	339,597	239,120
Carrying value - equity method investments	18,253	13,186
Carrying value - real estate assets (REO)	34,543	21,261
Non-recourse investment-level financing (UPB)	—	—

Notes:

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

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

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

(\$ in thousands; as of or for the three months ended June 30, 2019, unless otherwise noted)

Non-strategic real estate debt by loan type⁽¹⁾

	Consolidated amount	CLNY OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI loans⁽²⁾				
<i>Fixed rate</i>				
First mortgage loans	\$ 33,988	\$ 16,994	—%	0.9
Second mortgage loans / B-notes	178,062	99,832	9.1%	1.8
Mezzanine loans	61,758	59,112	—%	1.6
Corporate	27,778	27,778	8.2%	7.5
Total fixed rate non-PCI loans	301,586	203,716	5.6%	2.5
<i>Variable rate</i>				
First mortgage loans	44,520	44,520	8.9%	1.5
Total variable rate non-PCI loans	44,520	44,520	8.9%	1.5
Total non-PCI loans	346,106	248,236		
Allowance for loan losses	(30,922)	(22,916)		
Total non-PCI loans, net of allowance for loan losses	315,184	225,320		
PCI loans⁽²⁾				
First mortgage loans	39,723	20,605		
Mezzanine loans	3,671	3,671		
Total PCI loans	43,394	24,276		
Allowance for loan losses	(18,981)	(10,476)		
Total PCI loans, net of allowance for loan losses	24,413	13,800		
Total loans receivable, net of allowance for loan losses	\$ 339,597	\$ 239,120		

Notes:

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

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

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

(\$ in thousands; as of or for the three months ended June 30, 2019, unless otherwise noted)

Non-strategic real estate debt by collateral type⁽¹⁾

	Consolidated amount	CLNY OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI Loans⁽²⁾				
Retail	\$ 117,979	\$ 112,829	3.5%	1.4
Office	140,296	70,148	13.0%	2.6
Land	29,131	14,565	—%	0.9
Corporate	27,778	27,778	8.2%	7.5
Total non-PCI loans, net of allowance for loan losses	315,184	225,320	6.8%	2.5
PCI Loans⁽²⁾				
Retail	16,000	8,237		
Office	4,731	3,910		
Other	3,682	1,653		
Total PCI loans, net of allowance for loan losses	24,413	13,800		
Total loans receivable, net of allowance for loan losses	\$ 339,597	\$ 239,120		

Notes:

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

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

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

(\$ in thousands; as of June 30, 2019)

Portfolio Overview

	Carrying Value	
Deconsolidated CDO bonds	\$	62,442
Real estate PE fund interests		5,498

Core FFO

Q2 2019 aggregate Core FFO	\$	1,242
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Xa. Investment Management - Summary Metrics

(\$ in thousands, except as noted; as of June 30, 2019)

Overview	Q2 2019 Fee Revenue - CLNY OP Share
Institutional funds ⁽¹⁾	\$ 15,213
Colony Credit Real Estate (NYSE:CLNC)	11,191
NorthStar Realty Europe (NYSE:NRE)	3,847
Retail companies	5,182
Non-wholly owned REIM platforms (equity method earnings)	4,771
Total reported fee revenue and REIM platform equity method earnings	\$ 40,204
Operating Results	
Revenues	
Total fee revenue and REIM earnings of investments in unconsolidated ventures	\$ 40,204
Interest Income and Other Income	8,369
Expenses	
Transaction costs	318
Depreciation and amortization	6,918
Compensation expense	
Cash and equity-based compensation	17,332
Carried interest and incentive compensation	1,146
Administrative expenses	1,207
Total expenses	26,921
Other gain (loss), net	5
Equity method earnings ⁽²⁾	(21,900)
Equity method earnings—carried interest	2,106
Income tax benefit (expense)	266
Income (loss) from discontinued operations	2,159
Non-pro rata allocation of income (loss) to NCI	342
Net income attributable to common interests in OP and common stockholders	4,630
Real estate depreciation and amortization	1,751
(Gains) and losses from sales of businesses and impairment write-downs associated with the Investment Management segment	19,878
Equity-based compensation expense	2,796
Straight-line rent revenue and expense	189
Amortization of deferred financing costs and debt premiums and discounts	88
Unrealized fair value gains or losses on interest rate and foreign currency hedges, and foreign currency remeasurements	(6)
Acquisition and merger-related transaction costs	873
Amortization and impairment of investment management intangibles	6,911
Non-real estate depreciation and amortization	7
Deferred tax (benefit) expense, net	(2,119)
Core FFO	\$ 34,998

Notes:

(1) Includes \$1 million of one-time advisory service fees.

(2) Includes a \$20 million impairment as a result of a termination of future capital commitments to the Company's broker-dealer joint venture.

Xb. Investment Management – Assets Under Management

(\$ in millions, except as noted; as of June 30, 2019, unless otherwise noted)

Segment	Products (FEEUM)	Description	AUM CLNY OP Share	FEEUM CLNY OP Share	Fee Rate
Institutional Funds	<ul style="list-style-type: none"> Credit (\$2.5 billion) Core plus / value-added (\$0.1 billion) Opportunistic (\$0.5 billion) Colony Industrial (\$1.9 billion) Colony Latam Partners (\$0.5 billion) Other co-investment vehicles (\$1.3 billion) 	<ul style="list-style-type: none"> 27 years of institutional investment management experience Sponsorship of private equity funds and vehicles earning asset management fees and performance fees More than 300 investor relationships Colony Industrial Open-End Fund 	\$ 10,170	\$ 6,837	.8%
	<ul style="list-style-type: none"> Colony Credit Real Estate, Inc. (\$3.0 billion) NorthStar Realty Europe Corp. (\$1.0 billion) 	<ul style="list-style-type: none"> CLNC: NYSE-listed credit focused REIT NRE: NYSE-listed European equity REIT Contracts with base management fees with potential for incentive fees 	5,201	4,045 ⁽¹⁾	1.5%
	<ul style="list-style-type: none"> NorthStar Healthcare (\$1.3 billion)⁽²⁾ CC Real Estate Income Funds⁽³⁾⁽⁴⁾ 	<ul style="list-style-type: none"> Manage public non-traded vehicles earning asset management and performance fees 	3,446	1,365 ⁽²⁾	1.5%
	<ul style="list-style-type: none"> Digital Real Estate Infrastructure Co-sponsored Vehicle RXR Realty American Healthcare Investors Hamburg Trust 	<ul style="list-style-type: none"> CLNY recognizes at-share earnings from underlying non-wholly owned REIM platforms 50% investment in Digital Colony, the Company's digital real estate infrastructure vehicle established in partnership with Digital Bridge with an aggregate \$4 billion of committed capital 27% investment in RXR Realty, a real estate owner, developer and investment management company with \$20 billion of AUM 43% investment in American Healthcare Investors, a healthcare investment management firm and sponsor of non-traded vehicles with \$3 billion of AUM 	9,752	5,713	N/A
	Total			\$ 28,569	\$ 17,960

Notes:

(1) Subsequent to the second quarter 2019, NRE entered into a definitive agreement to be acquired. Upon closing of the sale of NRE, the Company's management agreement with NRE will terminate and the Company will receive a balance of \$65 million from the \$70 million overall termination fee (a \$5 million incentive fee was paid to the Company in the second quarter of 2019).

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

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

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

APPENDICES

XIa. Appendices - Definitions

Assets Under Management ("AUM")

Assets for which the Company and its affiliates provide investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at June 30, 2019. AUM further includes a) uncalled capital commitments and b) includes the Company's pro-rata share of each affiliate non wholly-owned real estate investment management platform's assets as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

CLNY Operating Partnership ("CLNY OP")

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

Fee-Earning Equity Under Management ("FEEUM")

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

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

Industrial same store portfolio: consisted of 312 buildings. The same store portfolio is defined once a year at the beginning of the current calendar year and includes buildings that were owned and stabilized throughout the entirety of both the current and prior calendar years. Properties acquired or disposed of after the same store portfolio is determined are excluded. Stabilized properties are defined as properties owned for more than one year or are greater than 90% leased. Same store NOI excludes lease termination fee revenue.

Hospitality same store portfolio: defined as hotels in operation throughout the full periods presented under the comparison and included 164 hotels.

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

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

XIa. Appendices - Definitions

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

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

TTM Lease Coverage

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

ADR: Average Daily Rate

RevPAR: Revenue per Available Room

UPB: Unpaid Principal Balance

PCI: Purchased Credit-Impaired

REIM: Real Estate Investment Management

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

(\$ in thousands; for the three months ended June 30, 2019)

NOI Determined as Follows	Healthcare	Industrial	Hospitality	Other Equity and Debt—Net Lease Properties
Total revenues	\$ 145,896	\$ 92,969	\$ 227,080	\$ 3,458
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(4,817)	(4,067)	316	(1,379)
Interest income	—	(119)	(6)	—
Other income	(36)	—	(3)	—
Property operating expenses ⁽¹⁾	(63,924)	(25,669)	(144,691)	(1,384)
Compensation and administrative expense ⁽¹⁾	—	(875)	—	—
NOI⁽²⁾	\$ 77,119	\$ 62,239	\$ 82,696	\$ 695

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

	Healthcare	Industrial	Hospitality
Income (loss)	\$ (81,520)	\$ (2,663)	\$ (3,505)
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(4,817)	(4,067)	316
Interest income	—	(119)	(6)
Interest expense	57,135	19,726	41,591
Transaction, investment and servicing costs	9,097	8	2,712
Depreciation and amortization	40,778	45,360	37,008
Impairment loss	51,324	—	420
Compensation and administrative expense	2,301	4,192	2,183
Gain on sale of real estate	—	(547)	(140)
Other (gain) loss, net	2,261	49	114
Other income	(36)	—	(3)
Income tax (benefit) expense	596	300	2,006
NOI⁽²⁾	\$ 77,119	\$ 62,239	\$ 82,696

Notes:

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

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

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

(\$ in thousands; for the three months ended June 30, 2019)

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

	Other Equity and Debt
Income from continuing operations	\$ (4)
Adjustments:	
Property operating income of other real estate equity	(113,452)
Straight-line rent revenue and amortization of above- and below-market lease intangibles for net lease real estate equity	(1,378)
Interest income	(32,983)
Fee and other income	(2,174)
Property operating expense of other real estate equity	69,241
Interest expense	29,216
Transaction, investment and servicing costs	7,355
Depreciation and amortization	23,166
Provision for loan loss	15,003
Impairment loss	32,302
Compensation and administrative expense	3,696
Gain on sale of real estate assets	(5,937)
Other loss, net	1,995
Earnings of investments in unconsolidated ventures	(25,757)
Income tax expense	406
NOI of net lease real estate equity	<u>\$ 695</u>

XIc. Appendices - Industrial Real Estate Segment Held For Sale

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

As of June 30, 2019

Assets	
Restricted cash	2,023
Real estate, net	4,115,436
Goodwill	20,000
Deferred leasing costs and intangible assets, net	153,486
Other assets	69,579
Total assets	\$ 4,360,524
Liabilities	
Debt, net	\$ 2,004,201
Accrued and other liabilities	90,462
Intangible liabilities, net	14,012
Total liabilities	2,108,675

XIc. Appendices - Industrial Real Estate Segment Discontinued Operations

<i>(\$ in thousands) (unaudited)</i>	Three Months Ended June 30, 2019
Revenues	
Property operating income	\$ 91,741
Interest income	119
Other income	1,109
Total revenues	92,969
Expenses	
Property operating expense	25,669
Interest expense	19,726
Investment and servicing expense	8
Depreciation and amortization	45,360
Compensation expense	
Cash and equity-based compensation	3,680
Administrative expenses	1,387
Total expenses	95,830
Other income (loss)	
Gain on sale of real estate assets	547
Other gain (loss), net	(49)
Income (loss) before income taxes	(2,363)
Income tax benefit (expense)	(300)
Income (loss) from continuing operations	(2,663)
Net income (loss)	(2,663)
Net income (loss) attributable to noncontrolling interests:	
Investment entities	673
Operating Company	(201)
Net income (loss) attributable to Colony Capital, Inc.	(3,135)
Net income (loss) attributable to common stockholders	\$ (3,135)