

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

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**FORM 8-K**

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

Date of Report (Date of earliest event reported): August 8, 2018

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**COLONY CAPITAL, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**Maryland**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**001-37980**  
(Commission  
File Number)

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

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

**90071**  
(Zip Code)

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

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

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

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

Emerging growth company

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

**Item 2.02 Results of Operations and Financial Condition.**

On August 8, 2018, Colony Capital, Inc. (the "Company") issued a press release announcing its financial position as of June 30, 2018 and its financial results for the quarter ended June 30, 2018. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On August 8, 2018, the Company made available a Supplemental Financial Disclosure Presentation for the quarter ended June 30, 2018 on the Company's website at [www.clny.com](http://www.clny.com). A copy of the Supplemental Financial Disclosure Presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

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

**Use of Website to Distribute Material Company Information**

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

**Item 9.01 Financial Statements and Exhibits.**

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

<b>Exhibit No.</b>	<b>Description</b>
<a href="#"><u>99.1</u></a>	Press Release dated August 8, 2018
<a href="#"><u>99.2</u></a>	Supplemental Financial Disclosure Presentation for the quarter ended June 30, 2018

**SIGNATURES**

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

Date: August 8, 2018

**COLONY CAPITAL, INC.**

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

**COLONY CAPITAL ANNOUNCES SECOND QUARTER 2018 FINANCIAL RESULTS**

**Los Angeles, CA, August 8, 2018** - 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, 2018 and the Company's Board of Directors declared a third quarter 2018 cash dividend of \$0.11 per share of Class A and Class B common stock.

**Second Quarter 2018 Financial Results and Highlights**

- Second quarter 2018 net loss attributable to common stockholders of \$(92.8) million, or \$(0.19) per share, and Core FFO of \$93.5 million, or \$0.18 per share
- The Company's Board of Directors declared and paid a second quarter 2018 dividend of \$0.11 per share of Class A and B common stock
- During the second quarter 2018, the Company raised approximately \$1.8 billion of third-party capital (including amounts related to affiliates) from institutional clients
  - Digital Colony, the Company's digital real estate infrastructure vehicle established in partnership with Digital Bridge, raised \$932 million during the second quarter 2018 and had an aggregate \$3.0 billion of committed capital as of June 30, 2018, inclusive of a \$229 million capital commitment by certain subsidiaries of the Company
  - The Company raised \$469 million of third-party capital for its investment in AccorInvest, the property arm of AccorHotels
  - The Company raised \$175 million of third-party capital in the industrial platform
  - The Company raised \$95 million of third-party co-investment capital for a Strategic Other Equity and Debt investment
- The Company completed over \$440 million of Other Equity and Debt asset monetizations, with net equity proceeds of approximately \$295 million
- The Company invested \$81 million within vehicles that earn investment management economics and are classified as additions to the Strategic Other Equity and Debt segment
- The Company repurchased approximately 12.5 million shares of its Class A common stock at an average price of \$5.80 per share, or \$73 million, resulting in aggregate year-to-date 2018 repurchases of approximately 54.8 million shares at an average price of \$5.82 per share, or \$319 million
- The Company changed its name from Colony NorthStar, Inc. to Colony Capital, Inc. and its ticker symbol on the New York Stock Exchange from "CLNS" to "CLNY"
- Subsequent to the second quarter 2018:
  - The Company redeemed all of the shares of its 8.5% Series D cumulative redeemable perpetual preferred stock for \$200 million, resulting in year-to-date preferred stock redemptions and common stock repurchases of \$519 million
  - The Company monetized or was under contract to sell over \$500 million of Other Equity and Debt investments with estimated net equity proceeds of \$310 million, which would bring year-to-date asset monetizations to \$1.0 billion with net equity proceeds of approximately \$650 million
  - The Company refinanced approximately \$500 million of consolidated debt in the Hospitality Real Estate segment extending the fully extended maturity date from 2019 to 2025
  - As of August 6, 2018, Digital Colony had an aggregate \$3.3 billion of capital commitments, inclusive of a hard cap limit of \$250 million capital commitment by certain subsidiaries of the Company
  - The Company received an additional commitment of €250 million from a third-party institutional investor to increase the investment in AccorInvest
  - As of August 6, 2018, The Company has approximately \$1.1 billion of liquidity through cash-on-hand and availability under its revolving credit facility

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

"We made significant progress this quarter in growing our investment management business," said Richard B. Saltzman, President and Chief Executive Officer. "With a focus on sector specific, compelling strategies in various geographies, we raised approximately \$1.8 billion of third-party capital during the quarter thereby increasing investment management AUM to \$28.2 billion and total AUM to \$43.0 billion. At the same time, accelerating sales of non-core assets is helping us achieve our goals of simplification and becoming more 'balance sheet-lite.'"

## Second Quarter 2018 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, 2018, the consolidated healthcare portfolio consisted of 413 properties: 192 senior housing properties, 108 medical office properties, 99 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of June 30, 2018. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA").

During the second quarter 2018, this segment's net loss attributable to common stockholders was \$(14.4) million. Core FFO was \$18.6 million and consolidated NOI was \$73.9 million. In the second quarter 2018, healthcare same store portfolio sequential quarter to quarter comparable revenue decreased (0.8)% and net operating income decreased (0.9)%. Compared to the same period last year, second quarter 2018 same store revenue decreased (3.8)% and net operating income decreased (0.2)%. The revenue decrease was primarily attributable to one operator/tenant transitioning from RIDEA to a triple-net lease structure. As a result, the Company no longer records gross revenues and certain expenses for such properties and now records net rental revenue which is lower than the gross revenues under a RIDEA structure, but similar to the net profits of the RIDEA structure. The healthcare same store portfolio is defined as properties in operation throughout the full periods presented under the comparison and included 413 properties in the sequential quarter to quarter and year to year comparisons. Properties acquired, disposed or held for sale during these periods are excluded for the same store portfolio and same store results exclude termination fee revenue and certain non-recurring bad debt expense.

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

(\$ In millions)	Consolidated	CLNY OP	Same Store					
	NOI	Share NOI <sup>(1)</sup>	Consolidated NOI <sup>(2)</sup>		Occupancy % <sup>(3)</sup>		TTM Lease Coverage <sup>(4)</sup>	
	Q2 2018	Q2 2018	Q2 2018	Q1 2018	Q2 2018	Q1 2018	3/31/18	12/31/17
Senior Housing - Operating	\$ 16.8	\$ 11.9	\$ 17.4	\$ 17.5	86.8%	86.4%	N/A	N/A
Medical Office Buildings	13.7	9.7	13.7	13.3	82.6%	83.2%	N/A	N/A
<i>Triple-Net Lease:</i>								
Senior Housing	14.5	10.3	15.5	15.5	82.3%	83.2%	1.4x	1.4x
Skilled Nursing Facilities	24.1	17.1	26.0	26.9	82.2%	82.7%	1.2x	1.2x
Hospitals	4.8	3.4	4.8	4.9	59.6%	55.3%	3.3x	3.5x
<b>Healthcare Total</b>	<b>\$ 73.9</b>	<b>\$ 52.4</b>	<b>\$ 77.4</b>	<b>\$ 78.1</b>				

(1) CLNY OP Share NOI represents second quarter 2018 Consolidated NOI multiplied by CLNY OP's ownership interest as of June 30, 2018.

(2) Same Store Consolidated NOI excludes \$3.2 million of termination fee revenue in Q1 2018 and excludes \$3.6 million of non-recurring bad debt expense in Q2 2018.

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

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

### Industrial Real Estate

As of June 30, 2018, the consolidated industrial portfolio consisted of 392 primarily light industrial buildings totaling 47.5 million rentable square feet across 20 major U.S. markets and was 93% leased. During the second quarter 2018, the Company raised \$175 million of new third-party capital. As a result, the Company's equity interest in the consolidated Industrial Real Estate segment

decreased to approximately 37% as of June 30, 2018 from 40% as of March 31, 2018. Total third-party capital commitments were approximately \$1.4 billion compared to cumulative balance sheet contributions of \$749 million as of June 30, 2018. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets generally targeting multi-tenanted warehouses less than 250,000 square feet.

During the second quarter 2018, this segment's net income attributable to common stockholders was \$0.8 million, Core FFO was \$14.2 million and consolidated NOI was \$49.1 million. In the second quarter 2018, industrial same store portfolio sequential quarter to quarter comparable rental revenue increased 0.2% and net operating income increased 1.0%. Compared to the same period last year, second quarter 2018 same store rental revenue increased 2.0% and net operating income increased 3.8%. The Company's industrial same store portfolio consisted of 304 buildings. The same store portfolio is defined once a year at the beginning of the current calendar year and includes buildings that were owned, stabilized and held-for-use throughout the entirety of both the current and prior calendar years. Properties acquired, disposed or held-for-sale after the same store portfolio is determined are excluded. Stabilized properties are defined as properties owned for more than one year or are greater than 90% leased. Same store NOI excludes lease termination fee revenue.

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

(\$ In millions)	Consolidated	CLNY OP	Same Store			
	NOI	Share NOI <sup>(1)</sup>	Consolidated NOI		Leased % <sup>(2)</sup>	
	Q2 2018	Q2 2018	Q2 2018	Q1 2018	Q2 2018	Q1 2018
Industrial	\$ 49.1	\$ 18.3	\$ 35.5	\$ 35.1	93.9%	95.1%

(1) CLNY OP Share NOI represents second quarter 2018 Consolidated NOI multiplied by CLNY OP's ownership interest as of June 30, 2018.

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

#### Asset Acquisitions, Dispositions and Financing

During the second quarter 2018, the consolidated industrial portfolio acquired 15 industrial buildings totaling approximately 1.9 million square feet and land for development for approximately \$258 million and disposed of one non-core building totaling approximately 0.1 million square feet for approximately \$3 million.

Subsequent to the second quarter 2018, the consolidated industrial portfolio acquired five industrial buildings totaling approximately 0.5 million square feet for approximately \$43 million.

During the second quarter 2018, the consolidated industrial portfolio closed on a \$60 million fixed rate loan with an interest rate of 4.21% and term of 15 years; and increased the capacity of its line of credit from \$200 million to \$400 million.

#### Hospitality Real Estate

As of June 30, 2018, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94% as of June 30, 2018. The hospitality portfolio consists primarily of premium branded select service hotels and extended stay hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands. The select service hospitality portfolio, referred to as the THL Hotel Portfolio, which the Company acquired through consensual transfer during the third quarter 2017, is not included in the Hospitality Real Estate segment and is included in the Other Equity and Debt segment.

During the second quarter 2018, this segment's net income attributable to common stockholders was \$5.8 million, Core FFO was \$43.2 million and consolidated EBITDA was \$86.0 million. Compared to the same period last year, second quarter 2018 hospitality same store portfolio revenue increased 3.5% and EBITDA increased 5.2%, primarily due to higher occupancy and average daily rates driven by stronger corporate demand and uplift from recent renovations. The Company's hotels typically experience seasonal variations in occupancy which may cause quarterly fluctuations in revenues and therefore sequential quarter to quarter revenue and EBITDA result comparisons are not meaningful. The hospitality same store portfolio is defined as hotels in operation throughout the full periods presented under the comparison and included 167 hotels in the year to year comparison.

#### Asset Financing

Subsequent to the second quarter 2018, the Company refinanced approximately \$500 million of consolidated and CLNY OP share of debt in the Hospitality Real Estate segment, extending the fully extended maturity date from 2019 to 2025. As a result, the earliest fully extended maturity in the hospitality portfolio is 2020 and the weighted average remaining years to fully extended maturity is 4.3 years.

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

(\$ In millions)	Consolidated		CLNY OP Share		Same Store							
	EBITDA <sup>(1)</sup>		EBITDA <sup>(2)</sup>		Consolidated EBITDA		Occupancy % <sup>(4)</sup>		Avg. Daily Rate		RevPAR <sup>(3)</sup>	
									(in dollars) <sup>(4)</sup>		(in dollars) <sup>(4)</sup>	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Marriott	\$ 66.3	\$ 62.5	\$ 66.3	\$ 62.8	78.3%	77.0%	\$ 131	\$ 129	\$ 102	\$ 99		
Hilton	14.8	14.0	14.8	13.9	83.9%	82.0%	135	131	113	107		
Other	4.9	4.6	4.9	5.0	86.3%	84.2%	138	139	119	117		
Total/W.A.	\$ 86.0	\$ 81.1	\$ 86.0	\$ 81.7	79.6%	78.2%	\$ 132	\$ 130	\$ 105	\$ 102		

(1) Q2 2018 Consolidated EBITDA excludes a FF&E reserve contribution amount of \$10.0 million.

(2) CLNY OP Share EBITDA represents second quarter 2018 Consolidated EBITDA multiplied by CLNY OP's ownership interest as of June 30, 2018.

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

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

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

On February 1, 2018, Colony Credit Real Estate, Inc., a leading commercial real estate credit REIT, announced the completion of the combination of a select portfolio of the Company's assets and liabilities from the Other Equity and Debt segment with NorthStar Real Estate Income Trust, Inc. ("NorthStar I") and NorthStar Real Estate Income II, Inc. ("NorthStar II") in an all-stock transaction. In connection with the closing, CLNC completed the listing of its Class A common stock on the New York Stock Exchange under the ticker symbol "CLNC." The combination created a permanent capital vehicle, externally managed by the Company, with approximately \$4.9 billion in assets, excluding securitization trust liabilities, and \$3.1 billion in equity value as of June 30, 2018. The Company owns 48.0 million shares, or 37%, of CLNC and earns an annual base management fee of 1.5% on stockholders' equity and an incentive fee of 20% of CLNC's Core Earnings over a 7% hurdle rate. During the second quarter 2018, this segment's net income attributable to common stockholders was \$5.1 million and Core FFO was \$14.8 million. Please refer to the CLNC's earnings release and financial supplemental furnished on Form 8-K filed with the SEC and its Quarterly Report on Form 10-Q to be 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 or manager ("GP Co-Investments") and receives various forms of investment management economics on the related third-party capital. Non-strategic investments are composed of those investments the Company does not intend to own for the long term including net leased assets; real estate loans; other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; limited partnership interests in third-party sponsored real estate private equity funds; and multiple classes of commercial real estate ("CRE") securities. During the second quarter 2018, this segment's aggregate net income attributable to common stockholders was \$31.3 million and Core FFO was \$47.8 million.

## Other Equity and Debt Segment Asset Acquisitions and Dispositions

During the second quarter 2018, the Company invested approximately \$81 million in various strategic investments. During the second quarter 2018, the Company sold or received payoffs in aggregate of over \$440 million with net equity proceeds of approximately \$295 million from various other real estate debt and equity investments, including \$105 million from the Other Real Estate Equity category; \$115 million from the Real Estate Debt category; and \$75 million in the Real Estate Private Equity and Securities category.

Subsequent to the second quarter 2018, the Company monetized or was under contract to sell over \$500 million of investments with estimated net equity proceeds of \$310 million, including \$122 million from the Net Lease Real Estate Equity category and \$133 million from the Real Estate Private Equity category, resulting in year-to-date Other Equity and Debt asset monetizations of \$1.0 billion with net equity proceeds of \$650 million.

As of June 30, 2018, the undepreciated carrying value of assets and equity within the Other Equity and Debt segment were \$3.8 billion and \$2.4 billion, respectively, down from \$4.3 billion and \$2.7 billion, respectively, as of March 31, 2018.

(\$ In millions)	CLNY OP Share Undepreciated Carrying Value			
	June 30, 2018		March 31, 2018	
	Assets	Equity	Assets	Equity
<b>Strategic:</b>				
GP co-investments	\$ 701	\$ 422	\$ 665	\$ 400
Interest in NRE	75	75	74	74
<b>Strategic Subtotal</b>	<b>776</b>	<b>497</b>	<b>739</b>	<b>474</b>
<b>Non-Strategic:</b>				
Other Real Estate Equity & Albertsons	1,749	968	2,039	1,104
Real Estate Debt	443	419	660	615
Net Lease Real Estate Equity	585	250	583	239
Real Estate Private Equity Funds and CRE Securities	221	221	304	304
<b>Non-Strategic Subtotal</b>	<b>2,998</b>	<b>1,858</b>	<b>3,586</b>	<b>2,262</b>
<b>Total Other Equity and Debt</b>	<b>\$ 3,774</b>	<b>\$ 2,355</b>	<b>\$ 4,325</b>	<b>\$ 2,736</b>

### Investment Management

The Company's Investment Management segment includes the business and operations of managing capital on behalf of third-party investors through closed and open-end private funds, non-traded and traded real estate investment trusts and registered investment companies. As of June 30, 2018, the Company had \$28.2 billion of third-party AUM compared to \$27.5 billion as of March 31, 2018. The increase was primarily attributable to capital raised in Digital Colony, the industrial platform, the Company's share of AccorInvest, and another Strategic Other Equity and Debt investment, partially offset by asset sales. As of June 30, 2018, Fee-Earning Equity Under Management ("FEEUM") was \$17.1 billion compared to \$16.2 billion as of March 31, 2018. During the second quarter 2018, this segment's aggregate net loss attributable to common stockholders was \$(47.1) million and Core FFO was \$34.1 million. During the second quarter 2018, this segment's net loss included a \$60 million writeoff of an intangible asset related to the NorthStar trade name as a result of the name change of the Company from Colony NorthStar, Inc. to Colony Capital, Inc. and \$13 million of impairments to interests in non-wholly owned Real Estate Investment Management platforms. These intangible asset writeoffs and impairments are added back to Core FFO, which also included approximately \$2 million of unrealized carried interest from the industrial platform.

### Digital Real Estate Infrastructure

During the second quarter 2018, Digital Colony raised \$932 million and had an aggregate \$3.0 billion of committed capital as of June 30, 2018, inclusive of a \$229 million capital commitment by certain subsidiaries of the Company.

As of August 6, 2018, Digital Colony had an aggregate \$3.3 billion of capital commitments, inclusive of a hard cap limit of \$250 million capital commitment by certain subsidiaries of the Company.

### Combination of S2K Financial and NorthStar Securities

During the second quarter 2018, the Company completed the previously announced combination of S2K Financial Holdings, LLC with the Company's broker-dealer, NorthStar Securities, creating a new company known as Colony S2K Holdings LLC ("Colony S2K").



## Assets Under Management (“AUM”)

As of June 30, 2018 and March 31, 2018, the Company had \$43 billion of AUM:

(\$ In billions)	June 30, 2018		March 31, 2018	
	Amount	% of Grand Total	Amount	% of Grand Total
<b>Balance Sheet (CLNY OP Share):</b>				
Healthcare	\$ 4.1	9.4%	\$ 4.1	9.5%
Industrial	1.2	2.8%	1.3	3.0%
Hospitality	3.9	9.1%	3.9	9.3%
Other Equity and Debt	3.8	8.8%	4.3	10.0%
CLNC: Investments contributed to CLNC <sup>(1)</sup>	1.8	4.2%	1.8	4.2%
Balance Sheet Subtotal	14.8	34.3%	15.4	36.0%
<b>Investment Management:</b>				
Institutional Funds	10.0	23.3%	9.8	22.8%
Retail Companies	3.6	8.4%	3.7	8.6%
Colony Credit Real Estate (NYSE:CLNC) <sup>(2)</sup>	3.1	7.2%	3.1	7.2%
NorthStar Realty Europe (NYSE:NRE)	2.1	4.9%	2.2	5.1%
Non-Wholly Owned REIM Platforms <sup>(3)</sup>	9.4	21.9%	8.7	20.3%
Investment Management Subtotal	28.2	65.7%	27.5	64.0%
<b>Grand Total</b>	<b>\$ 43.0</b>	<b>100.0%</b>	<b>\$ 42.9</b>	<b>100.0%</b>

(1) Represents the Company's 37% ownership share of CLNC's total pro-rata share of assets, excluding securitization trust liabilities, of \$4.9 billion and \$4.9 billion as of June 30, 2018 and March 31, 2018, respectively.

(2) Represents 3rd party 63% ownership share of CLNC's total pro-rata share of assets, excluding securitization trust liabilities, of \$4.9 billion and \$4.9 billion as of June 30, 2018 and March 31, 2018, respectively.

(3) REIM: Real Estate Investment Management

## Liquidity and Financing

As of August 6, 2018, the Company had approximately \$1.1 billion of liquidity through cash-on-hand and availability under its revolving credit facility.

On July 2, 2018, the Company redeemed all of the shares of its 8.5% Series D cumulative redeemable perpetual preferred stock for \$200 million.

## Common Stock and Operating Company Units

As of August 6, 2018, the Company had approximately 490.5 million shares of Class A and B common stock outstanding and the Company's operating partnership had approximately 30.4 million operating company units outstanding held by members other than the Company or its subsidiaries.

During the second quarter 2018, the Company repurchased approximately 12.5 million shares of its Class A common stock at an average price of \$5.80 per share, or \$73 million, resulting in aggregate year-to-date 2018 repurchases of approximately 54.8 million shares at an average price of \$5.82 per share, or \$319 million.

In May 2018, the Company's Board of Directors authorized the repurchase of up to an additional \$300 million of its outstanding Class A common stock. This program is in addition to the \$300 million share repurchase program the Company announced in February 2018, which was completed in the second quarter 2018. The May 2018 repurchase program will expire in 12 months from the authorization date, unless otherwise extended by the Company's Board of Directors, and as of August 6, 2018, \$282 million remained.

## **Common and Preferred Dividends**

On May 8, 2018, the Company's Board of Directors declared a quarterly cash dividend of \$0.11 per share of Class A and Class B common stock for the second quarter of 2018, which was paid on July 16, 2018 to respective stockholders of record on June 29, 2018. The Board of Directors also declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock each in accordance with terms of such series as follows: (i) with respect to each of the Series B stock - \$0.515625 per share and Series E stock - \$0.546875 per share, such dividends to be paid on August 15, 2018 to the respective stockholders of record on August 10, 2018 and (ii) with respect to each of the Series G stock - \$0.46875 per share, Series H stock - \$0.4453125 per share, Series I stock - \$0.446875 per share and Series J stock - \$0.4453125 per share, such dividends were paid on July 16, 2018 to the respective stockholders of record on July 10, 2018. The Company redeemed in its entirety the outstanding Series D cumulative redeemable perpetual preferred stock and paid all accrued cash dividends, in accordance of the terms of the redemption, related to the Series D cumulative redeemable perpetual preferred stock on July 2, 2018.

On August 2, 2018, the Company's Board of Directors declared a quarterly cash dividend of \$0.11 per share of Class A and Class B common stock for the third quarter of 2018, which will be paid on October 15, 2018 to respective stockholders of record on September 28, 2018. The Board of Directors also declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock each in accordance with terms of such series as follows: (i) with respect to each of the Series B stock - \$0.515625 per share and Series E stock - \$0.546875 per share, such dividends to be paid on November 15, 2018 to the respective stockholders of record on November 9, 2018 and (ii) with respect to each of the Series G stock - \$0.46875 per share, Series H stock - \$0.4453125 per share, Series I stock - \$0.446875 per share and Series J stock - \$0.4453125 per share, such dividends to be paid on October 15, 2018 to the respective stockholders of record on October 10, 2018.

## **Contingent Consideration**

As part of the internalization transaction of Colony Capital, LLC in April 2015, the purchase price was allocated between upfront consideration and contingent consideration. The contingent consideration was based on the achievement of three performance targets measured over a two to three year period including 1) cumulative earnings through June 30, 2018, 2) cumulative non-real estate fundraising through June 30, 2017 and 3) cumulative real estate fundraising through June 30, 2018. As of June 30, 2018, only the cumulative real estate fundraising target was met and, as a result, the Company expects to issue approximately 2.0 million common shares and operating company units with an estimated value of \$12.5 million to senior management personnel. This represents approximately 12% of the maximum original value of the total contingent consideration. In addition, approximately \$6.4 million in cumulative accrued and escrowed dividends payable on the contingent consideration shares and units will be paid to senior management personnel.

## **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, 2018. AUM further includes a) uncalled capital commitments and b) includes the Company's pro-rata share of each affiliate non wholly-owned real estate investment management platform's assets as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

### **CLNY OP**

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

### **Fee-Earning Equity Under Management ("FEEUM")**

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

## **Funds From Operations (“FFO”) and Core Funds From Operations (“Core FFO”)**

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

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

## **Net Operating Income (“NOI”) / Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”)**

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

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

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

NOI and EBITDA exclude historical cost depreciation and amortization, which are based on different useful life estimates depending on the age of the properties, as well as adjust for the effects of real estate impairment and gains or losses on sales of depreciated properties, which eliminate differences arising from investment and disposition decisions. This allows for comparability of operating performance of the Company’s properties period over period and also against the results of other equity REITs in the same sectors. Additionally, by excluding corporate level expenses or benefits such as interest expense, any gain or loss on early extinguishment

of debt and income taxes, which are incurred by the parent entity and are not directly linked to the operating performance of the Company's properties, NOI and EBITDA provide a measure of operating performance independent of the Company's capital structure and indebtedness.

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

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

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

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

#### **TTM Lease Coverage**

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

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

#### **Second Quarter 2018 Conference Call**

The Company will conduct a conference call to discuss the financial results on Wednesday, August 8, 2018 at 7:00 a.m. PT / 10:00 a.m. ET. To participate in the event by telephone, please dial (877) 407-4018 ten minutes prior to the start time (to allow time for registration). International callers should dial (201) 689-8471. The call will also be broadcast live over the Internet and can be accessed on the Public Shareholders section of the Company's website at [www.clny.com](http://www.clny.com). A webcast of the call will be available for 90 days on the Company's website.

For those unable to participate during the live call, a replay will be available starting August 8, 2018, at 10:00 a.m. PT / 1:00 p.m. ET, through August 15, 2018, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use passcode 13681028. International callers should dial (412) 317-6671 and enter the same conference ID number.

#### **Supplemental Financial Report**

A Second Quarter 2018 Supplemental Financial Report is available on the Company's website at [www.clny.com](http://www.clny.com). This information has also been furnished to the U.S. Securities and Exchange Commission in a Current Report on Form 8-K.

#### **About Colony Capital, Inc.**

Colony Capital, Inc. (NYSE: CLNY) is a leading global investment management firm with assets under management of \$43 billion. The Company manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, non-traded and traded real estate investment trusts and registered investment companies. Colony Capital 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 Colony Capital; and (c) various other equity and debt investments. Colony Capital is headquartered in Los Angeles with over 400 employees in offices located across 19 cities in ten countries. For additional information regarding the Company and its management and business, please refer to [www.clny.com](http://www.clny.com).

## Cautionary Statement Regarding Forward-Looking Statements

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

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, and may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in and benefits of the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., the impact of changes to organizational structure and employee composition, the timing and pace of growth of the Company's Industrial platform, the performance of the Company's investment in Colony Credit Real Estate, Inc., our ability to create future permanent capital vehicles under our management, whether the Company will realize any anticipated benefits from the Digital Bridge partnership, the Company's ability to simplify its business and become more balance sheet-lite, including with a focus on sector specific, compelling strategies in various geographies, the Company's portfolio composition, Colony Capital's liquidity, including its ability to generate liquidity by more accelerated sales of non-core assets and businesses, whether the Company will complete or sponsor any compelling investment opportunities under a predominantly third-party capital model, the Company's ability to grow its investment management business, the Company's expected taxable income and net cash flows, excluding the contribution of gains, our ability to grow the dividend at all in the future; the impact to the Company of the management agreement amendments with NorthStar Healthcare Income, Inc. and NorthStar Realty Europe Corp., whether Colony Capital will be able to maintain its qualification as a REIT for U.S. federal income tax purposes, the timing of and ability to deploy available capital, the timing of and ability to complete repurchases of Colony Capital's stock, Colony Capital's ability to maintain inclusion and relative performance on the RMZ, Colony Capital's leverage, including the Company's ability to reduce debt and the timing and amount of borrowings under its credit facility, whether the Company will benefit from the combination of its broker-dealer business with S2K Financial, increased interest rates and operating costs, adverse economic or real estate developments in Colony Capital's markets, Colony Capital's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony Capital's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony Capital's reports filed from time to time with the SEC.

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

**Source:** Colony Capital, Inc.

**Investor Contacts:**

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(FINANCIAL TABLES FOLLOW)

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

	June 30, 2018 (unaudited)	December 31, 2017
<b>Assets</b>		
Cash and cash equivalents	\$ 480,230	\$ 921,822
Restricted cash	398,981	471,078
Real estate, net	14,254,108	14,464,258
Loans receivable, net (\$0 and \$45,423 at fair value, respectively)	1,791,889	3,223,762
Investments in unconsolidated ventures (\$217,098 and \$363,901 at fair value, respectively)	2,491,342	1,655,239
Securities, at fair value	144,421	383,942
Goodwill	1,534,561	1,534,561
Deferred leasing costs and intangible assets, net	610,853	852,872
Assets held for sale (\$52,123 and \$49,498 at fair value, respectively)	637,802	781,630
Other assets (\$25,206 and \$10,150 at fair value, respectively)	431,222	444,968
Due from affiliates	44,308	51,518
<b>Total assets</b>	<b>\$ 22,819,717</b>	<b>\$ 24,785,650</b>
<b>Liabilities</b>		
Debt, net (\$0 and \$44,542 at fair value, respectively)	\$ 9,994,115	\$ 10,827,810
Accrued and other liabilities (\$110,513 and \$212,267 at fair value, respectively)	679,658	898,161
Intangible liabilities, net	173,702	191,109
Liabilities related to assets held for sale	256,477	273,298
Due to affiliates (\$0 and \$20,650 at fair value, respectively)	9,383	23,534
Dividends and distributions payable	86,656	188,202
Preferred stock redemptions payable	200,000	—
<b>Total liabilities</b>	<b>11,399,991</b>	<b>12,402,114</b>
Commitments and contingencies		
<b>Redeemable noncontrolling interests</b>	<b>33,523</b>	<b>34,144</b>
<b>Equity</b>		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$1,436,605 and \$1,636,605 liquidation preference, respectively; 250,000 shares authorized; 57,464 and 65,464 shares issued and outstanding, respectively	1,407,495	1,606,966
Common stock, \$0.01 par value per share		
Class A, 949,000 shares authorized; 489,764 and 542,599 shares issued and outstanding, respectively	4,898	5,426
Class B, 1,000 shares authorized; 708 and 736 shares issued and outstanding, respectively	7	7
Additional paid-in capital	7,616,918	7,913,622
Distributions in excess of earnings	(1,443,717)	(1,165,412)
Accumulated other comprehensive income	23,930	47,316
Total stockholders' equity	7,609,531	8,407,925
Noncontrolling interests in investment entities	3,393,981	3,539,072
Noncontrolling interests in Operating Company	382,691	402,395
<b>Total equity</b>	<b>11,386,203</b>	<b>12,349,392</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$ 22,819,717</b>	<b>\$ 24,785,650</b>

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

	Three Months Ended June 30,	
	2018	2017
<b>Revenues</b>		
Property operating income	\$ 590,638	\$ 500,531
Interest income	44,183	111,263
Fee income	39,924	54,319
Other income	14,854	13,259
<b>Total revenues</b>	<b>689,599</b>	<b>679,372</b>
<b>Expenses</b>		
Property operating expense	320,674	253,717
Interest expense	153,309	140,260
Investment, servicing and commission expense	25,951	13,740
Transaction costs	2,641	2,440
Depreciation and amortization	137,896	153,111
Provision for loan loss	13,933	1,067
Impairment loss	69,834	12,761
Compensation expense	55,159	80,759
Administrative expenses	25,790	30,145
<b>Total expenses</b>	<b>805,187</b>	<b>688,000</b>
<b>Other income (loss)</b>		
Gain on sale of real estate assets	42,702	15,190
Other gain (loss), net	28,798	(23,850)
Earnings from investments in unconsolidated ventures	1,875	122,394
<b>Income (loss) before income taxes</b>	<b>(42,213)</b>	<b>105,106</b>
Income tax benefit	584	86
<b>Net income (loss) from continuing operations</b>	<b>(41,629)</b>	<b>105,192</b>
Loss from discontinued operations	(219)	—
<b>Net income (loss)</b>	<b>(41,848)</b>	<b>105,192</b>
Net income (loss) attributable to noncontrolling interests:		
Redeemable noncontrolling interests	1,873	720
Investment entities	27,420	23,800
Operating Company	(5,728)	2,330
<b>Net income (loss) attributable to Colony Capital, Inc.</b>	<b>(65,413)</b>	<b>78,342</b>
Preferred stock redemption	(3,995)	5,448
Preferred stock dividends	31,388	34,339
<b>Net income (loss) attributable to common stockholders</b>	<b>\$ (92,806)</b>	<b>\$ 38,555</b>
<b>Basic earnings (loss) per share</b>		
Income (loss) from continuing operations per basic common share	\$ (0.19)	\$ 0.07
Net income (loss) per basic common share	\$ (0.19)	\$ 0.07
<b>Diluted earnings (loss) per share</b>		
Income (loss) from continuing operations per diluted common share	\$ (0.19)	\$ 0.07
Net income (loss) per diluted common share	\$ (0.19)	\$ 0.07
<b>Weighted average number of shares</b>		
Basic	488,676	544,023
Diluted	488,676	544,023

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

	Three Months Ended June 30, 2018
Net loss attributable to common stockholders	\$ (92,806)
Adjustments for FFO attributable to common interests in Operating Company and common stockholders:	
Net loss attributable to noncontrolling common interests in Operating Company	(5,728)
Real estate depreciation and amortization	140,599
Impairment of real estate	9,522
Gain from sales of real estate	(42,750)
Less: Adjustments attributable to noncontrolling interests in investment entities	(29,471)
FFO attributable to common interests in Operating Company and common stockholders	<u>(20,634)</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 <sup>(1)</sup>	29,987
Gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	16,437
Equity-based compensation expense	10,033
Straight-line rent revenue and expense	(4,489)
Change in fair value of contingent consideration	8,750
Amortization of acquired above- and below-market lease values, net	433
Amortization of deferred financing costs and debt premiums and discounts	21,634
Unrealized fair value gains and foreign currency remeasurements	(23,971)
Acquisition and merger-related transaction costs	3,549
Merger integration costs <sup>(2)</sup>	8,472
Amortization and impairment of investment management intangibles	66,550
Non-real estate depreciation and amortization	2,100
Gain on remeasurement of consolidated investment entities and the effect of amortization thereof	1,875
Deferred tax benefit, net	(1,475)
Preferred share redemption gain	(3,995)
Less: Adjustments attributable to noncontrolling interests in investment entities	(21,769)
Core FFO attributable to common interests in Operating Company and common stockholders	<u>\$ 93,487</u>
FFO per common share / common OP unit <sup>(3)</sup>	<u>\$ (0.04)</u>
FFO per common share / common OP unit—diluted <sup>(4)</sup>	<u>\$ (0.04)</u>
Core FFO per common share / common OP unit <sup>(3)</sup>	<u>\$ 0.18</u>
Core FFO per common share / common OP unit—diluted <sup>(4)</sup>	<u>\$ 0.18</u>
Weighted average number of common OP units outstanding used for FFO and Core FFO per common share and OP unit <sup>(3)</sup>	<u>525,587</u>
Weighted average number of common OP units outstanding used for FFO per common share and OP unit—diluted <sup>(3)(4)</sup>	<u>525,587</u>
Weighted average number of common OP units outstanding used for Core FFO per common share and OP unit—diluted <sup>(3)(4)</sup>	<u>553,749</u>

(1) Net of \$2.5 million CLNY OP share of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony Capital, Inc. prior to its internalization of the manager.

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

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



(4) For the three months ended June 30, 2018, included in the calculation of diluted Core FFO per share is the effect of adding back \$4.5 million of interest expense associated with convertible senior notes, 25.4 million weighted average dilutive common share equivalents for the assumed conversion of the convertible senior notes, and 2.1 million performance stock units, which are subject to both a service condition and market condition. Such interest expense, weighted average dilutive common share equivalents, and performance stock units are excluded for the calculation of diluted FFO as the effect would be antidilutive.

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

The following tables present: (1) a reconciliation of property and other related revenues less property operating expenses for properties in our Healthcare, Industrial, and Hospitality segments to NOI or EBITDA and (2) a reconciliation of such segments' net income (loss) for the three months ended June 30, 2018 to NOI or EBITDA:

NOI and EBITDA were determined as follows:

(In thousands)	Three Months Ended June 30, 2018		
	Healthcare	Industrial	Hospitality
Total revenues	\$ 145,419	\$ 72,477	\$ 229,373
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(1,580)	(2,554)	(6)
Interest income	—	(62)	—
Other income	—	—	(68)
Property operating expenses <sup>(1)</sup>	(69,983)	(20,483)	(143,321)
Compensation expense <sup>(1)</sup>	—	(300)	—
<b>NOI or EBITDA</b>	<b>\$ 73,856</b>	<b>\$ 49,078</b>	<b>\$ 85,978</b>

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

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

(In thousands)	Three Months Ended June 30, 2018		
	Healthcare	Industrial	Hospitality
Net income (loss) from continuing operations	\$ (20,080)	\$ 4,668	\$ 6,771
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(1,580)	(2,554)	(6)
Interest income	—	(62)	—
Interest expense	45,179	10,856	36,494
Transaction, investment and servicing costs	3,110	60	3,546
Depreciation and amortization	38,229	32,482	35,925
Impairment loss	1,982	174	—
Compensation and administrative expense	2,196	3,416	1,598
Other (gain) loss, net	4,465	—	162
Other income	—	—	(68)
Income tax (benefit) expense	355	38	1,556
<b>NOI or EBITDA</b>	<b>\$ 73,856</b>	<b>\$ 49,078</b>	<b>\$ 85,978</b>

The following table summarizes Q2 2018 net income (loss) from continuing operations by segment:

<u>(In thousands)</u>	<u>Net income (Loss) From Continuing Operations</u>
Healthcare	\$ (20,080)
Industrial	4,668
Hospitality	6,771
CLNC	5,413
Other Equity and Debt	61,853
Investment Management	(48,700)
Amounts Not Allocated to Segments	(51,554)
Total Consolidated	<u>\$ (41,629)</u>



**Colony**Capital

August 8, 2018

**SUPPLEMENTAL  
FINANCIAL REPORT**  
SECOND QUARTER 2018

# Cautionary Statement Regarding Forward-Looking Statements

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

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

Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in and benefits of the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., the impact of changes to organizational structure and employee composition, 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, Colony Capital's ability to grow its third-party investment management business, the timing and pace of growth in the Company's industrial platform, the performance of the Company's investment in Colony Credit Real Estate, Inc., whether the Company will realize any anticipated benefits from the Digital Bridge partnership, the timing of and ability to complete additional repurchases of Colony 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, increased interest rates and operating costs, the impact of amendments to the Company's agreements with its managed companies, adverse economic or real estate developments in Colony 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 the 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"); earnings before interest, tax, depreciation and amortization ("EBITDA"); and pro rata financial information.

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

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

# Important Note Regarding Non-GAAP Financial Measures

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

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

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

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

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



# Note Regarding 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, 2018, the consolidated healthcare portfolio consisted of 413 properties: 192 senior housing properties, 108 medical office properties, 99 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of June 30, 2018. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA").

## Industrial Real Estate

As of June 30, 2018, the consolidated industrial portfolio consisted of 392 primarily light industrial buildings totaling 47.5 million rentable square feet across 20 major U.S. markets and was 93% leased. During the second quarter 2018, the Company raised \$175 million of new third-party capital. As a result, the Company's equity interest in the consolidated Industrial Real Estate segment decreased to approximately 37% as of June 30, 2018 from 40% as of March 31, 2018. Total third-party capital commitments were approximately \$1.4 billion compared to cumulative balance sheet contributions of \$749 million as of June 30, 2018. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets generally targeting multi-tenanted warehouses less than 250,000 square feet.

## Hospitality Real Estate

As of June 30, 2018, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94% as of June 30, 2018. The hospitality portfolio consists primarily of premium branded select service hotels and extended stay hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands. The select service hospitality portfolio, referred to as the THL Hotel Portfolio, which the Company acquired through consensual transfer during the third quarter 2017, is not included in the Hospitality Real Estate segment and is included in the Other Equity and Debt segment.

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

On February 1, 2018, Colony Credit Real Estate, Inc., a leading commercial real estate credit REIT, announced the completion of the combination of a select portfolio of the Company's assets and liabilities from the Other Equity and Debt segment with NorthStar Real Estate Income Trust, Inc. ("NorthStar I") and NorthStar Real Estate Income II, Inc. ("NorthStar II") in an all-stock transaction. In connection with the closing, CLNC completed the listing of its Class A common stock on the New York Stock Exchange under the ticker symbol "CLNC." The combination created a permanent capital vehicle, externally managed by the Company, with approximately \$4.9 billion in assets, excluding securitization trust liabilities, and \$3.1 billion in equity value as of June 30, 2018. The Company owns 48.0 million shares, or 37%, of CLNC and earns an annual base management fee of 1.5% on stockholders' equity and an incentive fee of 20% of CLNC's Core Earnings over a 7% hurdle rate.

## 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 or manager ("GP Co-Investments") and receives various forms of investment management economics on the related third-party capital. Non-strategic investments are composed of those investments the Company does not intend to own for the long term including net leased assets; real estate loans; other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; limited partnership interests in third-party sponsored real estate private equity funds; and multiple classes of commercial real estate ("CRE") securities.

## Investment Management

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

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

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# Ia. Overview - Summary Metrics

(\$ and shares in thousands, except per share data and as noted; as of or for the three months ended June 30, 2018, unless otherwise noted) (Unaudited)

## Financial Data

Net income (loss) attributable to common stockholders	\$	(92,806)
Net income (loss) attributable to common stockholders per basic share		(0.19)
Core FFO		93,487
Core FFO per basic share		0.18
Q3 2018 dividend per share		0.11
Annualized Q3 2018 dividend per share		0.44

## Balance Sheet, Capitalization and Trading Statistics

Total consolidated assets	\$	22,819,717
CLNY OP share of consolidated assets		16,441,662
Total consolidated debt <sup>(1)</sup>		10,414,000
CLNY OP share of consolidated debt <sup>(1)</sup>		7,665,995
Shares and OP units outstanding as of June 30, 2018		520,893
Shares and OP units outstanding as of August 6, 2018 <sup>(2)</sup>		520,893
Share price as of August 6, 2018		6.15
Market value of common equity & OP units as of August 6, 2018		3,203,492
Liquidation preference of perpetual preferred equity <sup>(3)</sup>		1,436,605
Insider ownership of shares and OP units		6.5%
Total Assets Under Management ("AUM")	\$	43.0 billion
Fee Earning Equity Under Management ("FEEUM")	\$	17.1 billion

### Notes:

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

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

(2) Does not include approximately 2.0 million shares and OP units expected to be issued to senior management as a result of achieving one of the contingent consideration targets for the 2015 Colony Capital, LLC internalization transaction.

(3) Excludes \$200 million redeemed in the third quarter 2018.

# Ib. Overview - Summary of Segments

(\$ in thousands; as of or for the three months ended June 30, 2018, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
<b>Healthcare Real Estate</b>		
Q2 2018 net operating income <sup>(1)(2)</sup>	\$ 73,856	\$ 52,363
Annualized net operating income <sup>(3)</sup>	309,824	219,662
Investment-level non-recourse financing <sup>(4)</sup>	3,257,637	2,321,387
<b>Industrial Real Estate</b>		
Q2 2018 net operating income <sup>(2)</sup>	49,078	18,257
Annualized net operating income	196,312	73,028
Investment-level non-recourse financing <sup>(4)</sup>	1,073,830	399,788
<b>Hospitality Real Estate</b>		
Q2 2018 EBITDA <sup>(2)</sup>	85,978	81,077
TTM EBITDA <sup>(5)</sup>	284,144	267,946
Investment-level non-recourse financing <sup>(4)</sup>	2,610,222	2,439,349

Notes:

(1) NOI includes \$1.4 million consolidated or \$1.0 million CLNY OP share of interest earned related to \$77 million consolidated or \$54 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, 2018.

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

(3) Excludes \$3.6 million consolidated or \$2.5 million CLNY OP share of second quarter 2018 non-recurring bad debt expense.

(4) Represents unpaid principal balance.

(5) TTM = trailing twelve month.

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

(\$ in thousands except as noted; as of or for the three months ended June 30, 2018, unless otherwise noted)

	Consolidated amount	CLNY OP share of consolidated amount
<b>CLNC</b>		
Net carrying value of 37% interest	\$ 1,146,355	\$ 1,146,355
<b>Other Equity and Debt<sup>(1)</sup></b>		
1) Strategic Investments		
a) GP co-investments - net carrying value	1,144,034	421,742
b) Net carrying value of 11% interest in NRE	75,044	75,044
2) Net lease real estate equity		
a) Q2 2018 net operating income	7,929	7,797
b) Investment-level non-recourse financing <sup>(2)</sup>	335,375	334,739
3) Other real estate equity		
a) Undepreciated carrying value of real estate assets <sup>(3)</sup>	2,453,176	1,271,563
b) Investment-level non-recourse financing <sup>(2)</sup>	1,509,183	790,907
c) Carrying value - unconsolidated / equity method investments (including Albertsons)	554,714	477,016
4) Real estate debt		
a) Carrying value - consolidated <sup>(4)</sup>	614,491	407,556
b) Investment-level non-recourse financing <sup>(2)</sup>	36,747	23,779
c) Carrying value - equity method investments	28,405	20,895
d) Carrying value - real estate assets (REO within debt portfolio) and other <sup>(3)</sup>	25,721	14,689
5) Real estate PE fund investments		
a) Carrying value		142,744
6) CRE securities		
a) Net carrying value		78,206
<b>Investment Management</b>		
Third-party AUM (\$ in millions)		28,144
FEEUM (\$ in millions)		17,080
Q2 2018 fee revenue and REIM platform earnings of investments in unconsolidated ventures		39,116
<b>Net Assets</b>		
Cash and cash equivalents, restricted cash and other assets <sup>(5)</sup>	1,194,887	902,574
Accrued and other liabilities and dividends payable <sup>(6)</sup>	912,833	745,867
Net assets	282,054	156,707

Notes:

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

(2) Represents unpaid principal balance.

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

(4) Excludes \$77 million consolidated or \$54 million CLNY OP share carrying value of healthcare real estate development loans.

(5) Other assets exclude \$10 million consolidated or \$8 million CLNY OP share of deferred financing costs and restricted cash excludes \$150 million consolidated or \$83 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 28.

(6) Accrued and other liabilities exclude \$63 million consolidated and CLNY OP share of deferred tax liabilities and other liabilities which are not due in cash and includes \$200 million preferred stock redemption payable.

# Ila. Financial Results - Consolidated Balance Sheet

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

	As of June 30, 2018
<b>Assets</b>	
Cash and cash equivalents	\$ 480,230
Restricted cash	398,981
Real estate, net	14,254,108
Loans receivable, net	1,791,889
Investments in unconsolidated ventures	2,491,342
Securities, at fair value	144,421
Goodwill	1,534,561
Deferred leasing costs and intangible assets, net	610,853
Assets held for sale	637,802
Other assets	431,222
Due from affiliates	44,308
<b>Total assets</b>	<b>\$ 22,819,717</b>
<b>Liabilities</b>	
Debt, net	\$ 9,994,115
Accrued and other liabilities	679,658
Intangible liabilities, net	173,702
Liabilities related to assets held for sale	256,477
Due to affiliates	9,383
Dividends and distributions payable	86,656
Preferred stock redemptions payable	200,000
<b>Total liabilities</b>	<b>11,399,991</b>
Commitments and contingencies	
<b>Redeemable noncontrolling interests</b>	<b>33,523</b>
<b>Equity</b>	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,436,605 liquidation preference; 250,000 shares authorized; 57,464 shares issued and outstanding	1,407,495
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 489,764 shares issued and outstanding	4,898
Class B, 1,000 shares authorized; 708 shares issued and outstanding	7
Additional paid-in capital	7,616,918
Distributions in excess of earnings	(1,443,717)
Accumulated other comprehensive income (loss)	23,930
<b>Total stockholders' equity</b>	<b>7,609,531</b>
Noncontrolling interests in investment entities	3,393,981
Noncontrolling interests in Operating Company	382,691
<b>Total equity</b>	<b>11,386,203</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$ 22,819,717</b>

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

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

	As of June 30, 2018
<b>Assets</b>	
Cash and cash equivalents	\$ 182,307
Restricted cash	126,115
Real estate, net	4,677,850
Loans receivable, net	740,195
Investments in unconsolidated ventures	255,612
Securities, at fair value	28,251
Goodwill	—
Deferred leasing costs and intangible assets, net	169,591
Assets held for sale	144,912
Other assets	59,530
Due from affiliates	(6,308)
<b>Total assets</b>	<b>\$ 6,378,055</b>
<b>Liabilities</b>	
Debt, net	\$ 2,708,407
Accrued and other liabilities	166,962
Intangible liabilities, net	57,318
Liabilities related to assets held for sale	17,860
Due to affiliates	4
Dividends and distributions payable	—
Preferred stock redemptions payable	—
<b>Total liabilities</b>	<b>2,950,551</b>
Commitments and contingencies	—
<b>Redeemable noncontrolling interests</b>	<b>33,523</b>
<b>Equity</b>	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,436,605 liquidation preference; 250,000 shares authorized; 57,464 shares issued and outstanding	—
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 489,764 shares issued and outstanding	—
Class B, 1,000 shares authorized; 708 shares issued and outstanding	—
Additional paid-in capital	—
Distributions in excess of earnings	—
Accumulated other comprehensive income (loss)	—
<b>Total stockholders' equity</b>	<b>—</b>
Noncontrolling interests in investment entities	3,393,981
Noncontrolling interests in Operating Company	—
<b>Total equity</b>	<b>3,393,981</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$ 6,378,055</b>

# IIc. Financial Results - Consolidated Segment Operating Results

Three Months Ended June 30, 2018

(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
<b>Revenues</b>								
Property operating income	\$ 143,839	\$ 71,685	\$ 229,259	\$ —	\$ 145,855	\$ —	\$ —	\$ 590,638
Interest income	1,409	62	—	—	42,586	—	126	44,183
Fee income	—	—	—	—	—	39,924	—	39,924
Other income	171	730	114	—	2,509	9,619	1,711	14,854
<b>Total revenues</b>	<b>145,419</b>	<b>72,477</b>	<b>229,373</b>	<b>—</b>	<b>190,950</b>	<b>49,543</b>	<b>1,837</b>	<b>689,599</b>
<b>Expenses</b>								
Property operating expense	69,983	20,483	143,321	—	86,887	—	—	320,674
Interest expense	45,179	10,856	36,494	—	46,476	—	14,304	153,309
Investment, servicing and commission expense	3,110	60	3,546	—	11,028	5,923	2,284	25,951
Transaction costs	—	—	—	—	2,334	—	307	2,641
Depreciation and amortization	38,229	32,482	35,925	—	23,521	6,204	1,535	137,896
Provision for loan loss	—	—	—	—	13,933	—	—	13,933
Impairment loss	1,982	174	—	—	7,366	60,312	—	69,834
Compensation expense	1,751	2,632	1,514	—	2,783	15,299	31,180	55,159
Administrative expenses	445	1,084	84	—	3,192	1,959	19,026	25,790
<b>Total expenses</b>	<b>160,679</b>	<b>67,771</b>	<b>220,884</b>	<b>—</b>	<b>197,520</b>	<b>89,697</b>	<b>68,636</b>	<b>805,187</b>
<b>Other income (loss)</b>								
Gain on sale of real estate assets	—	—	—	—	42,702	—	—	42,702
Other gain (loss), net	(4,465)	—	(162)	—	18,216	(123)	15,332	28,798
Earnings of investments in unconsolidated ventures	—	—	—	5,413	7,767	(11,305)	—	1,875
<b>Income (loss) before income taxes</b>	<b>(19,725)</b>	<b>4,706</b>	<b>8,327</b>	<b>5,413</b>	<b>62,115</b>	<b>(51,582)</b>	<b>(51,467)</b>	<b>(42,213)</b>
Income tax benefit (expense)	(355)	(38)	(1,556)	—	(262)	2,882	(87)	584
<b>Net income (loss) from continuing operations</b>	<b>(20,080)</b>	<b>4,668</b>	<b>6,771</b>	<b>5,413</b>	<b>61,853</b>	<b>(48,700)</b>	<b>(51,554)</b>	<b>(41,629)</b>
Income (loss) from discontinued operations	—	—	—	—	(219)	—	—	(219)
<b>Net income (loss)</b>	<b>(20,080)</b>	<b>4,668</b>	<b>6,771</b>	<b>5,413</b>	<b>61,634</b>	<b>(48,700)</b>	<b>(51,554)</b>	<b>(41,848)</b>
Net income (loss) attributable to noncontrolling interests:								
Redeemable noncontrolling interests	—	—	—	—	1,873	—	—	1,873
Investment entities	(4,841)	3,807	658	—	26,504	1,292	—	27,420
Operating Company	(883)	51	346	309	1,924	(2,922)	(4,553)	(5,728)
<b>Net income (loss) attributable to Colony Capital, Inc.</b>	<b>(14,356)</b>	<b>810</b>	<b>5,767</b>	<b>5,104</b>	<b>31,333</b>	<b>(47,070)</b>	<b>(47,001)</b>	<b>(65,413)</b>
Preferred stock redemption	—	—	—	—	—	—	(3,995)	(3,995)
Preferred stock dividends	—	—	—	—	—	—	31,388	31,388
<b>Net income (loss) attributable to common stockholders</b>	<b>\$ (14,356)</b>	<b>\$ 810</b>	<b>\$ 5,767</b>	<b>\$ 5,104</b>	<b>\$ 31,333</b>	<b>\$ (47,070)</b>	<b>\$ (74,394)</b>	<b>\$ (92,806)</b>

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

Three Months Ended June 30, 2018

(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	CLNC	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
<b>Revenues</b>								
Property operating income	\$ 40,631	\$ 41,576	\$ 14,121	\$ —	\$ 63,420	\$ —	\$ —	\$ 159,748
Interest income	428	36	—	—	19,280	—	—	19,744
Fee income	—	—	—	—	—	—	—	—
Other income	52	—	9	—	1,379	—	—	1,440
<b>Total revenues</b>	<b>41,111</b>	<b>41,612</b>	<b>14,130</b>	<b>—</b>	<b>84,079</b>	<b>—</b>	<b>—</b>	<b>180,932</b>
<b>Expenses</b>								
Property operating expense	18,910	11,968	8,698	—	38,877	—	—	78,453
Interest expense	12,892	6,255	2,367	—	14,037	—	—	35,551
Investment, servicing and commission expense	871	35	137	—	3,844	—	—	4,887
Transaction costs	—	—	—	—	1,557	—	—	1,557
Depreciation and amortization	11,012	18,985	2,248	—	10,261	—	—	42,506
Provision for loan loss	—	—	—	—	6,647	—	—	6,647
Impairment loss	601	101	—	—	4,877	—	—	5,579
Compensation expense	—	14	—	—	363	—	—	377
Administrative expenses	109	423	—	—	1,657	—	—	2,189
<b>Total expenses</b>	<b>44,395</b>	<b>37,781</b>	<b>13,450</b>	<b>—</b>	<b>82,120</b>	<b>—</b>	<b>—</b>	<b>177,746</b>
<b>Other income (loss)</b>								
Gain on sale of real estate assets	—	—	—	—	19,647	—	—	19,647
Other gain (loss), net	(1,355)	—	(22)	—	3,313	—	—	1,936
Earnings of investments in unconsolidated ventures	—	—	—	—	4,245	1,292	—	5,537
<b>Income (loss) before income taxes</b>	<b>(4,639)</b>	<b>3,831</b>	<b>658</b>	<b>—</b>	<b>29,164</b>	<b>1,292</b>	<b>—</b>	<b>30,306</b>
Income tax benefit (expense)	(109)	(24)	—	—	(688)	—	—	(821)
<b>Net income (loss) from continuing operations</b>	<b>(4,748)</b>	<b>3,807</b>	<b>658</b>	<b>—</b>	<b>28,476</b>	<b>1,292</b>	<b>—</b>	<b>29,485</b>
Income (loss) from discontinued operations	—	—	—	—	(99)	—	—	(99)
Non-pro rata allocation of income (loss) to NCI	(93)	—	—	—	—	—	—	(93)
<b>Net income (loss) attributable to noncontrolling interests</b>	<b>\$ (4,841)</b>	<b>\$ 3,807</b>	<b>\$ 658</b>	<b>\$ —</b>	<b>\$ 28,377</b>	<b>\$ 1,292</b>	<b>\$ —</b>	<b>\$ 29,293</b>

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

Three Months Ended June 30, 2018										
(\$ 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	\$ (14,356)	\$ 810	\$ 5,767	\$ 5,104	\$ 31,333	\$ (47,070)	\$ (74,394)	\$ (92,806)	\$ —	\$ (92,806)
Net income (loss) attributable to noncontrolling common interests in Operating Company	(883)	51	346	309	1,924	(2,922)	(4,553)	(5,728)	—	(5,728)
<b>Net income (loss) attributable to common interests in Operating Company and common stockholders</b>	<b>(15,239)</b>	<b>861</b>	<b>6,113</b>	<b>5,413</b>	<b>33,257</b>	<b>(49,992)</b>	<b>(78,947)</b>	<b>(98,534)</b>	<b>—</b>	<b>(98,534)</b>
<b>Adjustments for FFO:</b>										
Real estate depreciation and amortization	25,763	13,448	33,219	8,279	14,755	785	—	96,249	44,350	140,599
Impairment of real estate	1,381	72	—	—	2,489	—	—	3,942	5,580	9,522
Gain from sales of real estate	—	—	—	—	(22,243)	(48)	—	(22,291)	(20,459)	(42,750)
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	—	(29,471)	(29,471)
<b>FFO</b>	<b>\$ 11,905</b>	<b>\$ 14,381</b>	<b>\$ 39,332</b>	<b>\$ 13,692</b>	<b>\$ 28,258</b>	<b>\$ (49,255)</b>	<b>\$ (78,947)</b>	<b>\$ (20,634)</b>	<b>\$ —</b>	<b>\$ (20,634)</b>
<b>Additional adjustments for Core FFO:</b>										
(Gains) and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO <sup>(1)</sup>	—	—	—	—	15,619	—	—	15,619	14,368	29,987
(Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	—	—	—	—	—	16,437	—	16,437	—	16,437
Equity-based compensation expense	289	659	250	658	376	1,815	5,986	10,033	—	10,033
Straight-line rent revenue and expense	(1,679)	(791)	(4)	—	(683)	(20)	1,028	(2,149)	(2,340)	(4,489)
Change in fair value of contingent consideration	—	—	—	—	—	—	8,750	8,750	—	8,750
Amortization of acquired above- and below-market lease values	576	(268)	(3)	79	18	—	—	402	31	433
Amortization of deferred financing costs and debt premiums and discounts	4,026	201	3,163	—	5,913	55	1,662	15,020	6,614	21,634
Unrealized fair value gains or losses and foreign currency remeasurements	3,435	—	—	(507)	(2,646)	23	(23,996)	(23,691)	(280)	(23,971)
Acquisition and merger-related transaction costs	—	—	—	857	827	—	308	1,992	1,557	3,549
Merger integration costs <sup>(2)</sup>	—	—	—	—	—	—	8,472	8,472	—	8,472
Amortization and impairment of investment management intangibles	—	—	—	—	—	66,550	—	66,550	—	66,550
Non-real estate depreciation and amortization	—	49	458	—	—	10	1,535	2,052	48	2,100
Gain on remeasurement of consolidated investment entities and the effect of amortization thereof	—	—	—	—	104	—	—	104	1,771	1,875
Tax (benefit) expense, net	—	—	—	—	—	(1,475)	—	(1,475)	—	(1,475)
Preferred share redemption gain	—	—	—	—	—	—	(3,995)	(3,995)	—	(3,995)
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	—	(21,769)	(21,769)
<b>Core FFO</b>	<b>\$ 18,552</b>	<b>\$ 14,231</b>	<b>\$ 43,196</b>	<b>\$ 14,779</b>	<b>\$ 47,786</b>	<b>\$ 34,140</b>	<b>\$ (79,197)</b>	<b>\$ 93,487</b>	<b>\$ —</b>	<b>\$ 93,487</b>

Notes:

- (1) Net of \$2.5 million CLNY OP share of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony prior to its internalization of the manager.
- (2) Merger integration costs represent costs and charges incurred during the integration of Colony, NSAM and NRF. These integration costs are not reflective of the Company's core operating performance and the Company does not expect to incur these costs subsequent to the completion of the merger integration. The majority of integration costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.



# IIIa. Capitalization - Overview

(\$ in thousands; except per share data; as of June 30, 2018, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
<b>Debt (UPB)</b>		
\$1,000,000 Revolving credit facility	\$ —	\$ —
Convertible/exchangeable senior notes	616,105	616,105
Corporate aircraft promissory note	38,213	38,213
Trust Preferred Securities ("TruPS")	280,117	280,117
<b>Investment-level debt:</b>		
Healthcare	3,257,637	2,321,387
Industrial	1,073,830	399,788
Hospitality <sup>(1)</sup>	2,610,222	2,439,349
Other Equity and Debt	2,537,876	1,571,036
Total investment-level debt <sup>(2)</sup>	<u>9,479,565</u>	<u>6,731,560</u>
<b>Total debt</b>	<b>\$ 10,414,000</b>	<b>\$ 7,665,995</b>

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

<b>Total perpetual preferred equity<sup>(3)</sup></b>	<b>\$ 1,436,605</b>
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## **Common equity as of August 6, 2018**

	<u>Price per share</u>	<u>Shares / Units</u>	
Class A and B common stock	\$ 6.15	490,466	\$ 3,016,366
OP units	6.15	30,427	187,126
<b>Total market value of common equity</b>			<b>\$ 3,203,492</b>
<b>Total market capitalization</b>			<b>\$ 12,306,092</b>

Notes:

(1) During the third quarter 2018, refinanced approximately \$500 million of consolidated and CLNY OP share of debt in the Hospitality Real Estate segment, extending the fully extended maturity date from 2019 to 2025.

(2) Includes \$196 million consolidated and CLNY OP share principal balance of debt related to assets held for sale.

(3) Excludes \$200 million redeemed in the third quarter 2018.

## IIIb. Capitalization - Investment-Level Debt Overview

(\$ in thousands; as of or for the three months ended June 30, 2018, unless otherwise noted)

### Non-recourse investment-level debt overview

	Fixed / Floating	Consolidated		CLNY OP share of consolidated amount		
		Unpaid principal balance	Unpaid principal balance	Wtd. avg. years remaining to maturity	Wtd. avg. interest rate <sup>(1)</sup>	
Healthcare	Fixed	\$ 2,168,914	\$ 1,512,745	2.5	4.7%	
Healthcare	Floating	1,088,723	808,642	2.8	6.3%	
Industrial	Fixed	1,073,830	399,788	11.1	3.8%	
Hospitality	Fixed	10,790	10,520	2.6	12.9%	
Hospitality	Floating	2,599,432	2,428,829	3.1	5.2%	
Other Equity and Debt <sup>(2)</sup>						
Net lease real estate equity	Fixed	335,375	334,739	5.8	4.2%	
Other real estate equity	Fixed	87,286	25,656	4.3	3.1%	
Other real estate equity	Floating	1,421,897	765,251	4.1	4.6%	
Real estate debt	Floating	36,747	23,779	1.3	5.2%	
GP Co-investments	Floating	656,571	421,611	3.1	4.3%	
<b>Total investment-level debt<sup>(2)</sup></b>		<b>\$ 9,479,565</b>	<b>\$ 6,731,560</b>	<b>3.6</b>	<b>5.0%</b>	

### Fixed / Floating Summary

Fixed	\$ 3,676,195	\$ 2,283,448
Floating	5,803,370	4,448,112
<b>Total investment-level debt<sup>(2)</sup></b>	<b>\$ 9,479,565</b>	<b>\$ 6,731,560</b>

Notes:  
 (1) Based on 1-month LIBOR of 2.09% and 3-month LIBOR of 2.34%.  
 (2) Includes \$196 million consolidated and CLNY OP share principal balance of debt related to assets held for sale.

## IIIc. Capitalization - Revolving Credit Facility Overview

(\$ in thousands, except as noted; as of June 30, 2018)

### Revolving credit facility

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

Financial covenants as defined in the Credit Agreement:

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

Company status: As of June 30, 2018, CLNY is meeting all required covenant threshold levels

Notes:

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

# IIId. Capitalization - Corporate Securities Overview

(\$ in thousands, except per share data; as of June 30, 2018, unless otherwise noted)

## Convertible/exchangeable debt

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

## TruPS

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

## Perpetual preferred stock

Description	Liquidation preference	Shares outstanding	Callable period
Series B 8.25% cumulative redeemable perpetual preferred stock	\$ 152,855	6,114	Callable
Series E 8.75% cumulative redeemable perpetual preferred stock	250,000	10,000	On or after May 15, 2019
Series G 7.5% cumulative redeemable perpetual preferred stock	86,250	3,450	On or after June 19, 2019
Series H 7.125% cumulative redeemable perpetual preferred stock	287,500	11,500	On or after April 13, 2020
Series I 7.15% cumulative redeemable perpetual preferred stock	345,000	13,800	On or after June 5, 2022
Series J 7.125% cumulative redeemable perpetual preferred stock	315,000	12,600	On or after September 22, 2022
<b>Total preferred stock(2)</b>	<b>\$ 1,436,605</b>	<b>57,464</b>	

Notes:

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

(2) Excludes \$200 million redeemed in the third quarter 2018.

## IIIe. Capitalization - Debt Maturity and Amortization Schedules

(\$ in thousands; as of June 30, 2018)

### Consolidated debt maturity and amortization schedule

	Fixed / Floating	Payments due by period <sup>(1)</sup>						Total
		2018	2019	2020	2021	2022 and after		
\$1,000,000 Revolving credit facility	Floating	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Convertible/exchangeable senior notes	Fixed	—	—	—	402,500	213,605	616,105	
Corporate aircraft promissory note	Fixed	1,529	2,124	2,233	2,350	29,977	38,213	
TruPS	Floating	—	—	—	—	280,117	280,117	
<i>Investment-level debt:</i>								
Healthcare	Fixed	111	1,750,231	7,052	8,338	403,182	2,168,914	
Healthcare	Floating	14,788	624,221	52,251	397,463	—	1,088,723	
Industrial	Fixed	407	839	875	2,350	1,069,359	1,073,830	
Hospitality	Fixed	—	—	—	10,790	—	10,790	
Hospitality	Floating	—	512,000 <sup>(2)</sup>	247,750	209,682	1,630,000	2,599,432	
Other Equity and Debt	Fixed	48,660	14,930	15,058	26,957	317,056	422,661	
Other Equity and Debt	Floating	174,310	253,074	54,196	437,694	1,195,941	2,115,215	
<b>Total debt<sup>(3)</sup></b>		<b>\$ 239,805</b>	<b>\$ 3,157,419</b>	<b>\$ 379,415</b>	<b>\$ 1,498,124</b>	<b>\$ 5,139,237</b>	<b>\$ 10,414,000</b>	

### Pro rata debt maturity and amortization schedule

	Fixed / Floating	Payments due by period <sup>(1)</sup>						Total
		2018	2019	2020	2021	2022 and after		
\$1,000,000 Revolving credit facility	Floating	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Convertible/exchangeable senior notes	Fixed	—	—	—	402,500	213,605	616,105	
Corporate aircraft promissory note	Fixed	1,529	2,124	2,233	2,350	29,977	38,213	
TruPS	Floating	—	—	—	—	280,117	280,117	
<i>Investment-level debt:</i>								
Healthcare	Fixed	77	1,218,861	4,950	5,852	283,005	1,512,745	
Healthcare	Floating	10,670	440,145	42,314	315,513	—	808,642	
Industrial	Fixed	152	313	326	875	398,122	399,788	
Hospitality	Fixed	—	—	—	10,520	—	10,520	
Hospitality	Floating	—	512,000 <sup>(2)</sup>	247,750	204,440	1,464,639	2,428,829	
Other Equity and Debt	Fixed	39,937	5,325	5,408	9,433	300,292	360,395	
Other Equity and Debt	Floating	41,813	119,482	27,744	399,421	622,181	1,210,641	
<b>Total debt<sup>(3)</sup></b>		<b>\$ 94,178</b>	<b>\$ 2,298,250</b>	<b>\$ 330,725</b>	<b>\$ 1,350,904</b>	<b>\$ 3,591,938</b>	<b>\$ 7,665,995</b>	

Notes:

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

(2) During the third quarter 2018, refinanced and extended the fully extended maturity date from 2019 to 2025.

(3) Includes \$196 million consolidated and CLNY OP share principal balance of debt related to assets held for sale.

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

(\$ in thousands; as of or for the three months ended June 30, 2018, unless otherwise noted)

<b>Net operating income</b>	<b>Consolidated amount</b>	<b>CLNY OP share of consolidated amount<sup>(1)</sup></b>
<b>Net operating income:</b>		
Senior Housing - Operating	\$ 16,770	\$ 11,890
Medical Office Buildings	13,718	9,726
<b>Triple-Net Lease:</b>		
Senior Housing	14,483	10,268
Skilled Nursing Facilities	24,079	17,072
Hospitals	4,806	3,407
<b>Total net operating income<sup>(2)</sup></b>	<b>\$ 73,856</b>	<b>\$ 52,363</b>

<b>Portfolio overview</b>	<b>Total number of buildings</b>	<b>Capacity</b>	<b>% Occupied<sup>(3)</sup></b>	<b>TTM Lease Coverage<sup>(4)</sup></b>	<b>WA Remaining Lease Term</b>
Senior Housing - Operating	109	6,436 units	86.8%	N/A	N/A
Medical Office Buildings	108	3.8 million sq. ft.	82.6%	N/A	N/A
<b>Triple-Net Lease:</b>					
Senior Housing	83	4,153 units	82.3%	1.4x	11.5
Skilled Nursing Facilities	99	11,829 beds	82.2%	1.2x	6.4
Hospitals	14	872 beds	59.6%	3.3x	10.8
<b>Total</b>	<b>413</b>				

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

	<b>% Occupied<sup>(3)</sup></b>		<b>TTM Lease Coverage<sup>(4)</sup></b>		<b>NOI<sup>(5)</sup></b>		
	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>3/31/2018</b>	<b>12/31/2017</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>% Change</b>
Senior Housing - Operating	86.8%	86.4%	N/A	N/A	\$ 17,420	\$ 17,472	(0.3)%
Medical Office Buildings	82.6%	83.2%	N/A	N/A	13,718	13,320	3.0 %
<b>Triple-Net Lease:</b>							
Senior Housing	82.3%	83.2%	1.4x	1.4x	15,544	15,530	0.1 %
Skilled Nursing Facilities	82.2%	82.7%	1.2x	1.2x	25,942	26,854	(3.4)%
Hospitals	59.6%	55.3%	3.3x	3.5x	4,806	4,923	(2.4)%
<b>Total</b>					<b>\$ 77,430</b>	<b>\$ 78,099</b>	<b>(0.9)%</b>

### Notes:

- CLNY OP Share represents Consolidated NOI multiplied by CLNY OP's interest of 71% as of June 30, 2018.
- NOI includes \$1.4 million consolidated or \$1.0 million CLNY OP share of interest earned related to \$77 million consolidated or \$54 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, 2018. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.
- 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.
- 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.
- Same Store Consolidated NOI excludes \$3.2 million of termination fee revenue in Q1 2018 and excludes \$3.6 million of non-recurring bad debt expense in Q2 2018.

# IVb. Healthcare Real Estate - Portfolio Overview

(As of or for the three months ended June 30, 2018, unless otherwise noted)

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

March 31, 2018 TTM Lease Coverage	# of Leases	% of Triple-Net Lease TTM NOI as of March 31, 2018			WA Remaining Lease Term
		Senior Housing	Skilled Nursing Facilities & Hospitals	% Total NOI	
Less than 0.99x	6	7%	17%	24%	7 yrs
1.00x - 1.09x	2	—%	14%	14%	6 yrs
1.10x - 1.19x	—	—%	—%	—%	—
1.20x - 1.29x	1	4%	—%	4%	10 yrs
1.30x - 1.39x	2	—%	17%	17%	8 yrs
1.40x - 1.49x	1	—%	2%	2%	8 yrs
1.50x and greater	5	19%	20%	39%	9 yrs
<b>Total / W.A.</b>	<b>17</b>	<b>30%</b>	<b>70%</b>	<b>100%</b>	<b>8 yrs</b>

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

	March 31, 2018 TTM		
	Private Pay	Medicare	Medicaid
Senior Housing - Operating	87%	3%	10%
Medical Office Buildings	100%	—%	—%
<i>Triple-Net Lease:</i>			
Senior Housing	65%	—%	35%
Skilled Nursing Facilities	26%	20%	54%
Hospitals	11%	40%	49%
<b>W.A.</b>	<b>60%</b>	<b>10%</b>	<b>30%</b>

Notes:

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

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

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

(\$ in thousands; as of or for the three months ended June 30, 2018, unless otherwise noted)

### Top 10 Geographic Locations by NOI

	Number of buildings	NOI
United Kingdom	44	\$ 10,102
Indiana	55	7,323
Illinois	35	6,338
Florida	27	5,846
Oregon	31	4,932
Pennsylvania	11	4,807
California	15	4,552
Georgia	22	4,515
Texas	31	4,494
Ohio	35	4,340
<b>Total</b>	<b>306</b>	<b>\$ 57,249</b>

### Top 10 Operators/Tenants by NOI

	Property Type/Primary Segment	Number of buildings	NOI	% Occupied	TTM Lease Coverage	WA Remaining Lease Term
Senior Lifestyle	Sr. Housing / RIDEA	82	\$ 13,823	87.0%	N/A	N/A
Caring Homes (U.K.) <sup>(1)</sup>	Sr. Housing / NNN	44	10,102	86.7%	1.5x	15 yrs
Sentosa	SNF / NNN	11	4,807	87.6%	1.3x	10 yrs
Wellington Healthcare	SNF / NNN	11	4,429	89.1%	1.1x	9 yrs
Miller	SNF / NNN	28	3,848	72.0%	2.0x	N/A
Frontier	Sr. Housing / RIDEA / NNN	20	3,822	82.9%	N/A	N/A
Opis	SNF / NNN	11	2,806	89.2%	1.3x	6 yrs
Grace	SNF / NNN	9	2,604	80.5%	0.9x	3 yrs
Avanti Hospital Systems	Hospital	5	2,293	54.3%	4.9x	9 yrs
Consulate	SNF / NNN	10	2,018	80.1%	0.4x	10 yrs
<b>Total</b>		<b>231</b>	<b>\$ 50,552</b>			

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



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

(\$ in thousands; as of or for the three months ended June 30, 2018, unless otherwise noted)

	Consolidated amount <sup>(1)</sup>	CLNY OP share of consolidated amount <sup>(1)</sup>
<b>Net operating income</b>		
Net operating income	\$ 49,078	\$ 18,257

## Portfolio overview

Total number of buildings	392
Rentable square feet (thousands)	47,497
% leased at end of period	92.9%
Average remaining lease term	3.8

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

	Q2 2018	Q1 2018	% Change
Same store number of buildings	304	304	—
% leased at end of period	93.9%	95.1%	(1.3)%
NOI	\$ 35,490	\$ 35,127	1.0 %

	Acquisition / Disposition date	Number of buildings	Rentable square feet (thousands)	% leased	Purchase price / Sales price
<b>Recent acquisitions &amp; dispositions</b>					
<b>Q2 2018 acquisitions:</b>					
San Francisco industrial portfolio	4/13/2018	2	587	100.0%	\$ 100,500
Las Vegas industrial portfolio	4/24/2018	2	363	45.0%	37,400
Northern NJ industrial portfolio	6/21/2018	10	640	91.3%	95,997
San Antonio industrial portfolio	6/28/2018	1	359	—%	23,400
Land for development	Various	N/A	N/A	N/A	589
<b>Total / W.A.</b>		<b>15</b>	<b>1,949</b>	<b>68.5%</b>	<b>\$ 257,886</b>

## Q2 2018 dispositions:

Southern NJ industrial property	5/29/2018	1	45	—%	\$ 2,500
<b>Total / W.A.</b>		<b>1</b>	<b>45</b>	<b>—%</b>	<b>\$ 2,500</b>

## Q3 2018 acquisitions:

Baltimore industrial portfolio	7/2/2018	1	90	—%	\$ 7,900
Baltimore industrial portfolio	7/12/2018	2	220	100.0%	\$ 19,550
Las Vegas industrial portfolio	7/30/2018	2	205	100.0%	\$ 15,995
<b>Total / W.A.</b>		<b>5</b>	<b>515</b>	<b>81.8%</b>	<b>\$ 43,445</b>

Notes:

(1) CLNY OP Share represents Consolidated NOI multiplied by CLNY OP's interest of 37% as of June 30, 2018. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.

# Vb. Industrial Real Estate - Portfolio Overview

(\$ in thousands; as of or for the three months ended June 30, 2018, unless otherwise noted)

<b>Top 10 Geographic Locations by NOI</b>	<b>Number of buildings</b>	<b>Rentable square feet (thousands)</b>	<b>NOI</b>	<b>% leased at end of period</b>
Dallas	68	7,426	\$ 7,401	93.9%
Atlanta	62	6,862	6,783	97.3%
New Jersey, South / Philadelphia	33	3,718	3,803	93.4%
Minneapolis	18	2,814	3,745	96.1%
Orlando	17	2,851	3,526	97.9%
Phoenix	28	3,230	3,293	98.4%
Maryland-BWI	21	2,806	3,178	93.5%
Chicago	26	2,786	2,601	83.7%
Houston	23	2,092	2,386	87.9%
Jacksonville	11	2,011	2,013	99.9%
<b>Total / W.A.</b>	<b>307</b>	<b>36,596</b>	<b>\$ 38,729</b>	<b>94.5%</b>

## Top 10 Tenant Base by Industry

<b>Industry</b>	<b>Total leased square feet (thousands)</b>	<b>% of total</b>
Warehousing & Transportation	17,444	39.6%
Manufacturing	7,699	17.5%
Wholesale Trade	4,345	9.9%
Professional, Scientific, and Technical Services	4,242	9.6%
Media & Information	2,911	6.6%
Health & Science	2,923	6.6%
Construction & Contractors	2,247	5.1%
Retail Trade	1,213	2.8%
Entertainment & Recreation	935	2.1%
Public Administration & Government	113	0.2%
<b>Total</b>	<b>44,072</b>	<b>100.0%</b>

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

(\$ in thousands; as of or for the three months ended June 30, 2018, unless otherwise noted)

<b>EBITDA</b>	<b>Consolidated amount</b>	<b>CLNY OP share of consolidated amount<sup>(1)</sup></b>
<b>EBITDA:</b>		
Select Service	\$ 48,103	\$ 45,361
Extended Stay	33,549	31,637
Full Service	4,326	4,079
<b>Total EBITDA<sup>(2)</sup></b>	<b>\$ 85,978</b>	<b>\$ 81,077</b>

## Portfolio overview by type

	Number of hotels	Number of rooms	Avg. qtr. % occupancy	Avg. daily rate (ADR)	RevPAR	Q2 2018 EBITDA	EBITDA margin
Select service	97	13,193	77.7%	\$ 127	\$ 99	\$ 48,103	37.0%
Extended stay	66	7,936	82.9%	136	113	33,549	40.2%
Full service	4	962	77.3%	166	128	4,326	27.7%
<b>Total / W.A.</b>	<b>167</b>	<b>22,091</b>	<b>79.6%</b>	<b>\$ 132</b>	<b>\$ 105</b>	<b>\$ 85,978</b>	<b>37.5%</b>

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

Brand	Avg. qtr. % occupancy		Avg. daily rate (ADR)		RevPAR		EBITDA		% Change
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	
Marriott	78.3%	77.0%	\$ 131	\$ 129	\$ 102	\$ 99	\$ 66,313	\$ 62,834	5.5 %
Hilton	83.9%	82.0%	135	131	113	107	14,763	13,862	6.5 %
Other	86.3%	84.2%	138	139	119	117	4,902	4,995	(1.9)%
<b>Total / W.A.</b>	<b>79.6%</b>	<b>78.2%</b>	<b>\$ 132</b>	<b>\$ 130</b>	<b>\$ 105</b>	<b>\$ 102</b>	<b>\$ 85,978</b>	<b>\$ 81,691</b>	<b>5.2 %</b>

Notes:

(1) CLNY OP Share represents Consolidated EBITDA multiplied by CLNY OP's interest of 94% as of June 30, 2018.

(2) Q2 2018 EBITDA excludes a FF&E reserve contribution amount of \$10.0 million consolidated or \$9.4 million CLNY OP share. For a reconciliation of net income/(loss) attributable to common stockholders to EBITDA please refer to the appendix to this presentation.

## Vlb. Hospitality Real Estate - Portfolio Overview

(\$ in thousands; as of June 30, 2018, unless otherwise noted)

<b>Top 10 Geographic Locations by EBITDA</b>	<b>Number of hotels</b>	<b>Number of rooms</b>	<b>Number of rooms-select service</b>	<b>Number of rooms-extended stay</b>	<b>Number of rooms-full service</b>	<b>EBITDA</b>
California	18	2,254	1,243	1,011	—	\$ 12,736
Texas	28	3,230	1,952	1,278	—	9,260
Florida	12	2,060	1,186	291	583	7,213
New Jersey	12	1,884	718	942	224	6,917
Virginia	11	1,473	1,210	263	—	5,530
New York	8	1,010	710	300	—	4,188
Washington	5	664	160	504	—	3,993
North Carolina	7	981	831	150	—	3,820
Georgia	7	974	694	280	—	3,444
Michigan	6	809	601	208	—	3,362
<b>Total / W.A.</b>	<b>114</b>	<b>15,339</b>	<b>9,305</b>	<b>5,227</b>	<b>807</b>	<b>\$ 60,463</b>

## VIIa. CLNC

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(\$ in thousands, except as noted and per share data; as of June 30, 2018, 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, 2018	36.6%	36.6%
CLNC shares beneficially owned by OP and common stockholders	48.0 million	48.0 million
CLNC share price as of August 6, 2018	\$ 21.08	\$ 21.08
Total market value of CLNC shares	\$ 1,011,376	\$ 1,011,376
Net carrying value - CLNC	\$ 1,146,355	\$ 1,146,355

## VIIIa. Other Equity and Debt - Strategic Investments

(\$ in thousands, except as noted and per share data; as of June 30, 2018, unless otherwise noted)

	Consolidated amount	CLNY OP share of consolidated amount
<b>NorthStar Realty Europe Corp. (NYSE: NRE)</b>		
CLNY OP interest in NRE as of August 6, 2018	11.2%	11.2%
NRE shares beneficially owned by OP and common stockholders	5.6 million	5.6 million
NRE share price as of August 6, 2018	\$ 13.52	\$ 13.52
Total market value of NRE shares	\$ 76,206	\$ 76,206
Carrying value - NRE	75,044	75,044

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

Assets - carrying value <sup>(1)</sup>	\$ 1,112,419	\$ 199,057
Debt - UPB	293,397	58,437
Net carrying value	\$ 819,022	\$ 140,620

### NBV by Geography:

U.S.	27.6%	16.0%
Europe	72.4%	84.0%
Total	100.0%	100.0%

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

Assets - carrying value <sup>(1)</sup>	\$ 688,186	\$ 644,296
Debt - UPB	363,174	363,174
Net carrying value	\$ 325,012	\$ 281,122

#### Notes:

(1) \$1.1 billion consolidated and \$573 million CLNY OP share 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.

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

(\$ in thousands; as of June 30, 2018, unless otherwise noted)

<i>Net Lease Real Estate Equity</i>	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNY OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			NOI	NOI		
U.S. office	5	878	\$ 2,415	\$ 2,283	80.6%	5.1
Europe office	29	1,478	5,514	5,514	100.0%	11.6
<b>Total / W.A.</b>	<b>34</b>	<b>2,356</b>	<b>\$ 7,929</b>	<b>\$ 7,797</b>	<b>92.8%</b>	<b>9.2</b>

<i>Other Real Estate Equity</i>	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNY OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			Undepreciated carrying value	Undepreciated carrying value		
U.S.:						
Office	14	1,482	\$ 272,779	\$ 236,558	66.6%	5.8
Hotel <sup>(1)</sup>	100	N/A	1,234,872	680,736	75.0%	N/A
Europe:						
Industrial	37	2,753	163,942	73,774	100.0%	6.0
Office	27	920	83,551	41,776	80.2%	11.7
Mixed / Retail	151	4,390	698,032	238,719	63.3%	4.2
<b>Total / W.A.</b>	<b>329</b>	<b>9,545</b>	<b>\$ 2,453,176</b>	<b>\$ 1,271,563</b>	<b>76.0%</b>	<b>5.7</b>

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

Preferred equity:

Multifamily	\$ 341,676	\$ 341,676
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Equity & Other:

Albertsons	89,129	44,564
Residential Land	66,830	34,734
Other	28,742	28,742
Corporate CLO Equity	17,965	17,965
Multifamily	10,372	9,335
<b>Total</b>	<b>\$ 554,714</b>	<b>\$ 477,016</b>

Notes:

(1) Includes \$150 million consolidated or \$83 million CLNY OP share of restricted cash.

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

(\$ in thousands, except as noted; as of June 30, 2018, unless otherwise noted)

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

	<u>Consolidated amount</u>	<u>CLNY OP share of consolidated amount</u>
<b>Non-PCI loans<sup>(2)</sup></b>		
Carrying value - consolidated	\$ 492,573	\$ 352,537
Non-recourse investment-level financing (UPB)	22,523	16,456
Carrying value - equity method investments	27,037	19,527
<b>PCI loans<sup>(2)</sup></b>		
Carrying value - consolidated	121,918	55,019
Non-recourse investment-level financing (UPB)	14,224	7,323
Carrying value - equity method investments	1,368	1,368
<b>Other</b>		
Carrying value - real estate assets (REO)	25,721	14,689
<b>Total Portfolio</b>		
Carrying value - consolidated	614,491	407,556
Carrying value - equity method investments	28,405	20,895
Carrying value - real estate assets (REO)	25,721	14,689
Non-recourse investment-level financing (UPB)	36,747	23,779

Notes:

(1) Excludes \$77 million consolidated or \$54 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.



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

(\$ in thousands; as of or for the three months ended June 30, 2018, unless otherwise noted)

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

	Consolidated amount	CLNY OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
<b>Non-PCI loans<sup>(2)</sup></b>				
<i>Fixed rate</i>				
First mortgage loans	\$ 63,979	\$ 46,757	8.6%	9.2
Second mortgage loans / B-notes	211,182	116,392	7.8%	2.3
Mezzanine loans	122,937	93,634	2.9%	1.6
Corporate	28,290	28,290	8.1%	8.5
<b>Total fixed rate non-PCI loans</b>	<b>426,388</b>	<b>285,073</b>	<b>6.3%</b>	<b>3.8</b>
<i>Variable rate</i>				
First mortgage loans	69,901	69,901	8.9%	2.0
<b>Total variable rate non-PCI loans</b>	<b>69,901</b>	<b>69,901</b>	<b>8.9%</b>	<b>2.0</b>
<b>Total non-PCI loans</b>	<b>496,289</b>	<b>354,974</b>		
Allowance for loan losses	(3,716)	(2,437)		
<b>Total non-PCI loans, net of allowance for loan losses</b>	<b>492,573</b>	<b>352,537</b>		
<b>PCI loans<sup>(2)</sup></b>				
First mortgage loans	167,890	62,964		
Mezzanine loans	3,671	3,671		
<b>Total PCI loans</b>	<b>171,561</b>	<b>66,635</b>		
Allowance for loan losses	(49,643)	(11,616)		
<b>Total PCI loans, net of allowance for loan losses</b>	<b>121,918</b>	<b>55,019</b>		
<b>Total loans receivable, net of allowance for loan losses</b>	<b>\$ 614,491</b>	<b>\$ 407,556</b>		

Notes:

(1) Excludes \$77 million consolidated or \$54 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.

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

(\$ in thousands; as of or for the three months ended June 30, 2018, unless otherwise noted)

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

	Consolidated amount	CLNY OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
<b>Non-PCI Loans<sup>(2)</sup></b>				
Retail	\$ 171,674	\$ 160,932	3.6%	1.0
Office	134,128	67,064	13.5%	3.6
Multifamily	68,465	51,243	8.6%	9.9
Corporate	28,290	28,290	8.1%	8.5
Hospitality	52,578	26,289	10.3%	2.1
Land	37,439	18,719	—%	0.9
<b>Total non-PCI loans, net of allowance for loan losses</b>	<b>492,574</b>	<b>352,537</b>	<b>6.9%</b>	<b>3.5</b>
<b>PCI Loans<sup>(2)</sup></b>				
Retail	45,459	23,290		
Multifamily	26,785	11,401		
Industrial	16,931	8,280		
Office	5,061	4,114		
Hospitality	14,088	2,818		
Land	2,334	467		
Residential	670	134		
Other	10,590	4,515		
<b>Total PCI loans, net of allowance for loan losses</b>	<b>121,918</b>	<b>55,019</b>		
<b>Total loans receivable, net of allowance for loan losses</b>	<b>\$ 614,492</b>	<b>\$ 407,556</b>		

Notes:

(1) Excludes \$77 million consolidated or \$54 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.

## VIIId. Other Equity and Debt - Real Estate PE Fund Interests

(\$ in thousands, except as noted; as of or for the three months ended June 30, 2018, unless otherwise noted)

### Operating Results

Q2 2018 income <sup>(1)</sup>	\$	—
Return of capital		23,066
Total distributions		23,066
Contributions		952
Net	\$	<u>22,114</u>

Carrying value	\$	142,744
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### Investment by Types<sup>(2)</sup>

Type	%
Land	24%
Multifamily	14%
Office	14%
Cash	14%
Other	11%
Retail	10%
Lodging	5%
Residential/Condo	4%
Debt	3%
Industrial	1%
<b>Total</b>	<b><u>100%</u></b>

### Investment by Geography<sup>(2)</sup>

Location	%
Northeast	25%
West	20%
Cash	14%
Midwest	11%
Primarily Various U.S.	9%
Southeast	6%
Asia	6%
Mid-Atlantic	5%
Europe	4%
<b>Total</b>	<b><u>100%</u></b>

Notes:

(1) As of June 30, 2018, the Company had contracts to sell the majority of its real estate private equity investments and concurrent with the sale the Company discontinued recognizing income for such investments.

(2) Represents the underlying fund interests in PE Investments by investment type and geographic location based on NAV as of March 31, 2018.

## VIIIe. Other Equity and Debt - CRE Securities

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(\$ in thousands; as of June 30, 2018)

### Portfolio Overview

	Carrying Value
Deconsolidated CDO bonds	\$ 63,237
Deconsolidated CDO equity	14,770
CMBS	199

### Core FFO

Q2 2018 aggregate Core FFO <sup>(1)</sup>	\$ 2,851
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Notes:

(1) Excludes Core FFO of a consolidated CDO and deconsolidated CDO bonds which the Company sold or were paid off during the second quarter 2018.

# IXa. Investment Management - Summary Metrics

(\$ in thousands, except as noted; as of June 30, 2018)

<b>Overview</b>	<b>Q2 2018 Fee Revenue - CLNY OP Share</b>
Institutional funds <sup>(1)</sup>	\$ 17,171
Colony Credit Real Estate (NYSE:CLNC)	11,998
NorthStar Realty Europe (NYSE:NRE)	4,222
Retail companies	6,534
Non-wholly owned REIM platforms (earnings of investments in unconsolidated ventures) <sup>(2)</sup>	(809)
<b>Total Q2 2018 reported fee revenue and REIM platform earnings of investments in unconsolidated ventures</b>	<b>\$ 39,116</b>
<b>Operating Results</b>	
<b>Revenues</b>	
Total fee revenue and REIM earnings of investments in unconsolidated ventures	\$ 39,116
Other income and commission income	9,618
<b>Expenses</b>	
Investment, servicing and commission expenses	5,923
Depreciation and amortization	6,204
Impairment loss <sup>(3)</sup>	60,312
Compensation expense	15,299
Administrative expenses	1,959
<b>Total expenses</b>	<b>89,697</b>
Other gain (loss), net	(123)
Earnings of investments in unconsolidated ventures <sup>(4)</sup>	(11,788)
Income tax benefit	2,882
<b>Net income attributable to common interests in OP and common stockholders</b>	<b>(49,992)</b>
Real estate depreciation and amortization	785
(Gain) loss from sales of depreciable real estate	(48)
(Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment	16,437
Equity-based compensation expense	1,815
Straight-line rent revenue and expense	(20)
Amortization of deferred financing costs and debt premiums and discounts	55
Unrealized fair value gains or losses and foreign currency remeasurements	23
Amortization and impairment of investment management intangibles	66,550
Non-real estate depreciation and amortization	10
Tax (benefit) expense, net	(1,475)
<b>Core FFO</b>	<b>\$ 34,140</b>

Notes:

- (1) Includes a \$3 million fee related to fund raising in the second quarter 2018 for the investment in AccorInvest, the property arm of AccorHotels.
- (2) Earnings of investments in unconsolidated ventures includes a \$4.2 million negative prior period adjustment related to the Company's investment in RXR Realty.
- (3) Includes a \$60 million writeoff of an intangible asset related to the NorthStar trade name as a result of the name change of the Company from Colony NorthStar, Inc. to Colony Capital, Inc.
- (4) Includes \$13 million of impairments to interests in non-wholly owned REIM platforms and \$2 million of unrealized carried interest from the industrial platform.

# IXb. Investment Management – Assets Under Management

(\$ in millions, except as noted; as of June 30, 2018, 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"> <li>Credit (\$2.7 billion)</li> <li>Core plus / value-added (\$0.3 billion)</li> <li>Opportunistic (\$0.5 billion)</li> <li>Colony Industrial (\$1.5 billion)</li> <li>Other co-investment vehicles (\$1.2 billion)</li> </ul>	<ul style="list-style-type: none"> <li>26 years of institutional investment management experience</li> <li>Sponsorship of private equity funds and vehicles earning asset management fees and performance fees</li> <li>More than 300 investor relationships</li> <li>Colony Industrial Open-End Fund</li> </ul>	\$ 9,955	\$ 6,172	.8%
	<ul style="list-style-type: none"> <li>Colony Credit Real Estate, Inc. (\$3.1 billion)</li> <li>NorthStar Realty Europe Corp. (\$1.1 billion)</li> </ul>	<ul style="list-style-type: none"> <li>CLNC: NYSE-listed credit focused REIT</li> <li>NRE: NYSE-listed European equity REIT</li> <li>Contracts with base management fees with potential for incentive fees</li> </ul>	5,181	4,218	1.5%
	<ul style="list-style-type: none"> <li>NorthStar Healthcare (\$1.6 billion)</li> <li>NorthStar/RXR NY Metro Real Estate</li> <li>NorthStar Real Estate Capital Income Funds<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Manage public non-traded vehicles earning asset management and performance fees</li> </ul>	3,616	1,657	1.5%
	<ul style="list-style-type: none"> <li>Digital Real Estate Infrastructure Co-sponsored Vehicle</li> <li>RXR Realty</li> <li>American Healthcare Investors</li> <li>Steelwave</li> <li>Hamburg Trust</li> </ul>	<ul style="list-style-type: none"> <li>CLNY recognizes at-share earnings from underlying non-wholly owned REIM platforms</li> <li>50% investment in Digital Colony, the Company's digital real estate infrastructure vehicle established in partnership with Digital Bridge with an aggregate \$3.0 billion of committed capital as of June 30, 2018</li> <li>27% investment in RXR Realty, a real estate owner, developer and investment management company with \$18 billion of AUM</li> <li>43% investment in American Healthcare Investors, a healthcare investment management firm and sponsor of non-traded vehicles with \$3 billion of AUM</li> </ul>	9,392	5,033	N/A
<b>Total</b>			<b>\$ 28,144</b>	<b>\$ 17,080</b>	

Notes:

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

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# APPENDICES

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# Xa. Appendices - Definitions

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## **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, 2018. AUM further includes a) uncalled capital commitments and b) includes the Company’s pro-rata share of each affiliate non wholly-owned real estate investment management platform’s assets as presented and calculated by the affiliate. Affiliates include the co-sponsored digital real estate infrastructure vehicle, RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company’s calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

## **CLNY OP**

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

## **Fee-Earning Equity Under Management (“FEEUM”)**

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

**Healthcare same store portfolio:** defined as properties in operation throughout the full periods presented under the comparison and included 413 properties in the sequential quarter to quarter and year to year comparisons. Properties acquired, disposed or held for sale during these periods are excluded for the same store portfolio and same store results exclude termination fee revenue and certain non-recurring bad debt expense.

**Industrial same store portfolio:** consisted of 304 buildings. The same store portfolio is defined once a year at the beginning of the current calendar year and includes buildings that were owned, stabilized and held-for-use throughout the entirety of both the current and prior calendar years. Properties acquired, disposed or held-for-sale after the same store portfolio is determined are excluded. Stabilized properties are defined as properties owned for more than one year or are greater than 90% leased. Same store NOI excludes lease termination fee revenue.

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

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

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



# Xa. Appendices - Definitions

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

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

## **TTM Lease Coverage**

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

**ADR:** Average Daily Rate

**RevPAR:** Revenue per Available Room

**UPB:** Unpaid Principal Balance

**PCI:** Purchased Credit-Impaired

**REIM:** Real Estate Investment Management

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

(\$ in thousands; for the three months ended June 30, 2018)

<b>NOI and EBITDA Determined as Follows</b>	<b>Healthcare</b>	<b>Industrial</b>	<b>Hospitality</b>	<b>Other Equity and Debt—Net Lease Properties</b>
Total revenues	\$ 145,419	\$ 72,477	\$ 229,373	\$ 10,355
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(1,580)	(2,554)	(6)	(393)
Interest income	—	(62)	—	—
Other income	—	—	(68)	—
Property operating expenses <sup>(1)</sup>	(69,983)	(20,483)	(143,321)	(2,033)
Compensation expense <sup>(1)</sup>	—	(300)	—	—
<b>NOI or EBITDA</b>	<b>\$ 73,856</b>	<b>\$ 49,078</b>	<b>\$ 85,978</b>	<b>\$ 7,929</b>

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

	<b>Healthcare</b>	<b>Industrial</b>	<b>Hospitality</b>
Net income (loss) from continuing operations	\$ (20,080)	\$ 4,668	\$ 6,771
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(1,580)	(2,554)	(6)
Interest income	—	(62)	—
Interest expense	45,179	10,856	36,494
Transaction, investment and servicing costs	3,110	60	3,546
Depreciation and amortization	38,229	32,482	35,925
Impairment loss	1,982	174	—
Compensation and administrative expense	2,196	3,416	1,598
Other (gain) loss, net	4,465	—	162
Other income	—	—	(68)
Income tax (benefit) expense	355	38	1,556
<b>NOI or EBITDA</b>	<b>\$ 73,856</b>	<b>\$ 49,078</b>	<b>\$ 85,978</b>

Notes:

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

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

(\$ in thousands; for the three months ended June 30, 2018)

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

	Other Equity and Debt
Net income from continuing operations	\$ 61,853
Adjustments:	
Property operating income of other real estate equity	(135,500)
Straight-line rent revenue and amortization of above- and below-market lease intangibles for net lease real estate equity	(375)
Interest income	(42,586)
Fee and other income	(2,509)
Property operating expense of other real estate equity	84,836
Interest expense	46,476
Transaction, investment and servicing costs	13,362
Depreciation and amortization	23,521
Provision for loan loss	13,933
Impairment loss	7,366
Compensation and administrative expense	5,975
Gain on sale of real estate assets	(42,702)
Other loss, net	(18,216)
Earnings of investments in unconsolidated ventures	(7,767)
Income tax expense	262
NOI of net lease real estate equity	<u>\$ 7,929</u>