

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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 8, 2017

COLONY NORTHSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

001-37980
(Commission
File Number)

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

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

90071
(Zip Code)

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

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

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

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

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, 2017, Colony NorthStar, Inc. (the "Company") issued a press release announcing its financial position as of June 30, 2017 and its financial results for the second quarter ended June 30, 2017. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On August 8, 2017, the Company made available a Supplemental Financial Disclosure Presentation for the quarter ended June 30, 2017 on the Company's website at www.clns.com. A copy of the Supplemental Financial Disclosure Presentation is furnished herewith as Exhibit 99.2 to this Current Report on Form 8-K, which are incorporated herein by reference.

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

Use of Website to Distribute Material Company Information

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

Item 9.01 Financial Statements and Exhibits.

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

Exhibit No.	Description
99.1	Press Release dated August 8, 2017
99.2	Supplemental Financial Disclosure Presentation for the quarter ended June 30, 2017

SIGNATURES

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

Date: August 8, 2017

COLONY NORTHSTAR, INC.

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

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated August 8, 2017
99.2	Supplemental Financial Disclosure Presentation for the quarter ended June 30, 2017

COLONY NORTHSTAR ANNOUNCES SECOND QUARTER 2017 FINANCIAL RESULTS

Los Angeles, CA and New York, NY, August 8, 2017 - Colony NorthStar, Inc. (NYSE:CLNS) and subsidiaries (collectively, "Colony NorthStar", or the "Company") today announced its financial results for the second quarter ended June 30, 2017 and declared a cash dividend of \$0.27 per share of Class A and Class B common stock for the third quarter of 2017.

Second Quarter 2017 Highlights

- Net income attributable to common stockholders of \$38.6 million, or \$0.07 per basic share
- Core FFO of \$203.6 million, or \$0.35 per basic share, and FFO of \$130.0 million, or \$0.22 per basic share
- Merger integration substantially complete and approximately 100% of the originally identified \$80 million annualized cash synergies target and 110% of the \$115 million annualized total synergies target, which includes stock compensation savings, achieved to date on a run rate basis
- Declared and paid a second quarter 2017 dividend of \$0.27 per share of Class A and B common stock
 - Subsequent to the second quarter 2017, declared a third quarter dividend of \$0.27 per share of Class A and B common stock
- The Company and its share of affiliates raised approximately \$285 million of third-party capital from institutional clients and retail investors for an aggregate \$1.4 billion during the first half of 2017
- The Company completed year-to-date asset monetizations totaling \$3.6 billion of gross asset value, which includes \$384 million in the second quarter primarily from selling the remainder of the Company's interest in Colony Starwood Homes (NYSE:SFR) and \$437 million subsequent to the second quarter
- The Company and funds managed by the Company invested and agreed to invest \$857 million; the Company invested \$670 million and funds managed by the Company invested \$187 million
- The Company has in excess of \$1.2 billion of liquidity through cash-on-hand and availability under its revolving credit facility
- The Company repurchased 8.0 million shares of its common stock for \$102 million and year-to-date, repurchased an aggregate 12.9 million shares of its common stock for \$168 million
- The Company issued 13.8 million shares of 7.15% Series I cumulative redeemable perpetual preferred stock, generating net proceeds of \$334 million, and redeemed all of the shares of its 8.75% Series A cumulative redeemable perpetual preferred stock and 8.50% Series F cumulative redeemable perpetual preferred stock
- The Company refinanced over \$1.6 billion of consolidated mortgage debt in the Hospitality Real Estate segment, extending the maturity dates and reducing the interest rates, and repaid the remaining \$77 million of the original \$1.1 billion floating rate acquisition debt in the Industrial Real Estate segment through the issuance of \$188 million of long-term fixed rate mortgage loans

Second Quarter 2017 Financial Results

For the second quarter 2017, Colony NorthStar reported net income attributable to common stockholders of \$38.6 million, or \$0.07 per basic share. Core FFO was \$203.6 million, or \$0.35 per basic share, and FFO was \$130.0 million, or \$0.22 per basic share.

For more information and a reconciliation of net income/(loss) to common stockholders to FFO, 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 continue to make substantial progress in our transition via strategic divestitures and balance sheet repositioning including a potential contribution of a significant portion of our U.S. loan and credit equity portfolio to a new externally managed, permanent capital vehicle anticipated to occur within the next few quarters," said Richard B. Saltzman, President and Chief Executive Officer. "Simultaneously, investment management capital formation initiatives are gaining meaningful traction through both new funds and specific balance sheet led co-investment opportunities."

Second Quarter 2017 Operating Results and Investment Activity by Segment

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

Healthcare Real Estate

As of June 30, 2017, the consolidated healthcare portfolio consisted of 425 properties: 113 medical office properties, 191 senior housing properties, 107 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71.3% as of June 30, 2017. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007, or RIDEA.

During the second quarter 2017, this segment's net loss attributable to common stockholders was \$(8.1) million, Core FFO was \$24.8 million and consolidated NOI was \$78.5 million. In the second quarter 2017, healthcare same store portfolio experienced sequential quarter-over-quarter revenue growth of 2.4% and net operating income decline of (1.0)%, primarily attributable to bad debt expense provision taken on an individual tenant in our skilled nursing facilities portfolio. Over the same period last year, second quarter 2017 same store revenue growth was 3.9% and net operating income declined (5.3)%, of which (1.5)% was related to fluctuation in currency exchange rates. Healthcare same store portfolio is defined as properties in operation throughout the full periods presented under the comparison and included 425 properties in the sequential quarter-over-quarter and year-over-year comparisons.

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

(\$ In millions)	Consolidated	CLNS OP	Same Store					
	NOI	Share NOI ⁽¹⁾	Consolidated NOI		Occupancy % ⁽²⁾		TTM Coverage ⁽³⁾	
	Q2 2017	Q2 2017	Q2 2017	Q1 2017	Q2 2017	Q1 2017	3/31/2017	12/31/2016
Medical Office Buildings	\$ 14.4	\$ 10.3	\$ 14.4	\$ 13.6	84.0%	85.1%	N/A	N/A
Senior Housing - Operating	19.4	13.8	19.4	18.3	86.7%	86.8%	N/A	N/A
<i>Triple-Net Lease:</i>								
Senior Housing	14.4	10.3	14.4	13.5	83.6%	85.7%	1.5x	1.5x
Skilled Nursing Facilities	24.9	17.8	24.9	28.5	83.4%	84.2%	1.3x	1.4x
Hospitals	5.4	3.9	5.4	5.4	63.4%	60.9%	3.3x	3.7x
Healthcare Total/W.A.	\$ 78.5	\$ 56.1	\$ 78.5	\$ 79.3	83.0%	83.6%	1.6x	1.7x

(1) CLNS OP Share NOI represents second quarter 2017 Consolidated NOI multiplied by CLNS OP's ownership interest as of June 30, 2017.

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

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

Industrial Real Estate

As of June 30, 2017, the consolidated industrial portfolio consisted of 354 primarily light industrial buildings totaling 39.3 million rentable square feet across 16 major U.S. markets and was 95% leased. The Company's equity interest in the consolidated Industrial Real Estate segment was approximately 41.0% as of June 30, 2017, which decreased from the prior quarter due to increased third-party capital commitments during the second quarter of 2017. Total third-party capital commitments were in excess of \$1 billion compared to cumulative balance sheet contributions of \$700 million as of June 30, 2017. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

During the second quarter 2017, this segment's net income attributable to common stockholders was \$3.3 million, Core FFO was \$12.5 million and consolidated NOI was \$38.5 million. In the second quarter 2017, industrial same store portfolio experienced a sequential quarter-over-quarter revenue decline of (0.4)% but net operating income grew 1.6%. The sequential quarter-over-quarter revenue decline of (0.4)% was due to lower expense reimbursement revenues resulting from lower expenses. Same store net rental revenues, which excludes reimbursements, increased 1.5% on a sequential quarter-over-quarter basis. Over the same period last year, second quarter 2017 same store revenue grew by 3.0% and net operating income grew 3.6%. Industrial same store portfolio is defined as buildings in operation throughout the full periods presented under the comparison and included 337 and 309 buildings in the sequential quarter-over-quarter and year-over-year comparisons, respectively.

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

(\$ In millions)	Consolidated	CLNS OP	Same Store			
	NOI	Share NOI ⁽¹⁾	Consolidated NOI		Leased % ⁽²⁾	
	Q2 2017	Q2 2017	Q2 2017	Q1 2017	Q2 2017	Q1 2017
Industrial	\$ 38.5	\$ 15.8	\$ 37.0	\$ 36.4	95.6%	95.9%

(1) CLNS OP Share NOI represents second quarter 2017 Consolidated NOI multiplied by CLNS OP's ownership interest as of June 30, 2017.

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

Asset Acquisitions, Dispositions and Financing

During the second quarter 2017, the Company acquired ten industrial buildings totaling approximately 1.6 million square feet for approximately \$117 million and disposed of nine non-core buildings totaling approximately 1.3 million square feet for \$37 million.

Subsequent to the second quarter 2017, the Company acquired 20 industrial buildings totaling approximately 2.8 million square feet for approximately \$201 million and disposed of one non-core building totaling approximately 0.1 million square feet for \$4 million.

During the second quarter 2017, the Company paid off the remaining \$77 million of the original \$1.1 billion variable rate acquisition financing debt and closed on two fixed rate mortgage loans totaling \$188 million with a weighted average interest rate and original term of 3.99% and 11.4 years, respectively.

Hospitality Real Estate

As of June 30, 2017, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94.3% as of June 30, 2017. The hospitality portfolio is geographically diverse, consisting primarily of extended stay hotels and premium branded select service hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands.

During the second quarter 2017, this segment's net income attributable to common stockholders was \$4.8 million, Core FFO was \$42.7 million and consolidated EBITDA was \$81.7 million. Over the same period last year, second quarter 2017 hospitality same store portfolio revenue was essentially flat and EBITDA declined (1.7)%, primarily due to increases in property taxes and wages. The Company's hotels typically experience seasonal variations in occupancy which may cause quarterly fluctuations in revenues and therefore sequential quarter-over-quarter revenue and EBITDA result comparisons are not meaningful. Hospitality same store portfolio is defined as hotels in operation throughout the full periods presented under the comparison and included 167 hotels in the year-over-year comparison.

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

(\$ In millions)	Consolidated EBITDA ⁽¹⁾	CLNS OP Share EBITDA ⁽²⁾	Same Store							
			Consolidated EBITDA		Occupancy % ⁽³⁾		Avg. Daily Rate		RevPAR	
							(In dollars) ⁽³⁾		(In dollars) ⁽³⁾	
			Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016
Marriott	\$ 62.8	\$ 59.2	\$ 62.8	\$ 65.5	77.0%	78.8%	\$ 129	\$ 128	\$ 99	\$ 101
Hilton	13.9	13.1	13.9	13.0	82.0%	81.5%	131	127	108	103
Other	5.0	4.7	5.0	4.6	84.2%	77.9%	139	142	117	110
Total/W.A.	\$ 81.7	\$ 77.0	\$ 81.7	\$ 83.1	78.2%	79.2%	\$ 130	\$ 129	\$ 102	\$ 102

(1) Q2 2017 Consolidated EBITDA excludes FF&E reserve amounts of \$9.7 million.

(2) CLNS OP Share EBITDA represents second quarter 2017 Consolidated EBITDA multiplied by CLNS OP's ownership interest as of June 30, 2017.

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

Asset Financing

During the second quarter 2017, the Company refinanced over \$1.6 billion of consolidated debt in the Hospitality Real Estate segment, extending the fully extended maturity dates from 2019 to 2022 and reducing our blended spread over one-month LIBOR by 40 bps from 3.44% to 3.04%.

Other Equity and Debt

In addition to the aforementioned real estate equity segments, the Company also holds investments in other real estate equity and debt. These other investments include direct interests and interests held through unconsolidated joint ventures in net lease real estate assets; other real estate equity & debt investments; limited partnership interests in third-party sponsored real estate private equity funds; and multiple classes of commercial real estate ("CRE") securities. During the second quarter 2017, this segment's aggregate net income attributable to common stockholders was \$156.0 million and Core FFO was \$157.1 million.

The following table presents undepreciated carrying value by investment type in the Company's Other Equity and Debt segment:

(\$ In millions)	CLNS OP Share June 30, 2017	
	Undepreciated Carrying Value	
	Assets	Equity
Net Lease Real Estate Equity	\$ 961	\$ 405
Other Real Estate Equity	1,531	853
Real Estate Debt	2,996	2,148
Real Estate Private Equity Funds and CRE Securities	542	542
Special Situations (NRE, CAF, Albertsons and Other GP Co-investments)	222	222
Other Equity and Debt Total	<u>\$ 6,252</u>	<u>\$ 4,170</u>

Other Equity and Debt Segment Asset Acquisitions and Dispositions

During the second quarter 2017, the Company invested and agreed to invest approximately \$620 million in other real estate equity and debt investments, which included the acquisition of a Class A office building in Southern California for approximately \$460 million, the acquisition of 4.7 million shares of NRE's common stock for approximately \$59 million and the origination of an \$84 million preferred equity investment, among other investments. As of June 30, 2017, the Company's interest in NRE represented an approximate 8.9% ownership based on the total common shares and OP units outstanding at NRE as of June 30, 2017.

During the second quarter 2017, the Company sold its entire remaining interest in SFR, or approximately 7.6 million shares, resulting in net proceeds of \$261 million; a net lease property located in Phoenix, Arizona, resulting in net proceeds of \$22 million; and a real estate debt investment, resulting in net proceeds of \$64 million.

Subsequent to the second quarter 2017, the Company sold a portfolio of net lease properties located in Switzerland and its entire interest in Colony American Finance resulting in aggregate net proceeds of \$184 million.

On July 1, 2017, the Company and certain investment vehicles managed by affiliates of the Company acquired ownership of an approximately \$1.3 billion limited service hospitality portfolio of 148 assets primarily located across the Southwest and Midwest United States. The acquisition took place through a consensual foreclosure following a maturity default on an approximately \$289 million junior mezzanine loan. As of July 1, 2017, the Company's equity ownership in the portfolio is approximately 55%. The Company will consolidate the gross assets and liabilities of the portfolio at fair value during the third quarter 2017 and expects that the net asset value will be equal to the unpaid principal balance of the prior junior mezzanine loan position.

Investment Management

The Company's Investment Management segment includes the business and operations of managing capital on behalf of third-party investors through closed and open-end funds, non-traded and traded real estate investment trusts and registered investment companies. As of June 30, 2017, the Company had \$40.3 billion of third-party AUM, which decreased from \$40.7 billion as of March 31, 2017. The decrease in AUM was driven primarily by asset sales. During the second quarter 2017, this segment's aggregate net income attributable to common stockholders was \$24.0 million and Core FFO was \$41.6 million.

Capital Raising and Investment Activity

During the second quarter 2017, the Company and its share of affiliates raised approximately \$285 million of third-party capital from institutional clients and retail investors for an aggregate \$1.4 billion during the first half of 2017.



During the second quarter 2017, institutional funds and retail companies managed by the Company, excluding the industrial open-end fund, invested and agreed to invest approximately \$120 million in real estate equity and debt investments and \$309 million subsequent to the second quarter 2017.

Assets Under Management ("AUM")

As of June 30, 2017, the Company had \$56 billion of AUM:

(\$ In billions)	Amount	% of Grand Total
Balance Sheet (CLNS OP Share):		
Healthcare	\$ 4.1	7.4%
Industrial	1.1	2.0%
Hospitality	3.9	7.0%
Other Equity and Debt	6.3	11.2%
Balance Sheet Subtotal	15.4	27.6%
Investment Management:		
Institutional Funds	10.0	18.0%
Retail Companies	6.9	12.4%
NorthStar Realty Europe (NYSE:NRE)	2.1	3.8%
Townsend	14.2	25.5%
Pro Rata Corporate Investments	7.1	12.7%
Investment Management Subtotal	40.3	72.4%
Grand Total	\$ 55.7	100.0%

Liquidity and Financing

As of August 4, 2017, the Company had in excess of \$1.2 billion of liquidity through cash-on-hand and availability under its revolving credit facility.

On June 5, 2017, the Company issued 13.8 million shares of 7.15% Series I cumulative redeemable perpetual preferred stock, generating net proceeds of \$334 million, of which the majority of these proceeds were used to redeem all of the shares of its 8.75% Series A cumulative redeemable perpetual preferred stock and 8.50% Series F cumulative redeemable perpetual preferred stock on June 23, 2017.

Common Stock and Operating Company Units

As of August 4, 2017, the Company had approximately 553.0 million Class A and B common stock and restricted stock units outstanding and the Company's operating partnership had approximately 32.4 million operating company units outstanding held by members other than the Company or its subsidiaries.

During the second quarter 2017, the Company repurchased 8.0 million shares of its common stock for \$102 million. Since the February 2017 authorization of the Company's common stock repurchase plan through August 4, 2017, the Company has repurchased 12.9 million shares of its common stock for approximately \$168 million.

Common and Preferred Dividends

On May 4, 2017, the Company's Board of Directors declared a quarterly cash dividend of \$0.27 per share of Class A and Class B common stock for the second quarter of 2017, which was paid on July 17, 2017 to respective stockholders of record on June 30, 2017. 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 A stock - \$0.54688 per share, Series B stock - \$0.51563 per share, Series C stock - \$0.55469 per share, Series D stock - \$0.53125 per share and Series E stock - \$0.54688 per share, such dividends to be paid on August 15, 2017 to the respective stockholders of record on August 10, 2017, except where noted below, and (ii) with respect to each of the Series F stock - \$0.53125 per share, Series G stock - \$0.46875 per share and Series H stock - \$0.4453 per share, such dividends were paid on July 17, 2017 to the respective stockholders of record on June 30, 2017, except where noted below. The Company redeemed in its entirety the outstanding Series A and Series F cumulative redeemable perpetual preferred stock and paid all accrued cash dividends, in accordance of the terms



of the redemption, related to the Series A and Series F cumulative redeemable perpetual preferred stock on June 23, 2017. The Company paid a cash dividend to stockholders of \$0.1986 per share of its newly issued Series I cumulative redeemable perpetual preferred stock on July 17, 2017, for the period from the date of issuance through July 15, 2017.

On August 3, 2017, the Company's Board of Directors declared a quarterly cash dividend of \$0.27 per share of Class A and Class B common stock for the third quarter of 2017, which will be paid on October 16, 2017 to respective stockholders of record on September 30, 2017. The Board of Directors also declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock each in accordance with terms of such series as follows: (i) with respect to each of the Series B stock - \$0.515625 per share, Series C stock - \$0.5546875 per share, Series D stock - \$0.53125 per share and Series E stock - \$0.546875 per share, such dividends to be paid on November 15, 2017 to the respective stockholders of record on November 10, 2017 and (ii) with respect to each of the Series G stock - \$0.46875 per share, Series H stock - \$0.4453125 per share and Series I stock - \$0.446875 per share, such dividends to be paid on October 16, 2017 to the respective stockholders of record on October 10, 2017.

Non-GAAP Financial Measures and Definitions

Assets Under Management ("AUM")

Refers to assets 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 generally based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at June 30, 2017, while retail companies and NorthStar Realty Europe are presented as of August 4, 2017. AUM further includes a) uncalled capital commitments and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share assets of each affiliate as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

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

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

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

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

The Company uses FFO and Core FFO as supplemental performance measures because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that captures trends in occupancy rates, rental rates, and operating costs. The Company also believes that, as widely recognized measures of the performance of REITs, FFO and Core FFO will be used by investors as a basis to compare its operating performance with that of



other REITs. However, because FFO and Core FFO 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.

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.

Second Quarter 2017 Conference Call

The Company will conduct a conference call to discuss the financial results on Wednesday, August 9, 2017 at 7:00 a.m. PT / 10:00 a.m. ET. To participate in the event by telephone, please dial (877) 407-4018 ten minutes prior to the start time (to allow time for registration). International callers should dial (201) 689-8471. The call will also be broadcast live over the Internet and can be accessed on the Public Shareholders section of the Company's website at <http://www.clns.com>. A webcast of the call will be available for 90 days on the Company's website.

For those unable to participate during the live call, a replay will be available starting August 9, 2017, at 10:00 a.m. PT / 1:00 p.m. ET, through August 16, 2017, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use passcode 13665881. International callers should dial (412) 317-6671 and enter the same conference ID number.

Supplemental Financial Report

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

About Colony NorthStar, Inc.

Colony NorthStar, Inc. (NYSE:CLNS) is a leading global real estate and investment management firm. The Company resulted from the January 2017 merger between Colony Capital, Inc., NorthStar Asset Management Group Inc. and NorthStar Realty Finance Corp. The Company has significant property holdings in the healthcare, industrial and hospitality sectors, other equity and debt investments and an embedded institutional and retail investment management business. The Company currently has assets under management of \$56 billion and manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, non-traded and traded real estate investment trusts and registered investment companies. In addition, the Company owns



NorthStar Securities, LLC, a captive broker-dealer platform which raises capital in the retail market. The firm maintains principal offices in Los Angeles and New York, with more than 500 employees in offices located across 18 cities in ten countries. The Company will elect to be taxed as a REIT for U.S. federal income tax purposes. For additional information regarding the Company and its management and business, please refer to www.clns.com.

Cautionary Statement Regarding Forward-Looking Statements

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

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

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

Source: Colony NorthStar, Inc.

Investor Contacts:

Colony NorthStar, Inc.
Darren J. Tangen
Executive Vice President and Chief Financial Officer
310-552-7230
or
Addo Investor Relations
Lasse Glassen
310-829-5400

(FINANCIAL TABLES FOLLOW)



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

	June 30, 2017 (Unaudited)	December 31, 2016
Assets		
Cash and cash equivalents	\$ 599,920	\$ 376,005
Restricted cash	300,680	111,959
Real estate, net	13,884,204	3,243,631
Loans receivable, net	4,009,089	3,430,608
Investments in unconsolidated ventures (\$365,050 and \$0 at fair value)	1,526,807	1,052,995
Securities available for sale, at fair value	409,871	23,446
Goodwill	1,808,393	680,127
Deferred leasing costs and intangible assets, net	1,035,767	278,741
Assets held for sale (\$96,807 and \$67,033 at fair value)	1,190,122	292,924
Other assets (\$18,809 and \$36,101 at fair value)	459,702	260,585
Due from affiliates	63,777	9,971
Total assets	\$ 25,288,332	\$ 9,760,992
Liabilities		
Debt, net	\$ 10,418,978	\$ 3,715,618
Accrued and other liabilities (\$179,221 and \$5,448 at fair value)	968,868	286,952
Intangible liabilities, net	221,853	19,977
Liabilities related to assets held for sale	203,548	14,296
Due to affiliates	34,945	41,250
Dividends and distributions payable	186,990	65,972
Total liabilities	12,035,182	4,144,065
Commitments and contingencies		
Redeemable noncontrolling interests	79,504	—
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$1,643,723 and \$625,750 liquidation preference; 250,000 and 50,000 shares authorized; 65,749 and 25,030 shares issued and outstanding	1,624,444	607,200
Common stock, \$0.01 par value per share		
Class A, 949,000 and 658,369 shares authorized; 551,190 and 166,440 shares issued and outstanding ⁽¹⁾	5,512	1,664
Class B, 1,000 shares authorized; 742 and 770 shares issued and outstanding ⁽¹⁾	7	8
Additional paid-in capital	7,958,872	2,443,100
Distributions in excess of earnings	(505,554)	(246,064)
Accumulated other comprehensive income (loss)	6,884	(32,109)
Total stockholders' equity	9,090,165	2,773,799
Noncontrolling interests in investment entities	3,643,836	2,453,938
Noncontrolling interests in Operating Company	439,645	389,190
Total equity	13,173,646	5,616,927
Total liabilities, redeemable noncontrolling interests and equity	\$ 25,288,332	\$ 9,760,992

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



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

	Three Months Ended June 30,	
	2017	2016
Revenues		
Property operating income	\$ 500,531	\$ 95,348
Interest income	111,263	103,860
Fee income	54,319	15,505
Other income	13,259	2,815
Total revenues	679,372	217,528
Expenses		
Property operating expense	253,717	29,780
Interest expense	140,260	42,568
Investment, servicing and commission expense	13,740	5,402
Transaction costs	2,440	7,958
Depreciation and amortization	153,111	39,541
Provision for loan loss	1,067	6,213
Impairment loss	12,761	2,441
Compensation expense	80,759	24,240
Administrative expenses	30,145	13,098
Total expenses	688,000	171,241
Other income		
Gain on sale of real estate assets	15,190	5,844
Other loss, net	(23,850)	(348)
Earnings from investments in unconsolidated ventures	122,394	53,113
Income before income taxes	105,106	104,896
Income tax benefit (expense)	86	(1,760)
Net income from continuing operations	105,192	103,136
Income from discontinued operations	—	—
Net income	105,192	103,136
Net income attributable to noncontrolling interests:		
Redeemable noncontrolling interests	720	—
Investment entities	23,800	40,169
Operating Company	2,330	7,918
Net income attributable to Colony NorthStar, Inc.	78,342	55,049
Preferred stock redemption	5,448	—
Preferred stock dividends	34,339	12,093
Net income attributable to common stockholders	\$ 38,555	\$ 42,956
Basic earnings per share ⁽¹⁾		
Net income from continuing operations per basic common share	\$ 0.07	\$ 0.26
Net income per basic common share	\$ 0.07	\$ 0.26
Diluted earnings per share ⁽¹⁾		
Net income from continuing operations per diluted common share	\$ 0.07	\$ 0.24
Net income per diluted common share	\$ 0.07	\$ 0.24
Weighted average number of shares ⁽¹⁾		
Basic	544,023	164,674
Diluted	544,023	201,257

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



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

	Three Months Ended June 30, 2017
Net loss attributable to common stockholders	\$ 38,555
Adjustments for FFO attributable to common interests in Operating Company:	
Net loss attributable to noncontrolling common interests in Operating Company	2,330
Real estate depreciation and amortization	135,421
Impairment of real estate	12,816
Gain on sales of real estate	(15,112)
Less: Adjustments attributable to noncontrolling interests in investment entities	(44,048)
FFO attributable to common interests in Operating Company and common stockholders	129,962
Additional adjustments for Core FFO attributable to common interests in Operating Company and common stockholders:	
Gain on sales of real estate, net of depreciation, amortization and impairment previously adjusted for FFO ⁽¹⁾	(31,183)
Noncash equity compensation expense ⁽²⁾	38,945
Straight-line rent revenue	(7,994)
Gain on change in fair value of contingent consideration	(4,850)
Amortization of acquired above- and below-market lease intangibles, net	(3,520)
Amortization of deferred financing costs and debt premiums and discounts	20,791
Unrealized loss on derivatives and foreign currency remeasurements	26,834
Acquisition and merger-related transaction costs	2,498
Merger integration costs ⁽³⁾	7,555
Preferred shares redemption costs	5,448
Amortization and impairment of investment management intangibles	15,666
Non-real estate depreciation and amortization	6,482
Amortization of gain on remeasurement of consolidated investment entities, net	3,837
Tax benefit, net ⁽⁴⁾	(809)
Less: Adjustments attributable to noncontrolling interests in investment entities	(6,074)
Core FFO attributable to common interests in Operating Company and common stockholders	\$ 203,588
FFO per common share / common OP unit ⁽⁵⁾	\$ 0.22
FFO per common share / common OP unit—diluted ⁽⁶⁾	\$ 0.22
Core FFO per common share / common OP unit ⁽⁵⁾	\$ 0.35
Core FFO per common share / common OP unit—diluted ⁽⁶⁾	\$ 0.34
Weighted average number of common OP units outstanding used for FFO and Core FFO per common share and OP unit ⁽⁵⁾	585,110
Weighted average number of common OP units outstanding used for FFO and Core FFO per common share and OP unit—diluted ⁽⁵⁾⁽⁶⁾	623,455

(1) Includes \$36.7 million of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony Capital, Inc. prior to its internalization of the manager.

(2) Includes \$30.0 million of replacement award amortization.

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

(4) Adjustment represents the impact of taxes on amortization and impairment of investment management intangibles assumed in business combinations and gain on sale of property.

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



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

- (6) For the three months ended June 30, 2017, included in the calculation of diluted FFO and Core FFO per share is the effect of adding back \$7.2 million and \$7.2 million of interest expense, respectively, associated with convertible senior notes and 38.3 million and 38.3 million weighted average dilutive common share equivalents, respectively, for the assumed conversion of the convertible senior notes.



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

The following tables present: (1) a reconciliation of property and other related revenues less property operating expenses for properties in our Healthcare, Industrial, and Hospitality segments to NOI or EBITDA and (2) a reconciliation of such segments net income (loss) for the three months ended June 30, 2017 to NOI or EBITDA:

NOI and EBITDA were determined as follows:

(In thousands)	Three Months Ended June 30, 2017		
	Healthcare	Industrial	Hospitality
Total revenues	\$ 159,357	\$ 56,125	\$ 221,522
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(8,385)	(1,150)	(13)
Property operating expenses ⁽¹⁾	(72,460)	(16,195)	(139,818)
Compensation expense ⁽¹⁾	—	(310)	—
NOI or EBITDA	\$ 78,512	\$ 38,470	\$ 81,691

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

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

(In thousands)	Three Months Ended June 30, 2017		
	Healthcare	Industrial	Hospitality
Net income (loss) from continuing operations	\$ (11,394)	\$ 9,100	\$ 5,750
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(8,385)	(1,150)	(13)
Interest expense	47,844	7,934	35,884
Transaction, investment and servicing costs	1,566	26	3,049
Depreciation and amortization	49,577	25,804	33,508
Compensation and administrative expense	2,003	2,733	2,385
Gain on sale of real estate assets	—	(8,695)	—
Other (gain) loss, net	(2,489)	—	219
Earnings from investments in unconsolidated ventures	—	(28)	—
Income tax (benefit) expense	(210)	2,746	909
NOI or EBITDA	\$ 78,512	\$ 38,470	\$ 81,691



The following table summarizes Q2 2017 net income (loss) from continuing operations by segment:

<u>(In thousands)</u>	<u>Net income (Loss) From Continuing Operations</u>
Healthcare	\$ (11,394)
Industrial	9,100
Hospitality	5,750
Other Equity and Debt	185,630
Investment Management	26,084
Amounts Not Allocated to Segments	(109,978)
Total Consolidated	<u>\$ 105,192</u>



Supplemental Financial Report Second Quarter 2017

August 8, 2017



Cautionary Statement Regarding Forward-Looking Statements



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

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

Factors that might cause such a difference include, without limitation, our failure to achieve anticipated synergies in and benefits of the completed merger among NorthStar Asset Management Group Inc. ("NSAM"), Colony Capital, Inc. ("Colony") and NorthStar Realty Finance Corp. ("NRF"), Colony NorthStar's liquidity, including its ability to complete identified monetization transactions and other potential sales of non-core investments, whether Colony NorthStar will be able to maintain its qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes, the timing of and ability to deploy available capital, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability maintain inclusion and relative performance on the RMZ, Colony NorthStar's leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC").

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

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

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

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

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

Important Note Regarding Non-GAAP Financial Measures



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

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

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

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

The Company uses FFO and Core FFO as supplemental performance measures because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that captures trends in occupancy rates, rental rates, and operating costs. The Company also believes that, as widely recognized measures of the performance of REITs, FFO and Core FFO will be used by investors as a basis to compare its operating performance with that of other REITs. However, because FFO and Core FFO 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.

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.

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

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



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

Healthcare Real Estate

As of June 30, 2017, the consolidated healthcare portfolio consisted of 425 properties: 113 medical office properties, 191 senior housing properties, 107 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71.3% as of June 30, 2017. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007, or RIDEA.

Industrial Real Estate

As of June 30, 2017, the consolidated industrial portfolio consisted of 354 primarily light industrial buildings totaling 39.3 million rentable square feet across 16 major U.S. markets and was 95% leased. The Company's equity interest in the consolidated Industrial Real Estate segment was approximately 41.0% as of June 30, 2017, which decreased from the prior quarter due to increased third-party capital commitments during the second quarter of 2017. Total third-party capital commitments were in excess of \$1 billion compared to cumulative balance sheet contributions of \$700 million as of June 30, 2017. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

Hospitality Real Estate

As of June 30, 2017, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94.3% as of June 30, 2017. The hospitality portfolio is geographically diverse, consisting primarily of extended stay hotels and premium branded select service hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands.

Other Equity and Debt

In addition to the aforementioned real estate equity segments, the Company also holds investments in other real estate equity and debt. These other investments include direct interests and interests held through unconsolidated joint ventures in net lease real estate assets; other real estate equity & debt investments; limited partnership interests in third-party sponsored real estate private equity funds; 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 funds, non-traded and traded real estate investment trusts and registered investment companies.

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



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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, 2017, unless otherwise noted) (Unaudited)

Financial Data

Net income (loss) attributable to common stockholders	\$	38,555
Net income (loss) attributable to common stockholders per basic share		0.07
FFO		129,962
FFO per basic share		0.22
Core FFO		203,588
Core FFO per basic share		0.35
Q3 2017 dividend per share		0.27
Annualized Q3 2017 dividend per share		1.08

Balance Sheet, Capitalization and Trading Statistics

Total consolidated assets	\$	25,288,332
CLNS OP share of consolidated assets		19,078,383
Total consolidated debt ⁽¹⁾		10,584,052
CLNS OP share of consolidated debt ⁽¹⁾		8,312,999
Shares and OP units outstanding as of August 4, 2017		585,404
Share price as of August 4, 2017		14.56
Market value of common equity & OP units		8,523,482
Liquidation preference of perpetual preferred equity		1,643,723
Insider ownership of shares and OP units		7.0%
AUM		\$ 55.7 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. Excludes \$315 million principal balance of non-recourse CDO securitization debt.

Ib. Overview - Summary of Segments



(\$ in thousands; as of or for the three months ended June 30, 2017, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNS OP share of consolidated amount</u>
Healthcare Real Estate⁽¹⁾		
Q2 2017 net operating income ⁽²⁾	\$ 78,512	\$ 55,979
Annualized net operating income	314,048	223,916
Investment-level non-recourse financing ⁽³⁾	3,362,771	2,401,190
Industrial Real Estate		
Q2 2017 net operating income ⁽²⁾	38,470	15,773
Annualized net operating income	153,880	63,092
Investment-level non-recourse financing ⁽³⁾	785,119	335,195
Hospitality Real Estate		
Q2 2017 EBITDA ⁽²⁾	81,691	77,035
Annualized EBITDA ⁽⁴⁾	279,764	263,818
Investment-level non-recourse financing ⁽³⁾	2,601,432	2,430,759

Notes:

- (1) NOI includes \$1.4 million of interest earned related to \$70 million carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended June 30, 2017.
- (2) For a reconciliation of net income/(loss) attributable to common stockholders to NOI/EBITDA, please refer to the appendix to this presentation.
- (3) Represents unpaid principal balance.
- (4) Annualized EBITDA is calculated using the pro rata percentage of historical Q2 2016 EBITDA relative to historical full year 2016 EBITDA to account for seasonality.

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



(\$ in thousands except as noted; as of or for the three months ended June 30, 2017, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNS OP share of consolidated amount</u>
Other Equity and Debt⁽¹⁾		
1) Net lease real estate equity		
a) Q2 2017 net operating income ⁽²⁾	\$ 16,048	\$ 16,030
b) Investment-level non-recourse financing ⁽³⁾	558,887	558,241
c) Carrying value - unconsolidated / equity method investments	—	—
2) Other real estate equity		
a) Undepreciated carrying value of real estate assets ⁽⁴⁾	2,236,641	1,201,760
b) Investment-level non-recourse financing ⁽³⁾	1,213,577	677,501
c) Carrying value - unconsolidated / equity method investments	404,375	356,227
3) Real estate debt		
a) Loans receivable ⁽⁵⁾	3,935,568	2,738,295
b) Investment-level non-recourse financing (CLNS OP share includes \$11 million of recourse debt) ⁽³⁾	1,051,074	898,921
c) Carrying value - equity method investments	331,404	140,747
d) Carrying value - real estate assets (REO within debt portfolio) and other ⁽⁴⁾	61,361	22,357
4) Special situations (see pg. 30 for details)		
a) Carrying value of investments (market value of NRE position)		218,823
5) Real estate PE fund investments		
a) Carrying value		338,679
6) CRE securities		
a) Net carrying value		192,286
Investment Management		
AUM (\$ in millions)		40,320
Q2 2017 fee revenue and earnings of investments in unconsolidated ventures		53,555
Net Assets⁽⁶⁾		
Cash and cash equivalents, restricted cash and other assets	1,411,874	1,036,107
Accrued and other liabilities and dividends payable	1,006,614	818,779
Net assets	405,260	217,328

Notes:

- (1) Includes assets classified as held for sale on the Company's financial statements.
- (2) Excludes approximately \$0.3 million of NOI related to an asset sold during the second quarter 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI/EBITDA, please refer to the appendix to this presentation.
- (3) Represents unpaid principal balance.
- (4) Includes all components related to real estate assets, including tangible real estate and lease-related intangibles, and excludes accumulated depreciation.
- (5) Excludes \$3 million carrying value of real estate debt investments held in a CDO securitization and \$70 million carrying value of healthcare real estate development loans.
- (6) Assets exclude \$12 million of deferred financing costs and liabilities excludes \$184 million of deferred tax liabilities and other liabilities which are not due in cash.

Ila. Financial Results - Consolidated Balance Sheet



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

As of June 30, 2017

Assets

Cash and cash equivalents	\$ 599,920
Restricted cash	300,680
Real estate assets, net	13,884,204
Loans receivable, net	4,009,089
Investments in unconsolidated ventures	1,526,807
Securities available for sale, at fair value	409,871
Goodwill	1,808,393
Deferred leasing costs and intangible assets, net	1,035,767
Assets held for sale	1,190,122
Other assets	459,702
Due from affiliates	63,777
Total assets	\$ 25,288,332

Liabilities

Debt, net	\$ 10,418,978
Accrued and other liabilities	968,868
Intangible liabilities, net	221,853
Liabilities related to assets held for sale	203,548
Due to affiliates	34,945
Dividends and distributions payable	186,990
Total liabilities	12,035,182

Commitments and contingencies

Redeemable noncontrolling interests 79,504

Equity

Stockholders' equity:

Preferred stock, \$0.01 par value per share; \$1,643,723 liquidation preference; 250,000 shares authorized; 65,749 shares issued and outstanding	1,624,444
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 551,190 shares issued and outstanding	5,512
Class B, 1,000 shares authorized; 742 shares issued and outstanding	7
Additional paid-in capital	7,958,872
Distributions in excess of earnings	(505,554)
Accumulated other comprehensive income (loss)	6,884
Total stockholders' equity	9,090,165
Noncontrolling interests in investment entities	3,643,836
Noncontrolling interests in Operating Company	439,645
Total equity	13,173,646
Total liabilities, redeemable noncontrolling interests and equity	\$ 25,288,332

Ilb. Financial Results - Noncontrolling Interests' Share Balance Sheet



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

As of June 30, 2017

	As of June 30, 2017
Assets	
Cash and cash equivalents	\$ 234,810
Restricted cash	59,345
Real estate assets, net	3,901,334
Loans receivable, net	1,218,386
Investments in unconsolidated ventures	284,555
Securities available for sale, at fair value	172
Goodwill	—
Deferred leasing costs and intangible assets, net	181,159
Assets held for sale	246,677
Other assets	82,102
Due from affiliates	1,409
Total assets	\$ 6,209,949
Liabilities	
Debt, net	\$ 2,205,722
Accrued and other liabilities	184,546
Intangible liabilities, net	69,397
Liabilities related to assets held for sale	23,655
Due to affiliates	3,288
Dividends and distributions payable	1
Total liabilities	2,486,609
Commitments and contingencies	—
Redeemable noncontrolling interests	79,504
Equity	
Stockholders' equity:	
Preferred stock, \$0.01 par value per share; \$1,643,723 liquidation preference; 250,000 shares authorized; 65,749 shares issued and outstanding	—
Common stock, \$0.01 par value per share	
Class A, 949,000 shares authorized; 551,190 shares issued and outstanding	—
Class B, 1,000 shares authorized; 742 shares issued and outstanding	—
Additional paid-in capital	—
Distributions in excess of earnings	—
Accumulated other comprehensive income (loss)	—
Total stockholders' equity	—
Noncontrolling interests in investment entities	3,643,836
Noncontrolling interests in Operating Company	—
Total equity	3,643,836
Total liabilities, redeemable noncontrolling interests and equity	\$ 6,209,949

Ilc. Financial Results - Consolidated Segment Operating Results



	Three Months Ended June 30, 2017						
(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
Revenues							
Property operating income	\$ 157,561	\$ 55,674	\$ 221,392	\$ 65,904	\$ —	\$ —	\$ 500,531
Interest income	1,416	—	—	109,582	—	265	111,263
Fee income	—	—	—	41	54,278	—	54,319
Other income	380	451	130	4,446	6,253	1,599	13,259
Total revenues	159,357	56,125	221,522	179,973	60,531	1,864	679,372
Expenses							
Property operating expense	72,460	16,195	139,818	25,244	—	—	253,717
Interest expense	47,844	7,934	35,884	35,630	—	12,968	140,260
Investment, servicing and commission expense	1,541	26	3,049	5,755	2,540	829	13,740
Transaction costs	25	—	—	628	—	1,787	2,440
Depreciation and amortization	49,577	25,804	33,508	26,894	15,594	1,734	153,111
Provision for loan loss	—	—	—	1,067	—	—	1,067
Impairment loss	—	—	—	12,761	—	—	12,761
Compensation expense	1,625	1,835	1,967	4,088	19,987	51,257	80,759
Administrative expenses	379	1,208	418	4,506	5,895	17,739	30,145
Total expenses	173,451	53,002	214,644	116,573	44,016	86,314	688,000
Other income (loss)							
Gain on sale of real estate assets	—	8,695	—	6,495	—	—	15,190
Other gain (loss), net	2,490	—	(219)	(3,114)	478	(23,485)	(23,850)
Earnings of investments in unconsolidated ventures	—	28	—	119,554	2,812	—	122,394
Income (loss) before income taxes	(11,604)	11,846	6,659	186,335	19,805	(107,935)	105,106
Income tax benefit (expense)	210	(2,746)	(909)	(705)	6,279	(2,043)	86
Net income (loss) from continuing operations	(11,394)	9,100	5,750	185,630	26,084	(109,978)	105,192
Income (loss) from discontinued operations	—	—	—	—	—	—	—
Net income (loss)	(11,394)	9,100	5,750	185,630	26,084	(109,978)	105,192
Net income (loss) attributable to noncontrolling interests:							
Redeemable noncontrolling interests	—	—	—	—	720	—	720
Investment entities	(2,845)	5,601	670	20,374	—	—	23,800
Operating Company	(478)	196	284	9,245	1,402	(8,319)	2,330
Net income (loss) attributable to Colony NorthStar, Inc.	(8,071)	3,303	4,796	156,011	23,962	(101,659)	78,342
Preferred stock redemption	—	—	—	—	—	5,448	5,448
Preferred stock dividends	—	—	—	—	—	34,339	34,339
Net income (loss) attributable to common stockholders	\$ (8,071)	\$ 3,303	\$ 4,796	\$ 156,011	\$ 23,962	\$ (141,446)	\$ 38,555

Ild. Financial Results - Noncontrolling Interests' Share Segment

Operating Results



	Three Months Ended June 30, 2017						
(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total
Revenues							
Property operating income	\$ 36,262	\$ 31,968	\$ 24,371	\$ 23,625	\$ —	\$ —	\$ 116,226
Interest income	376	—	—	34,612	—	—	34,988
Fee income	—	—	—	—	2,232	—	2,232
Other income	102	(320)	13	2,358	65	—	2,218
Total revenues	36,740	31,648	24,384	60,595	2,297	—	155,664
Expenses							
Property operating expense	15,986	9,481	15,488	11,392	—	—	52,347
Interest expense	11,425	4,519	4,020	8,831	—	—	28,795
Investment, servicing and commission expense	335	13	243	2,442	98	—	3,131
Transaction costs	3	—	—	413	—	—	416
Depreciation and amortization	12,217	14,677	3,763	9,444	382	—	40,483
Provision for loan loss	—	—	—	554	—	—	554
Impairment loss	—	—	—	9,784	—	—	9,784
Compensation expense	—	338	—	607	864	—	1,809
Administrative expenses	68	409	49	2,038	245	—	2,809
Total expenses	40,034	29,437	23,563	45,505	1,589	—	140,128
Other income (loss)							
Gain on sale of real estate assets	—	4,953	—	630	—	—	5,583
Other gain (loss), net	677	—	(33)	(730)	(1)	—	(87)
Earnings of investments in unconsolidated ventures	—	—	—	6,171	42	—	6,213
Income (loss) before income taxes	(2,617)	7,164	788	21,161	749	—	27,245
Income tax benefit (expense)	(228)	(1,563)	(118)	(787)	(29)	—	(2,725)
Net income (loss) from continuing operations	(2,845)	5,601	670	20,374	720	—	24,520
Income (loss) from discontinued operations	—	—	—	—	—	—	—
Net income (loss) attributable to noncontrolling interests	\$ (2,845)	\$ 5,601	\$ 670	\$ 20,374	\$ 720	\$ —	\$ 24,520

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



Three Months Ended June 30, 2017									
OP pro rata share by segment									
(\$ in thousands) (Unaudited)	Healthcare	Industrial	Hospitality	Other Equity and Debt	Investment Management	Amounts not allocated to segments	Total OP pro rata share	Amounts attributable to noncontrolling interests	CLNS consolidated as reported
Net income (loss) attributable to common stockholders	\$ (8,071)	\$ 3,303	\$ 4,796	\$ 156,011	\$ 23,962	\$ (141,446)	\$ 38,555	\$ —	\$ 38,555
Net income (loss) attributable to noncontrolling common interests in Operating Company	(478)	196	284	9,245	1,402	(8,319)	2,330	—	2,330
Net income (loss) attributable to common interests in Operating Company and common stockholders	(8,549)	3,499	5,080	165,256	25,364	(149,765)	40,885	—	40,885
Adjustments for FFO:									
Real estate depreciation and amortization	33,971	11,090	29,441	19,983	1,088	—	95,573	39,848	135,421
Impairment write-downs associated with depreciable real estate	—	—	—	3,032	—	—	3,032	9,784	12,816
(Gain) loss from sales of depreciable real estate	—	(3,742)	—	(6,811)	1,025	—	(9,528)	(5,584)	(15,112)
Less: Net income (loss) attributable to noncontrolling interests-Operating Company	—	—	—	—	—	—	—	(44,048)	(44,048)
FFO	\$ 25,422	\$ 10,847	\$ 34,521	\$ 181,460	\$ 27,477	\$ (149,765)	\$ 129,962	\$ —	\$ 129,962
Additional adjustments for Core FFO:									
Gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO(1)	—	—	—	(31,079)	—	—	(31,079)	(104)	(31,183)
Equity-based compensation expense(2)	368	410	446	1,654	3,411	32,656	38,945	—	38,945
Straight-line rent revenue and straight-line rent expense on ground leases	(3,241)	(556)	(5)	(1,491)	(164)	—	(5,457)	(2,537)	(7,994)
Gain on change in fair value of contingent consideration	—	—	—	—	—	(4,850)	(4,850)	—	(4,850)
Amortization of acquired above- and below-market lease values, net	(2,649)	52	(1)	74	—	—	(2,524)	(996)	(3,520)
Amortization of deferred financing costs and debt premiums and discounts	5,052	483	5,665	3,636	133	1,936	16,905	3,886	20,791
Unrealized fair value (gain) loss on derivatives and foreign currency remeasurements	(1,811)	—	65	1,184	(965)	28,406	26,879	(45)	26,834
Acquisition and merger-related transaction costs	20	—	—	273	—	1,787	2,080	418	2,498
Merger integration costs(3)	—	—	—	—	—	7,555	7,555	—	7,555
Preferred share redemption costs	—	—	—	—	—	5,448	5,448	—	5,448
Amortization and impairment of investment management intangibles	—	—	—	—	15,296	—	15,296	370	15,666
Non-real estate depreciation and amortization	1,676	37	1,994	306	51	1,734	5,798	684	6,482
Amortization of gain on remeasurement of consolidated investment entities, net	—	—	—	1,043	—	—	1,043	2,794	3,837
Tax (benefit) expense, net(4)	—	1,212	—	—	(3,625)	—	(2,413)	1,604	(809)
Less: Adjustments attributable to noncontrolling interests in investment entities	—	—	—	—	—	—	—	(6,074)	(6,074)
Core FFO	\$ 24,837	\$ 12,485	\$ 42,685	\$ 157,060	\$ 41,614	\$ (75,093)	\$ 203,588	\$ —	\$ 203,588

Notes:

- (1) Includes \$36.7 million of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony prior to its internalization of the manager.
- (2) Includes \$30.0 million of replacement award amortization.
- (3) Merger integration costs represent costs and charges incurred during the integration of Colony, NSAM and NRF. These integration costs are not reflective of the Company's core operating performance and the Company does not expect to incur these costs subsequent to the completion of the merger integration. The majority of integration costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.
- (4) Adjustment represents the impact of taxes on amortization and impairment of investment management intangibles assumed in business combinations and gain on sale of property.

IIIa. Capitalization - Overview



(\$ in thousands; except per share data; as of June 30, 2017, unless otherwise noted)

	<u>Consolidated amount</u>	<u>CLNS OP share of consolidated amount</u>
Debt (UPB)		
\$1,000,000 Revolving credit facility	\$ 71,000	\$ 71,000
Convertible/exchangeable senior notes	619,905	619,905
Corporate aircraft promissory note	40,170	40,170
Trust Preferred Securities ("TruPS")	280,117	280,117
Investment-level debt:		
Healthcare	3,362,771	2,401,190
Industrial	785,119	335,195
Hospitality	2,601,432	2,430,759
Other Equity and Debt ⁽¹⁾	2,823,538	2,134,663
Total investment-level debt ⁽²⁾	9,572,860	7,301,807
Total debt	\$ 10,584,052	\$ 8,312,999
Perpetual preferred equity, redemption value		
Total perpetual preferred equity		\$ 1,643,723
Common equity as of August 4, 2017		
	<u>Price per share</u>	<u>Shares / Units</u>
Class A and B common stock and restricted stock units	\$ 14.56	552,979
OP units	14.56	32,425
Total market value of common equity		\$ 8,523,482
Total capitalization		\$ 18,480,204

Notes:

(1) Excludes \$315 million principal balance of non-recourse CDO securitization debt.

(2) Includes \$124 million principal balance of debt related to assets held for sale.

IIIb. Capitalization - Investment-Level Debt Overview



(\$ in thousands; as of or for the three months ended June 30, 2017, unless otherwise noted)

Investment-level debt overview

	Type	Consolidated		CLNS OP share of consolidated amount	
		Unpaid principal balance	Unpaid principal balance	Wtd. avg. years remaining to maturity	Wtd. avg. interest rate
Healthcare	Non-recourse	\$ 3,362,771	\$ 2,401,190	3.5	4.9%
Industrial	Non-recourse	785,119	335,195	11.7	3.8%
Hospitality	Non-recourse	2,601,432	2,430,759	4.0	4.3%
Other Equity and Debt					
Net lease real estate equity	Non-recourse	558,887	558,241	7.8	4.0%
Other real estate equity	Non-recourse	1,213,577	677,501	2.6	3.5%
Real estate debt ⁽¹⁾	Non-recourse ⁽²⁾	1,051,074	898,921	8.7	3.8%
Total investment-level debt⁽³⁾		\$ 9,572,860	\$ 7,301,807	4.9	4.3%

Notes:

(1) Excludes \$315 million principal balance of non-recourse CDO securitization debt.

(2) \$11 million is recourse debt.

(3) Includes \$124 million 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, 2017)

Revolving credit facility

Maximum principal amount	\$	929,000
Amount outstanding		71,000
Initial maturity		January 11, 2021
Fully-extended maturity		January 10, 2022
Interest rate		LIBOR + 2.25%

Financial covenants as defined in the Credit Agreement:

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

Company status: As of June 30, 2017, CLNS is meeting all required covenant threshold levels

IIId. Capitalization - Corporate Securities Overview



(\$ in thousands, except per share data; as of June 30, 2017, unless otherwise noted)

Convertible/exchangeable debt

Description	Outstanding principal	Final due date	Interest rate	Conversion price (per share of common stock)	Conversion ratio	Conversion shares	Redemption date
5.00% Convertible senior notes	\$ 200,000	April 15, 2023	5.00% fixed	\$ 15.76	63.4700	12,694	On or after April 22, 2020 ⁽¹⁾
3.875% Convertible senior notes	402,500	January 15, 2021	3.875% fixed	16.57	60.3431	24,288	On or after January 22, 2019 ⁽¹⁾
7.25% Exchangeable senior notes ⁽²⁾	1,000	June 15, 2027	7.25% fixed	21.95	45.5548	46	Redeemable
5.375% Exchangeable senior notes	16,405	June 15, 2033	5.375% fixed	12.04	83.0837	1,363	On or after June 15, 2020 ⁽¹⁾
Total convertible debt	\$ 619,905						

TruPS

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

Perpetual preferred stock

Description	Liquidation preference	Shares outstanding	Callable period
Series B 8.25% cumulative redeemable perpetual preferred stock	\$ 349,973	13,999	Callable
Series C 8.875% cumulative redeemable perpetual preferred stock	125,000	5,000	On or after October 11, 2017
Series D 8.5% cumulative redeemable perpetual preferred stock	200,000	8,000	On or after April 10, 2018
Series E 8.75% cumulative redeemable perpetual preferred stock	250,000	10,000	On or after May 15, 2019
Series 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
Total preferred stock	\$ 1,643,723	65,749	

Notes:

- (1) Callable at principal amount only if CLNS common stock has traded at least 130% of the conversion price for 20 of 30 consecutive trading days.
- (2) Subsequent to the second quarter 2017, the Company repurchased the remaining \$1 million principal amount of the 7.25% exchangeable senior notes.

IIIe. Capitalization - Debt Maturity and Amortization Schedules



(\$ in thousands; as of June 30, 2017)

Consolidated debt maturity and amortization schedule

	Payments due by period ⁽¹⁾					Total
	Q3-Q4 2017	2018	2019	2020	2021 and after	
\$1,000,000 Revolving credit facility	\$ —	\$ —	\$ —	\$ —	\$ 71,000	\$ 71,000
Convertible/exchangeable senior notes	—	—	—	—	619,905	619,905
Corporate aircraft promissory note	974	2,029	2,134	2,244	32,789	40,170
TruPS	—	—	—	—	280,117	280,117
<i>Investment-level debt:</i>						
Healthcare	290,224	10,032	2,236,224	61,245	765,046	3,362,771
Industrial	391	806	839	874	782,209	785,119
Hospitality	327,182	—	512,000	132,250	1,630,000	2,601,432
Other Equity and Debt ⁽²⁾	308,203	417,823	462,931	85,964	1,548,617	2,823,538
Total debt⁽³⁾	\$ 926,974	\$ 430,690	\$ 3,214,128	\$ 282,577	\$ 5,729,683	\$ 10,584,052

Pro rata debt maturity and amortization schedule

	Payments due by period ⁽¹⁾					Total
	Q3-Q4 2017	2018	2019	2020	2021 and after	
\$1,000,000 Revolving credit facility	\$ —	\$ —	\$ —	\$ —	\$ 71,000	\$ 71,000
Convertible/exchangeable senior notes	—	—	—	—	619,905	619,905
Corporate aircraft promissory note	974	2,029	2,134	2,244	32,789	40,170
TruPS	—	—	—	—	280,117	280,117
<i>Investment-level debt:</i>						
Healthcare	202,496	7,498	1,574,085	45,787	571,324	2,401,190
Industrial	167	344	358	373	333,953	335,195
Hospitality	321,889	—	512,000	132,250	1,464,620	2,430,759
Other Equity and Debt ⁽²⁾	176,241	170,751	357,224	43,404	1,387,043	2,134,663
Total debt⁽³⁾	\$ 701,767	\$ 180,622	\$ 2,445,801	\$ 224,058	\$ 4,760,751	\$ 8,312,999

Notes:

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

(2) Excludes \$315 million principal balance of non-recourse CDO securitization debt.

(3) Includes \$124 million 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, 2017, unless otherwise noted)

	Consolidated amount ⁽¹⁾	CLNS OP share of consolidated amount ⁽²⁾
Net operating income		
Net operating income:		
MOB's	\$ 14,408	\$ 10,287
Senior Housing - Operating	19,418	13,845
<i>Triple-Net Lease:</i>		
Senior Housing	14,407	10,287
Skilled Nursing Facilities	24,904	17,781
Hospitals	5,375	3,851
Total net operating income	\$ 78,512	\$ 56,051
Annualized net operating income	\$ 314,048	\$ 224,204

Portfolio overview	Total number of buildings	Capacity	% Occupied	TTM Lease Coverage	WA Remaining Lease Term
MOB's	113	4.0 million sq. ft.	84.0%	N/A	5.0
Senior Housing - Operating	109	6,436 units	86.7%	N/A	N/A
<i>Triple-Net Lease:</i>					
Senior Housing	82	4,065 units	83.6%	1.5x	11.3
Skilled Nursing Facilities	107	12,794 beds	83.4%	1.3x	7.7
Hospitals	14	872 beds	63.4%	3.3x	11.9
Total / W.A.	425		83.0%	1.6x	9.4

Same store financial/operating results related to the segment

	% Occupied ⁽³⁾		TTM Lease Coverage ⁽⁴⁾		NOI		% Change
	Q2 2017	Q1 2017	3/31/2017	12/31/2016	Q2 2017	Q1 2017	
MOB's	84.0%	85.1%	n/a	n/a	\$ 14,408	\$ 13,593	6.0 %
Senior Housing - Operating	86.7%	86.8%	n/a	n/a	19,418	18,333	5.9 %
<i>Triple-Net Lease:</i>							
Senior Housing	83.6%	85.7%	1.5x	1.5x	14,407	13,503	6.7 %
Skilled Nursing Facilities	83.4%	84.2%	1.3x	1.4x	24,904	28,451	(12.5)%
Hospitals	63.4%	60.9%	3.3x	3.7x	5,375	5,418	(0.8)%
Total / W.A.	83.0%	83.6%	1.6x	1.7x	\$ 78,512	\$ 79,298	(1.0)%

Notes:

- (1) Consolidated NOI includes \$1.4 million of interest earned related to \$70 million of healthcare real estate development loans related to the Company's healthcare real estate portfolio. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended June 30, 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.
- (2) CLNS OP Share represents Consolidated NOI multiplied by CLNS OP's interest as of June 30, 2017.
- (3) Occupancy % for Senior Housing - Operating represents average of the presented quarter, MOB's is as of last day in the quarter and for Triple-Net Lease represents average of the prior quarter. Occupancy represents real estate property operator's patient occupancy for all types except MOB.
- (4) Represents the ratio of EBITDAR to cash rent on a trailing twelve month basis.



(As of or for the three months ended June 30, 2017, unless otherwise noted)

Triple-Net Lease Coverage⁽¹⁾

March 31, 2017 TTM Lease Coverage	# of Leases	% of Total Portfolio March 31, 2017 TTM NOI			WA Remaining Lease Term
		Senior Housing	Skilled Nursing Facilities & Hospitals	% Total NOI	
Less than 0.99x	4	2%	9%	11%	5 yrs
1.00x - 1.09x	1	1%	—	1%	13 yrs
1.10x - 1.19x	3	—	10%	10%	10 yrs
1.20x - 1.29x	3	2%	9%	11%	10 yrs
1.30x - 1.39x	—	—	—	—	—
1.40x - 1.49x	1	—	1%	1%	9 yrs
1.50x and greater	6	10%	11%	21%	10 yrs
Total / W.A.	18	15%	40%	55%	9 yrs

Revenue Mix⁽²⁾

	March 31, 2017 TTM		
	Private Pay	Medicare	Medicaid
MOB's	100%	—	—
Senior Housing - Operating	86%	4%	10%
<i>Triple-Net Lease:</i>			
Senior Housing	64%	—	36%
Skilled Nursing Facilities	22%	20%	58%
Hospitals	12%	38%	50%
W.A.	56%	11%	33%

Notes:

- (1) Represents the ratio of EBITDAR to cash rent on a trailing twelve month basis. Represents leases with EBITDAR coverage in each listed range. Excludes interest income associated with triple-net lease senior housing and hospital types. Caring Homes (U.K.) lease (EBITDAR) coverage includes additional collateral provided by the operator.
- (2) Revenue mix represents percentage of revenues derived from private, Medicare and Medicaid payor sources. The payor source percentages for the hospital category excludes two operating partners, whom do not track or report payor source data and totals approximately one-third of NOI in the hospital category. Overall percentages are weighted by NOI exposure in each category.

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



(\$ in thousands; as of or for the three months ended June 30, 2017, unless otherwise noted)

Top 10 Geographic Locations by NOI

	Number of buildings	NOI
UK	43	\$ 8,887
Indiana	55	7,349
Florida	27	7,060
Illinois	39	6,200
Oregon	31	5,134
Texas	32	5,036
California	18	4,863
Georgia	22	4,661
Pennsylvania	11	4,650
Ohio	35	4,517
Total	313	\$ 58,357

Top 10 Operators/Tenants by NOI

	Property Type/Primary Segment	Number of buildings	NOI	% Occupied	TTM Lease Coverage	WA Remaining Lease Term
Senior Lifestyle	Sr. Housing / RIDEA	82	\$ 15,289	87.3%	n/a	n/a
Caring Homes (U.K.) ⁽¹⁾	Sr. Housing / NNN	43	7,706	88.1%	1.8x	14 yrs
Sentosa ⁽²⁾	SNF / NNN	11	4,650	89.5%	1.2x	12 yrs
Wellington Healthcare	SNF / NNN	11	4,389	89.3%	1.1x	10 yrs
Frontier	Sr. Housing / RIDEA / NNN	20	3,989	82.7%	n/a	n/a
Miller	SNF / NNN	28	3,781	71.4%	2.0x	-
Consulate	SNF / NNN	10	2,833	85.5%	1.2x	11 yrs
Opis	SNF / NNN	11	2,732	91.8%	1.2x	7 yrs
Grace	SNF / NNN	9	2,534	83.7%	1.0x	4 yrs
Carillon	SNF / NNN	6	1,832	65.9%	1.2x	11 yrs
Total		231	\$ 49,735			

Notes:

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

(2) During the second quarter 2017, SentosaCare, LLC ("Sentosa") acquired Mid-Atlantic Healthcare's operating platform and Colony NorthStar assigned existing healthcare property operating leases formerly with Mid-Atlantic Healthcare to Sentosa. Terms of the lease agreements remain the same.

Va. Industrial Real Estate - Summary Metrics and Operating Results



(\$ in thousands; as of or for the three months ended June 30, 2017, unless otherwise noted)

	Consolidated amount ⁽¹⁾	CLNS OP share of consolidated amount ⁽¹⁾
Net operating income		
Net operating income	\$ 38,470	\$ 15,773
Annualized net operating income	\$ 153,880	\$ 63,092

Portfolio overview

Total number of buildings	354
Rentable square feet (thousands)	39,345
% leased at end of period	94.6%
Average remaining lease term	3.7 years

Same store financial/operating results related to the segment

	Q2 2017	Q1 2017	% Change
Same store number of buildings	337	337	—
% leased at end of period	95.6%	95.9%	(0.3)%
Revenues	\$ 52,104	\$ 52,318	(0.4)%
NOI	\$ 36,996	\$ 36,417	1.6 %

Recent acquisitions

Property / portfolio name	Acquisition date	Number of buildings	Rentable square feet(thousands)	% leased	Purchase price
Q2 2017 acquisitions:					
Phoenix industrial portfolio	4/20/2017	3	178	27.3%	\$ 16,100
Phoenix industrial portfolio	5/31/2017	2	325	46.2%	18,700
Las Vegas industrial property	6/2/2017	1	312	41.0%	25,100
Phoenix industrial portfolio	6/20/2017	2	246	91.3%	18,400
Phoenix industrial portfolio	6/22/2017	2	558	100.0%	39,000
Total / W.A.		10	1,619	68.5%	\$ 117,300

Q3 2017 acquisitions:

Baltimore / Philadelphia industrial portfolio	7/17/2017	20	2,810	93.6%	\$ 201,000
Total		20	2,810	93.6%	\$ 201,000

Notes:

(1) CLNS OP Share represents Consolidated NOI multiplied by CLNS OP's interest as of June 30, 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.



(\$ in thousands; as of or for the three months ended June 30, 2017, unless otherwise noted)

Top 10 Geographic Locations by NOI	Number of buildings	Rentable square feet (thousands)	NOI	% leased at end of period
Atlanta	82	8,105	\$ 7,738	97.0%
Dallas	69	7,075	7,247	99.1%
Chicago	26	2,786	2,891	96.9%
New Jersey, South / Philadelphia	30	3,328	3,613	96.1%
Orlando	18	3,032	3,429	98.4%
Minneapolis	18	2,814	2,998	94.5%
Phoenix	27	3,012	1,575	83.3%
Houston	21	1,713	1,950	90.0%
Kansas City	9	1,664	1,410	100.0%
Salt Lake City	16	1,269	1,265	97.9%
Total / W.A.	316	34,798	\$ 34,116	95.9%

Top 10 Tenant Base by Industry

Industry	Total leased square feet (thousands)	% of total
Warehousing & Transportation	14,576	39.1%
Manufacturing	6,264	16.8%
Professional, Scientific, and Technical Services	3,980	10.7%
Wholesale Trade	3,941	10.6%
Health & Science	3,003	8.1%
Construction & Contractors	2,486	6.7%
Retail Trade	1,260	3.4%
Entertainment & Recreation	1,058	2.8%
Media & Information	544	1.5%
Public Administration & Government	113	0.3%
Total	37,225	100.0%

Via. Hospitality Real Estate - Summary Metrics and Operating Results



(\$ in thousands; as of or for the three months ended June 30, 2017, unless otherwise noted)

EBITDA	Consolidated amount⁽¹⁾	CLNS OP share of consolidated amount⁽²⁾
EBITDA:		
Select Service	\$ 45,244	\$ 42,665
Extended Stay	32,231	30,394
Full Service	4,216	3,976
Total EBITDA	\$ 81,691	\$ 77,035
Annualized EBITDA ⁽³⁾	\$ 279,764	\$ 263,818

Portfolio overview by type

	Number of hotels	Number of rooms	Avg. qtr. % occupancy	Avg. daily rate (ADR)	RevPAR	Q2 2017 EBITDA	EBITDA margin
Select service	97	13,193	75.8%	\$ 125	\$ 95	\$ 45,244	35.8%
Extended stay	66	7,936	81.7%	134	110	32,231	40.0%
Full service	4	962	80.6%	157	126	4,216	30.0%
Total / W.A.	167	22,091	78.2%	\$ 130	\$ 102	\$ 81,691	36.5%

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

Brand	Avg. qtr. % occupancy		Avg. daily rate (ADR)		RevPAR		EBITDA		% Change
	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016	
Marriott	77.0%	78.8%	\$ 129	\$ 128	\$ 99	\$ 101	\$ 62,834	\$ 65,547	(4.1)%
Hilton	82.0%	81.5%	131	127	108	103	13,862	12,999	6.6 %
Other	84.2%	77.9%	139	142	117	110	4,995	4,567	9.4 %
Total / W.A.	78.2%	79.2%	\$ 130	\$ 129	\$ 102	\$ 102	\$ 81,691	\$ 83,113	(1.7)%

Notes:

- (1) Q2 2017 Consolidated EBITDA excludes FF&E reserve amounts of \$9.7 million. For a reconciliation of net income/(loss) attributable to common stockholders to EBITDA please refer to the appendix to this presentation.
- (2) CLNS OP Share represents Consolidated EBITDA multiplied by CLNS OP's interest as of June 30, 2017.
- (3) Annualized EBITDA is calculated using the pro rata percentage of historical Q2 2016 EBITDA relative to historical full year 2016 EBITDA to account for seasonality.



(\$ in thousands; as of June 30, 2017, unless otherwise noted)

Top 10 Geographic Locations by EBITDA	Number of hotels	Number of rooms	Number of rooms-select service	Number of rooms-extended stay	Number of rooms-full service	EBITDA
California	18	2,254	1,243	1,011	—	\$ 12,434
Texas	28	3,230	1,952	1,278	—	7,553
Florida	12	2,060	1,186	291	583	6,940
New Jersey	12	1,884	718	942	224	6,613
Virginia	11	1,473	1,210	263	—	5,210
Washington	5	664	160	504	—	4,203
North Carolina	7	981	831	150	—	3,953
New York	8	1,010	710	300	—	3,682
Georgia	7	974	694	280	—	3,361
Maryland	7	953	666	132	155	3,141
Total / W.A.	115	15,483	9,370	5,151	962	\$ 57,090

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



(\$ in thousands; as of June 30, 2017, unless otherwise noted)

Net Lease Real Estate Equity

	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNS OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			NOI ⁽¹⁾	NOI ⁽¹⁾		
U.S.:						
Office	8	1,716	\$ 5,558	\$ 5,540	94.7%	4.0
Retail	10	468	1,839	1,839	100.0%	6.6
Industrial	3	1,140	598	598	100.0%	12.0
Europe:						
Office	29	1,478	5,054	5,054	100.0%	12.6
Education	20	304	2,999	2,999	100.0%	17.5
Total / W.A.	70	5,106	\$ 16,048	\$ 16,030	98.2%	9.3

Other Real Estate Equity

	Number of buildings	Rentable square feet (thousands)	Consolidated amount	CLNS OP share of consolidated amount	% leased at end of period	Weighted average remaining lease term
			Undepreciated carrying value	Undepreciated carrying value		
U.S.:						
Office	15	2,511	\$ 713,586	\$ 667,866	80.9%	8.1
Multifamily	1	N/A	56,964	51,292	94.9%	N/A
Hotel	5	N/A	25,965	8,665	69.0%	N/A
Europe:						
Industrial	38	2,795	159,377	72,069	100.0%	6.8
Office	37	973	142,534	65,556	70.5%	11.5
Mixed / Retail	269	8,598	1,138,215	336,312	70.5%	7.1
Total / W.A.	365	14,877	\$ 2,236,641	\$ 1,201,760	77.8%	7.5

Unconsolidated joint ventures (Net Lease & Other RE Equity) 404,375 356,227

Notes:
⁽¹⁾ Excludes approximately \$0.3 million of NOI related to an asset sold during the second quarter 2017.

VIIb. Other Equity and Debt - Real Estate Debt



(\$ in thousands, except as noted; as of June 30, 2017, unless otherwise noted)

Portfolio Overview⁽¹⁾

	<u>Consolidated amount</u>	<u>CLNS OP share of consolidated amount</u>
Non-PCI loans		
Loans receivables held for investment, net	\$ 3,093,333	\$ 2,158,580
Loans receivables held for sale, net	—	—
Non-recourse investment-level financing (UPB)	924,038	859,198
Carrying value - equity method investments	328,783	138,126
PCI loans		
Loans receivables held for investment, net	842,235	579,715
Non-recourse investment-level financing (UPB)	48,134	15,059
Carrying value - equity method investments	2,621	2,621
Other		
Carrying value - real estate assets (REO)	61,361	22,357
Warehouse facility (UPB)	11,175	11,175
Subscription line (UPB)	67,727	13,489
Total Portfolio		
Loans receivables held for investment, net	3,935,568	2,738,295
Loans receivables held for sale, net	—	—
Carrying value - equity method investments	331,404	140,747
Carrying value - real estate assets (REO)	61,361	22,357
Non-recourse investment-level financing (UPB)	972,172	874,257
Warehouse facility (UPB)	11,175	11,175
Subscription Line (UPB)	67,727	13,489
Total debt (UPB)	1,051,074	898,921

Notes:

(1) Excludes \$3 million carrying value of real estate debt investments held in a CDO securitization and \$70 million carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

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



(\$ in thousands; as of or for the three months ended June 30, 2017, unless otherwise noted)

Loans receivable held for investment by loan type⁽¹⁾

	Consolidated amount	CLNS OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI loans				
<i>Fixed rate</i>				
First mortgage loans	\$ 717,411	\$ 330,789	9.1%	1.9
Securitized mortgage loans	55,272	55,272	5.6%	13.5
Second mortgage loans / B-notes	225,570	131,531	9.1%	2.3
Mezzanine loans	397,865	231,952	8.7%	2.9
Corporate	52,655	52,655	11.3%	9.3
Total fixed rate non-PCI loans	1,448,773	802,199	8.9%	3.5
<i>Variable rate</i>				
First mortgage loans	598,077	495,266	8.5%	1.3
Securitized mortgage loans	611,979	602,917	6.3%	3.3
Second mortgage loans / B-notes	90,588	68,759	13.3%	4.1
Mezzanine loans	347,844	192,762	11.8%	0.2
Total variable rate non-PCI loans	1,648,488	1,359,704	8.2%	2.1
Total non-PCI loans	3,097,261	2,161,901		
Allowance for loan losses	(3,928)	(3,321)		
Total non-PCI loans, net of allowance for loan losses	3,093,333	2,158,580		
PCI loans				
First mortgage loans	901,762	591,326		
Securitized mortgage loans	3,358	3,358		
Mezzanine loans	3,671	3,671		
Total PCI loans	908,791	598,355		
Allowance for loan losses	(66,556)	(18,640)		
Total PCI loans, net of allowance for loan losses	842,235	579,715		
Total loans receivable, net of allowance for loan losses	\$ 3,935,568	\$ 2,738,295		

Notes:

(1) Excludes \$3 million carrying value of real estate debt investments held in a CDO securitization and \$70 million carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

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



(\$ in thousands; as of or for the three months ended June 30, 2017, unless otherwise noted)

Loans receivable held for investment by collateral type⁽¹⁾

	Consolidated amount	CLNS OP share of consolidated amount		
	Net carrying amount	Net carrying amount	Weighted average yield	Weighted average maturity in years
Non-PCI Loans				
Hospitality	\$ 1,016,560	\$ 620,112	10.1%	2.4
Retail	554,028	413,957	6.0%	1.3
Office	494,354	345,494	9.0%	1.5
Multifamily	478,731	440,902	6.6%	7.1
Other	249,880	153,408	9.3%	0.6
Land	167,412	83,706	11.5%	1.3
Residential	62,734	31,367	13.4%	0.6
Corporate	52,655	52,655	11.3%	9.3
Industrial	16,979	16,979	7.2%	1.2
Total non-PCI loans, net of allowance for loan losses	3,093,333	2,158,580	8.5%	3.0
PCI Loans				
Office	305,647	283,886		
Retail	144,828	90,870		
Multifamily	121,026	42,299		
Hospitality	100,033	66,056		
Industrial	62,765	39,680		
Other	47,478	17,492		
Land	41,497	31,994		
Residential	18,961	7,438		
Total PCI loans, net of allowance for loan losses	842,235	579,715		
Total loans receivable, net of allowance for loan losses	\$ 3,935,568	\$ 2,738,295		

Notes:

(1) Excludes \$3 million carrying value of real estate debt investments held in a CDO securitization and \$70 million carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.



(\$ in thousands, except as noted and per share data; as of June 30, 2017, unless otherwise noted)

	Consolidated amount	CLNS OP share of consolidated amount
NorthStar Realty Europe Corp. (NYSE: NRE)		
CLNS OP interest in NRE as of August 4, 2017	8.9%	8.9%
NRE shares beneficially owned by OP and common stockholders	4.9 million	4.9 million
NRE share price as of August 4, 2017	\$ 12.93	\$ 12.93
Total market value of shares	63,851	63,851
Colony American Finance ("CAF")⁽¹⁾		
Carrying value	55,996	55,996
CLNS OP interest in CAF	17.4%	17.4%
Albertsons		
Carrying value	89,261	44,621
Number of post-IPO shares in Albertsons pursuant to preliminary prospectus dated October 2, 2015		8.45 million
CLNS OP % ownership interest in post-IPO AB Acquisition LLC based on preliminary prospectus dated October 2, 2015		2.17%
Other GP Co-investments⁽²⁾		
Carrying value	54,786	54,355

Notes:

During the second quarter 2017, the Company sold its entire remaining interest in Colony Starwood Homes ("SFR"), or approximately 7.6 million shares of SFR, resulting in net proceeds of \$261 million.

(1) Subsequent to the second quarter 2017, the Company sold its entire interest in CAF.

(2) Other GP co-investments represents: i) seed investments in certain registered investment companies sponsored by the Company and 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. These investments are accounted for as Investments in Unconsolidated Ventures.



(\$ in thousands, except as noted; as of or for the three months ended June 30, 2017, unless otherwise noted)

Operating Results

Q2 2017 income (excluding an \$11.0 million adjustment to basis in earnings of unconsolidated ventures)	\$	11,501
Return of capital		40,980
Total distributions		52,481
Contributions		788
Net	\$	51,693

Carrying value	\$	338,679
Weighted average remaining term as of June 30, 2017		1.0 yrs

Portfolio Overview⁽¹⁾

Number of funds	98
Number of general partners ⁽²⁾	64
Underlying assets, at cost	\$ 20,656,200
Implied leverage ⁽³⁾	44%
Expected remaining future capital contributions ⁽⁴⁾	\$ 3,703

Investment by Types⁽¹⁾⁽⁵⁾

Type	%
Office	18%
Land	17%
Multifamily	14%
Cash	11%
Lodging	10%
Other	9%
Retail	6%
Debt	5%
Residential/Condo	5%
Financial Services	3%
Industrial	1%
Healthcare	1%
Total	100%

Investment by Geography⁽¹⁾⁽⁵⁾

Location	%
Northeast	21%
West	18%
Primarily Various U.S.	17%
Cash	11%
Southeast	10%
Midwest	9%
Mid-Atlantic	7%
Asia	5%
Europe	2%
Total	100%

Notes:

- (1) Amounts presented exclude an immaterial economic interest retained in a real estate private equity fund portfolio which NRF sold in the fourth quarter 2015.
- (2) Includes 10 funds and 16 general partners held across multiple PE Investments.
- (3) Represents implied leverage for funds with investment-level financing, calculated as debt divided by assets at fair value.
- (4) Represents the estimated amount of expected future capital contributions to funds as of June 30, 2017.
- (5) Represents the underlying fund interests in PE Investments by investment type and geographic location based on NAV as of March 31, 2017.

VIIe. Other Equity and Debt - CRE Securities



(\$ in thousands; as of June 30, 2017)

Portfolio Overview

Owned Bonds and Equity of Deconsolidated CDO's

	Principal amount	Carrying Value
Total owned deconsolidated CDO bonds	\$ 358,436	\$ 88,079
Total owned deconsolidated CDO equity		17,304

Consolidated CDO's

	Principal amount	Carrying Value
Total consolidated CDO investments	\$ 692,885	\$ 271,745
Total consolidated non-recourse CDO financing	315,151	220,856
Net book value - consolidated CDOs	\$ 377,734	\$ 50,889

CMBS

	Principal amount	Carrying Value
	\$ 98,268	\$ 36,014

Income

Q2 2017 aggregate income		\$ 10,261
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VIIa. Investment Management - Summary Metrics



(\$ in thousands, except as noted; as of June 30, 2017)

Overview

Segment	Q2 2017 Fee Revenue - CLNS OP Share
Institutional funds	\$ 15,448
Retail companies	20,240
NorthStar Realty Europe (NYSE:NRE)	3,555
Townsend	11,542
Pro rata corporate investments (earnings of investments in unconsolidated ventures)	2,770
Total Q2 2017 reported fee revenue and earnings of investments in unconsolidated ventures	\$ 53,555

Operating Results

Revenues	
Total fee revenue and earnings of investments in unconsolidated ventures	\$ 53,555
Other income and commission income	7,449
Expenses	
Investment, servicing and commission expenses	2,442
Depreciation and amortization	15,212
Compensation expense	19,123
Administrative expenses	5,650
Total expenses	42,427
Other gain, net	479
Income tax benefit	6,308
Net income attributable to common interests in OP and common stockholders	25,364
Real estate depreciation and amortization	1,088
(Gain) loss from sales of depreciable real estate	1,025
Equity-based compensation expense	3,411
Straight-line rent revenue and straight-line rent expense on ground leases	(164)
Unrealized fair value gains or losses and foreign currency remeasurements	(965)
Amortization and impairment of investment management intangibles	15,296
Non-real estate depreciation and amortization	51
Amortization of deferred financing costs and debt premiums and discounts	133
Tax benefit, net	(3,625)
Core FFO	\$ 41,614

VIIIb. Investment Management – Assets Under Management



(\$ in millions, except as noted; as of June 30, 2017, unless otherwise noted)

Segment	Products	Description	AUM CLNS OP Share
Institutional Funds	<ul style="list-style-type: none"> Credit (\$3.7 billion) Core plus / value-added (\$1.6 billion) Opportunistic (\$1.9 billion) Colony Industrial (\$1.5 billion) Other co-investment vehicles (\$1.3 billion) 	<ul style="list-style-type: none"> 26 years of institutional investment management experience Sponsorship of private equity funds and vehicles earning asset management fees and performance fees More than 300 investor relationships \$10 billion of private equity capital raised since the beginning of 2008; \$25 billion of private equity capital raised since inception⁽²⁾ 	\$ 10,014
Retail Companies	<ul style="list-style-type: none"> NorthStar Income I (\$1.6 billion) NorthStar Healthcare (\$3.4 billion) NorthStar Income II (\$1.8 billion) NorthStar/RXR NY Metro Real Estate NorthStar Real Estate Capital Income Fund NorthStar/Townsend Institutional Real Estate Fund⁽¹⁾ 	<ul style="list-style-type: none"> Wholly-owned broker-deal subsidiary engaged as dealer-manager for all retail product offerings Over \$4 billion of capital raised to date with over \$5 billion of current effective products Manage public non-traded vehicles earning asset management, performance, acquisition and disposition fees 	6,836
Public Company	<ul style="list-style-type: none"> NorthStar Realty Europe Corp. 	<ul style="list-style-type: none"> Manage NYSE-listed European equity REIT Earns base management fee with potential for incentive fees 	2,109
Townsend	<ul style="list-style-type: none"> Segregated Mandates Commingled Funds Advisory Services 	<ul style="list-style-type: none"> 84% investment in The Townsend Group Manage custom portfolios and fund-of-funds primary invested in direct real estate funds Source co-investments and joint ventures alongside GPs Fees comprised of recurring investment management fees, recurring advisory fees, and performance fees 	14,229
Pro Rata Corporate Investments	<ul style="list-style-type: none"> RXR Realty American Healthcare Investors Steelwave Hamburg Trust 	<ul style="list-style-type: none"> CLNS recognizes at-share earnings from underlying pro rata corporate investments 27% investment in RXR Realty, a real estate owner, developer and investment management company with over \$15 billion of AUM 43% investment in American Healthcare Investors, a healthcare investment management firm and sponsor of non-traded vehicles with \$2.9 billion of AUM 	7,132
Total			\$ 40,320

Notes:

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

(2) Capital raised includes amounts raised by Colony Capital, LLC since its inception in 1991.

VIIIc. Investment Management - Retail Companies



(\$ in thousands, except as noted; as of June 30, 2017, unless otherwise noted)

	NorthStar Income	NorthStar Healthcare	NorthStar Income II	NorthStar/RXR NY Metro Real Estate ⁽¹⁾	NorthStar Real Estate Capital Income Fund	Total
Capital Raising Status	Completed July 2013	Completed January 2016	Completed November 2016	Active	Active	
Primary Strategy	CRE Debt	Healthcare Equity and Debt	CRE Debt	NY Metro Area CRE Equity and Debt	CRE Debt	
Offering Size	\$1.2 billion ⁽²⁾	\$2.1 billion ⁽²⁾	\$1.65 billion ⁽²⁾	\$2.0 billion ⁽²⁾	\$3.2 billion ⁽²⁾	\$10.15 billion

Capital Raised⁽³⁾

During Q2 2017	\$ 8,779	\$ 16,975	\$ 8,841	\$ 12,375	\$ 12,144	\$ 59,114
Year-to-date through 8-4-17	23,912	44,909	23,406	18,879	12,346	123,452
Inception to 8-4-17	1,310,624	1,914,051	1,162,867	29,389	12,346	4,429,277

Investments⁽⁴⁾

During Q2 2017	60,721	—	34,000	9,500	15,761	119,982
As of 6-30-17	1,553,806	3,415,706	1,830,741	20,531	15,761	6,836,545
Cash as of 6-30-17	174,567	135,639	125,792	12,150	109	448,257

Fees earned during Q2 2017

Asset management fees	4,542	8,386	5,454	42	9	18,433
Acquisition fees	—	51	340	—	—	391
Disposition fees	1,278	—	138	—	—	1,416
Total fees	\$ 5,820	\$ 8,437	\$ 5,932	\$ 42	\$ 9	\$ 20,240

Notes:

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

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

(3) Includes amounts contributed by CLNS.

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



APPENDICES



Assets Under Management ("AUM")

Refers to assets 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 generally based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at June 30, 2017, while retail companies and NorthStar Realty Europe are presented as of August 4, 2017. AUM further includes a) uncalled capital commitments and b) for corporate investments in affiliates with asset and investment management functions, includes the Company's pro-rata share assets of each affiliate as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company's calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

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

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

ADR: Average Daily Rate

RevPAR: Revenue per Available Room

UPB: Unpaid Principal Balance

PCI: Purchased Credit-Impaired

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



(\$ in thousands; for the three months ended June 30, 2017)

NOI and EBITDA Determined as Follows	Healthcare	Industrial	Hospitality	Other Equity and Debt—Net Lease Properties
Total revenues	\$ 159,357	\$ 56,125	\$ 221,522	\$ 20,154
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(8,385)	(1,150)	(13)	(548)
Property operating expenses ⁽¹⁾	(72,460)	(16,195)	(139,818)	(3,308)
Compensation expense ⁽¹⁾	—	(310)	—	—
NOI or EBITDA⁽²⁾	\$ 78,512	\$ 38,470	\$ 81,691	\$ 16,298

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

	Healthcare	Industrial	Hospitality
Net income (loss) from continuing operations	\$ (11,394)	\$ 9,100	\$ 5,750
Adjustments:			
Straight-line rent revenue and amortization of above- and below-market lease intangibles	(8,385)	(1,150)	(13)
Interest expense	47,844	7,934	35,884
Transaction, investment and servicing costs	1,566	26	3,049
Depreciation and amortization	49,577	25,804	33,508
Compensation and administrative expense	2,003	2,733	2,385
Gain on sale of real estate assets	—	(8,695)	—
Other (gain) loss, net	(2,489)	—	219
Earnings from investments in unconsolidated ventures	—	(28)	—
Income tax (benefit) expense	(210)	2,746	909
NOI or EBITDA	\$ 78,512	\$ 38,470	\$ 81,691

Notes:

- (1) For healthcare and hospitality, property operating expenses includes property management fees paid to third parties. For industrial, there are direct costs of managing the portfolio which are included in compensation expense.
 (2) For other equity and debt - net lease properties, NOI includes approximately \$0.3 million related to an asset sold during the second quarter 2017.

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



(\$ in thousands; for the three months ended June 30, 2017)

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

	Other Equity and Debt
Net income from continuing operations	\$ 185,630
Adjustments:	
Property operating income of other real estate equity	(45,815)
Straight-line rent revenue and amortization of above- and below-market lease intangibles for net lease real estate equity	(548)
Interest income	(109,582)
Fee and other income	(4,422)
Property operating expense of other real estate equity	21,936
Interest expense	35,630
Transaction, investment and servicing costs	6,383
Depreciation and amortization	26,894
Provision for loan loss	1,067
Impairment loss	12,761
Compensation and administrative expense	8,594
Gain on sale of real estate assets	(6,495)
Other loss, net	3,114
Earnings of investments in unconsolidated ventures	(119,554)
Income tax expense	705
NOI of net lease real estate equity	\$ 16,298
Less: asset sold during the second quarter 2017	(250)
NOI of net lease real estate equity, excluding assets sold during the second quarter 2017	\$ 16,048