



Fortress Investment Group

Investor Day – May 30, 2007

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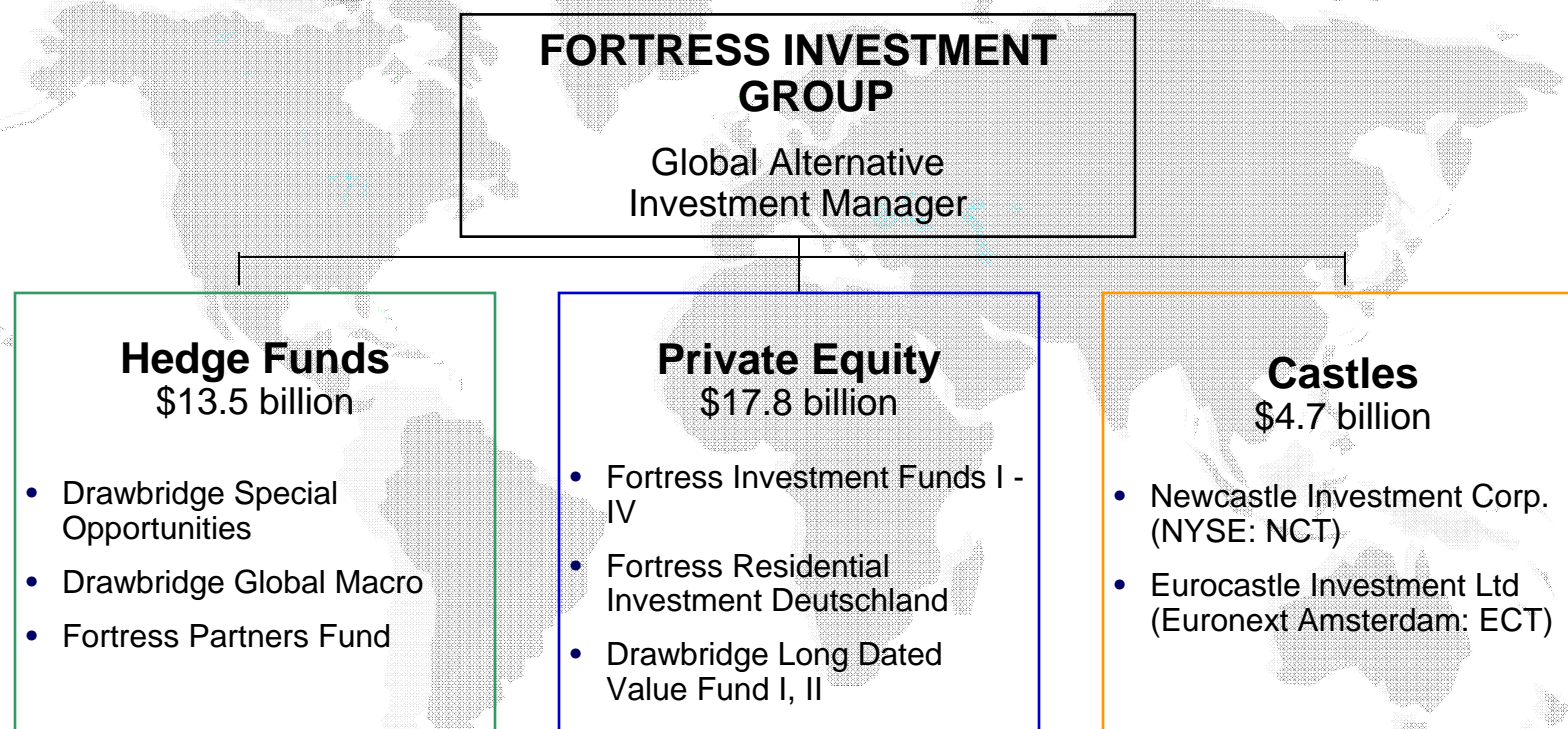
No offer to purchase or sell securities. This presentation does not constitute an offer to sell or a solicitation of an offer to buy any security and may not be relied upon in connection with the purchase or sale of any security. Any such offer would only be made by means of a formal offering document.

Internal rates of return. To our knowledge, there are no established standards for the calculation of internal rates of return for private equity portfolios. The use of another methodology than the one used herein may result in a different, and possibly lower, internal rate of return.

Past Performance. In all cases where historical performance is presented, please note that past performance is not a reliable indicator of future results.

Overview of Fortress

- Global alternative asset manager with approximately \$36 billion in assets under management
- Over 600 employees with headquarters in New York and affiliate offices worldwide
- Fortress has three primary business lines with a broad investor base



Note: As of March 31, 2007.

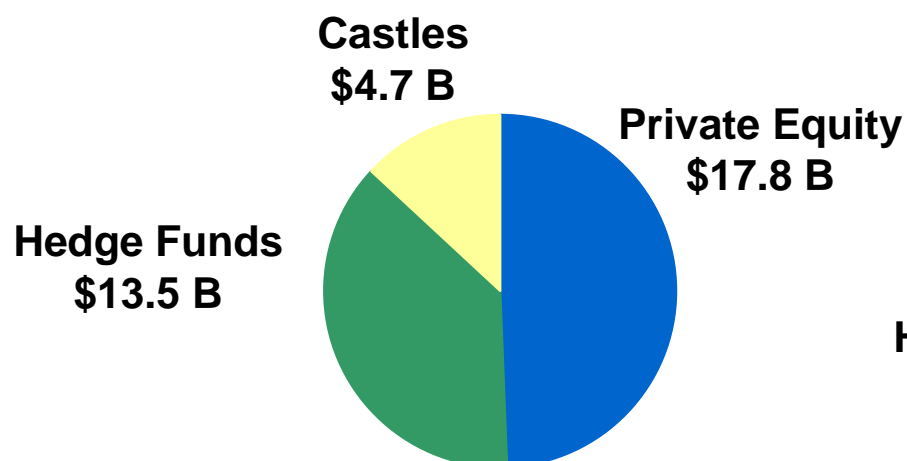


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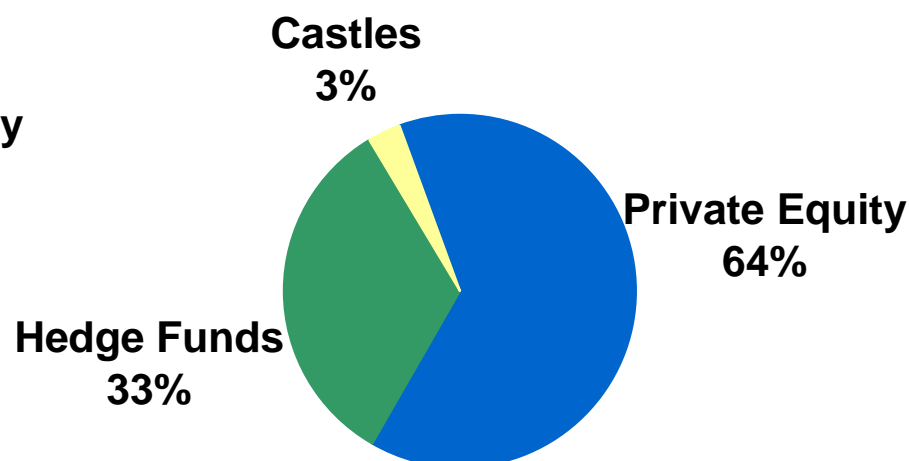
Our Business

- We raise, invest and manage alternative investment products
- Unique blend of private equity, hedge funds and permanently capitalized companies
- Combination intended to provide Fortress with a stable, growing income stream

Assets Under Management



Contribution to Distributable Earnings⁽¹⁾



(1) Distributable Earnings is a non-GAAP measure of performance. Percentages as of March 31, 2007.



Financial and Operating Highlights

- Distributable Earnings (DE) is a fundamental metric to evaluate our business

1Q 2007

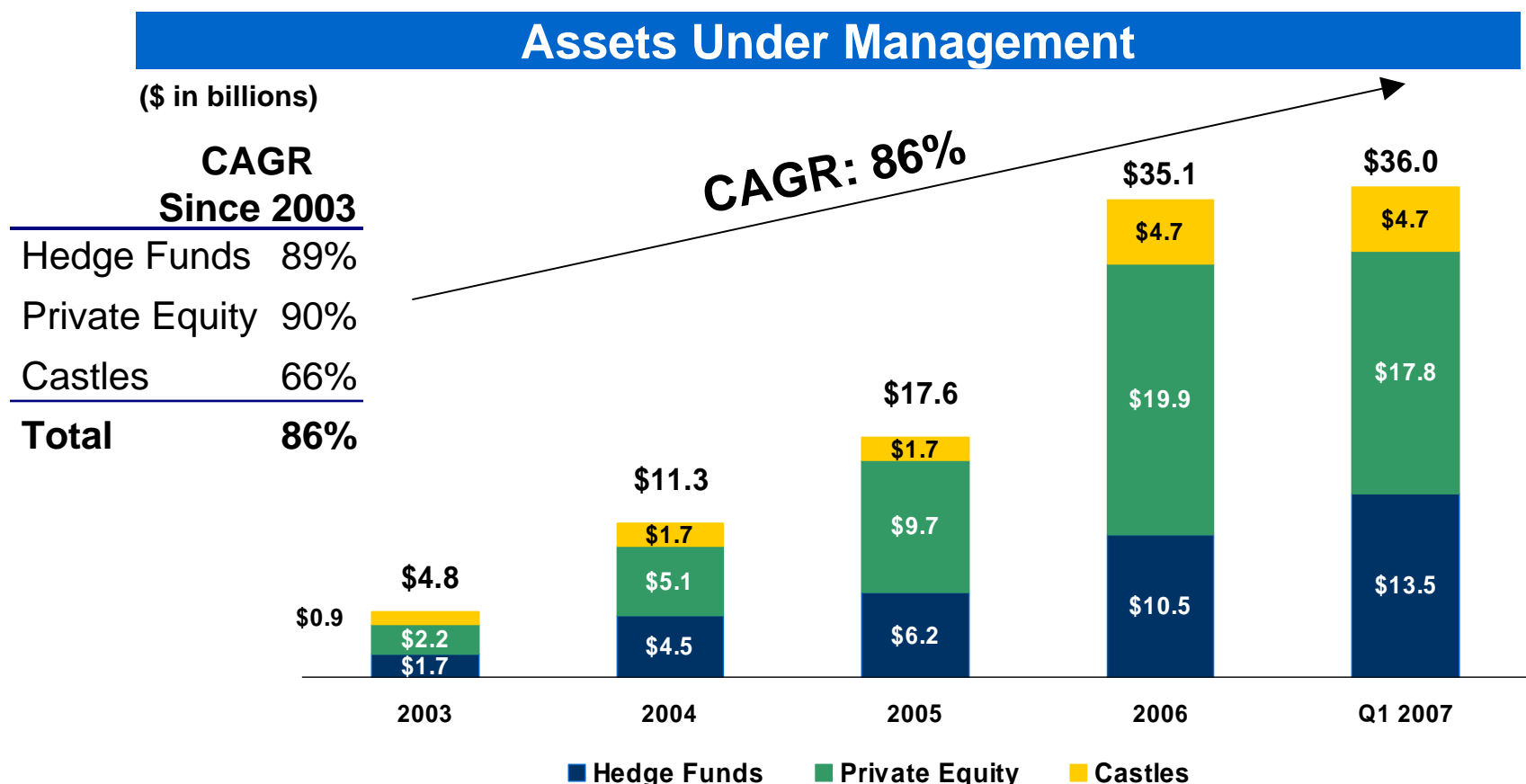
Total AUM	\$36B
Segment Revenues	\$383M
Operating Margin	54%
Pre-Tax Distributable Earnings	\$220M
Pre-Tax DE per Dividend Paying Share	\$0.55
Annualized Dividend per Share	\$0.85
Dividend Yield ⁽¹⁾	3.1%
Dividend Paying Shares	430,793,790

(1) Based on share price as of May 23, 2007.



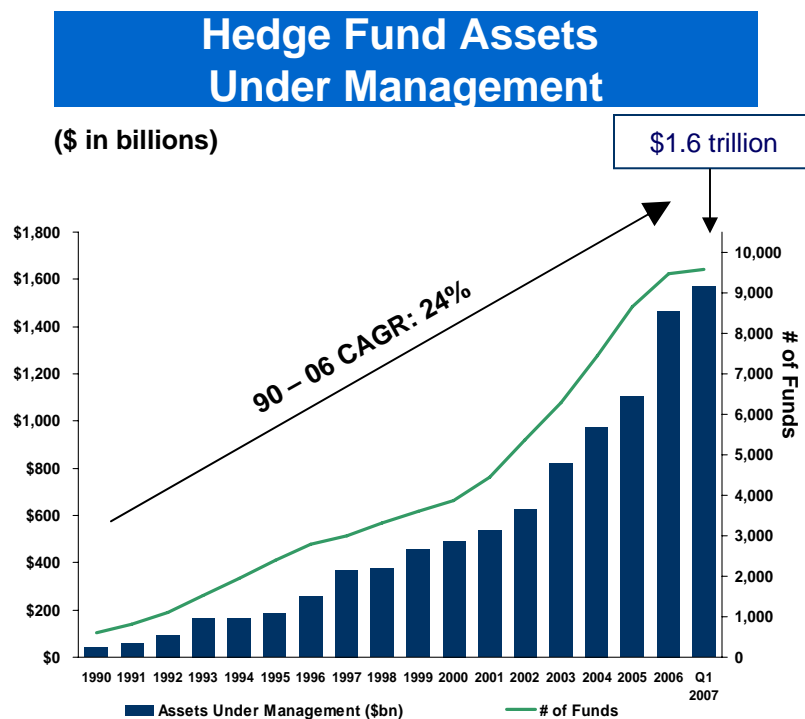
Our History

- Founded in 1998 as an asset-based investment management firm focused on performance
- Significant growth in assets experienced in the last several years

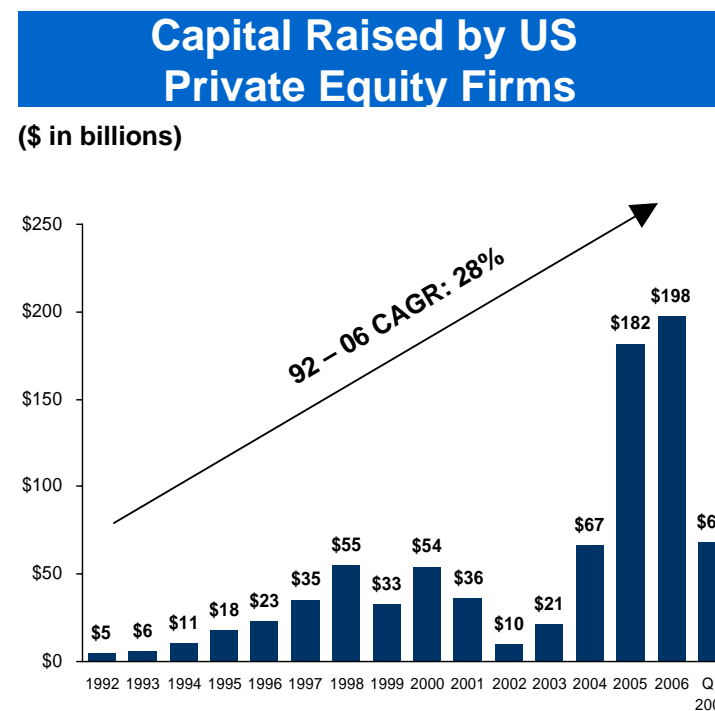


Growth of Hedge Funds and Private Equity

- Alternative investments constitute one of the fastest growing sectors
- From a niche industry for wealthy individuals, it has turned into a mainstream industry for institutions seeking high return/low volatility investments uncorrelated to their other assets



Source: Hedge Fund Research Industry Report Q1 2007.



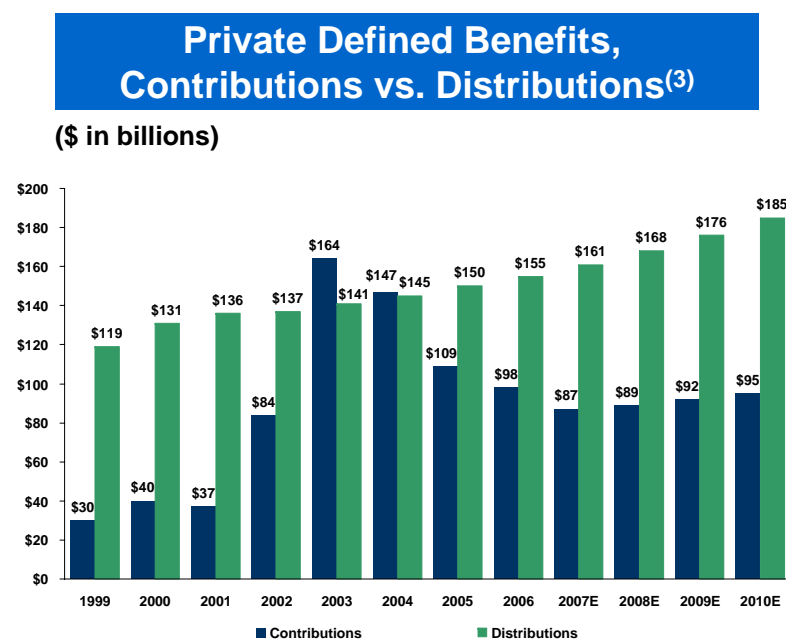
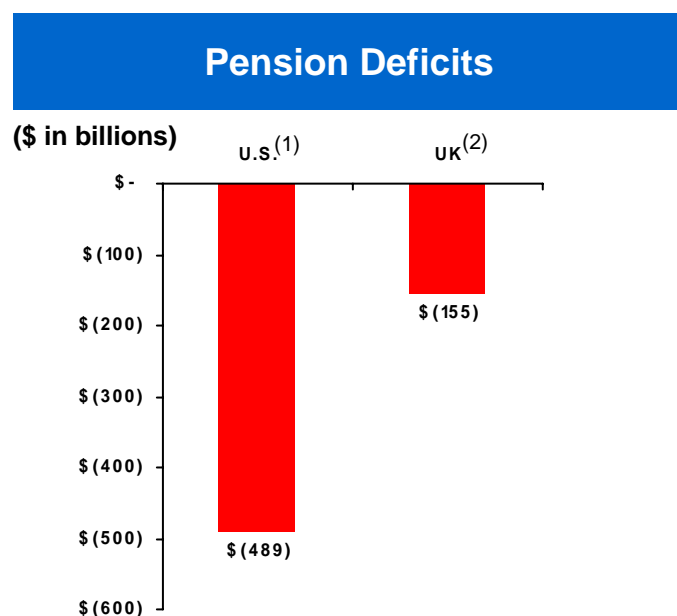
Source: BUYOUTS Magazine.



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Continued Demand for Alternatives

- Aging populations across the world and pension plan asset/liability mismatch are expected to fuel demand for alternative investments
- Aggregate pension deficits in the U.S. for all under-funded plans total approximately \$489 billion (£79.3 billion in the UK)



(1) Data from PBGC 2005 Databook, published in June 2006.

(2) Data from UK Pension Regulator's Purple Book, published in December 2006.

(3) 2000-2010 estimated by Morgan Stanley Research. Source: Department of Labor – Private Pension Plan Bulletin No. 12, Federal Reserve, company reports, Morgan Stanley Research.



Our Objectives

- Target 20% to 25% annual growth
- Expand private equity and hedge fund products
- Expand geographically

Hybrid Hedge Funds – Special Opportunities

Overview

- AUM of approximately \$7.5 billion⁽¹⁾
- Targeting risk free rate plus 5% to 10% net

Investments

- Asset-based transactions
- Loan originations
- Corporate securities

Fortress Partners Fund (New Fund)

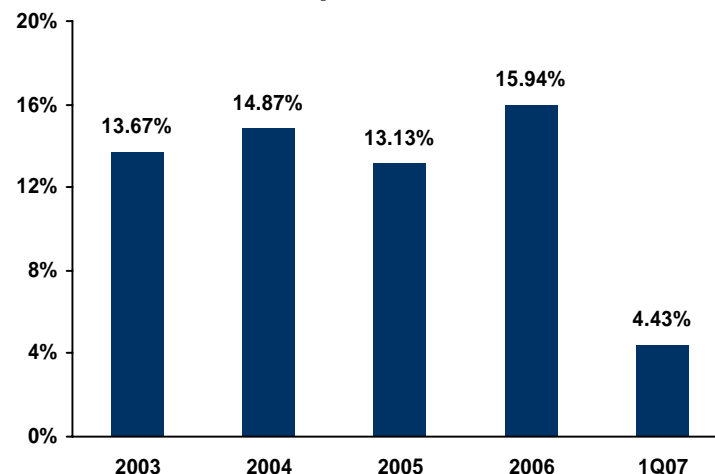
- Endowment strategy – invest in Fortress funds, other managed funds, as well as direct co-investments

Investment Process

- Highly diversified
- 500+ investments
- Idiosyncratic risk

Historical Net Returns⁽²⁾

- Consistent performance



(1) As of March 31, 2007.

(2) Returns for Drawbridge Special Opportunities Fund LP only.

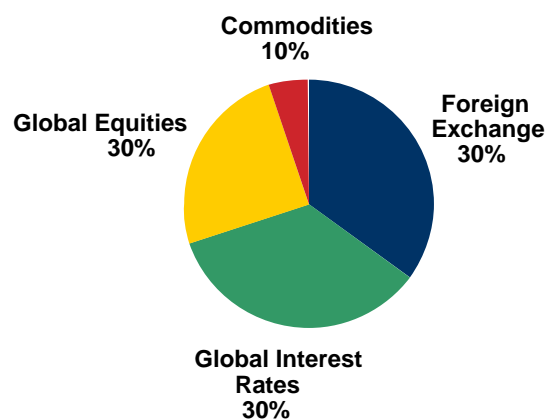


Liquid Hedge Funds – Global Macro

Overview

- AUM of approximately \$5.9 billion⁽¹⁾
- Targeting 15% to 20% net annual returns

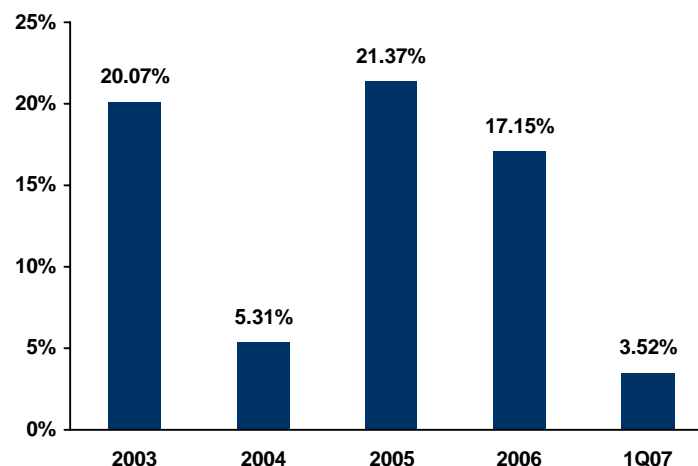
Target Asset Mix



Investment Process

- Top-down investing
- Dedicated risk management team
- Traders limited by VAR, volatility, maximum losses and position concentration

Historical Net Returns⁽²⁾



(1) As of March 31, 2007.

(2) Returns for Drawbridge Global Macro Fund Ltd only.



Private Equity

- Fortress is one of the world's largest private investors with \$17.8 billion⁽¹⁾ under management
 - Cash-flowing
 - Asset-based
- In May, we launched Fund V (initially closed \$2.8 billion of third party commitments)

Investment	Inception Date	Total Capital Commitments	Equity Invested/ Committed	Remaining Equity Invested	Net IRR
(\$ millions)					
Fund I	Nov-99	\$ 872.8	\$ 946.1	\$ 74.7	31.7%
Fund II	Jun-02	1,250.0	1,619.4	507.5	68.4%
Fund III	Sep-04	2,170.2	1,963.2	1,834.4	37.2%
Fund IV	Mar-06	3,045.1	470.0	470.0	33.8%
Coinvestment Funds	Various	4,020.2	1,968.1	1,861.1	39.0%
Long Dated Funds	Various	496.4	342.5	334.6	12.2%
Total All Investments		\$ 11,854.7	\$ 7,309.3	\$ 5,082.3	39.7%

Note: Data in table as of September 30, 2006.

(1) As of March 31, 2007.



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Private Equity Surplus

- Surplus provides high visibility of future performance fees

Public Companies

(\$ in millions)

	Market Value
7 Public Companies Total	\$ 10,926
Basis	\$ (4,856)
Total Promotable Dollars	\$ 6,070
Promotable Dollars ⁽¹⁾	\$ 5,723
Maximum Eligible Performance Fee %	20.0%
Total Potential Performance Fee	\$ 1,146
Potential Performance Fees ⁽²⁾⁽³⁾	\$ 711

Note: Public company market data as of March 31, 2007.

(1) 94.3% is fee paying.

(2) 62.0% is Fortress's retained percentage of fees after minority interest.

(3) Assumes all incentive income thresholds specified in applicable fund agreements are met.



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Private Equity Surplus

Private Companies

- Initial invested capital of \$6.1 billion
- Profits distributed to date of \$510 million
- New commitments made of \$3.3 billion

Castles



Eurocastle Investment Ltd.

€2.6 billion⁽²⁾ Market Cap

IPO: June 2004

Traded: Euronext Amsterdam

Euro denominated closed-end investment company that invests in and manages a portfolio primarily of German commercial real estate assets

Dividend Yield: 4.5%

	IPO	Current	Annualized Growth
Stock Price	€ 12.00	€ 40.20	51%
Dividend	€ 1.20	€ 1.80	15%
Market Cap	€222mm	€ 2.6bn	131%



Newcastle Investment Corp.

\$1.5 billion⁽²⁾ Market Cap

IPO: October 2002

Traded: NYSE

U.S. real estate investment and finance company taxed as a REIT that invests in real estate securities and credit leased real estate

Dividend Yield: 9.6%

	IPO	Current	Annualized Growth
Stock Price	\$ 13.00	\$ 28.83	19%
Dividend	\$ 1.60 ⁽³⁾	\$ 2.76	13%
Market Cap	\$ 305mm	\$ 1.5bn	42%

(1) As of March 31, 2007.

(2) Market data as of May 25, 2007.

(3) NCT's dividend immediately prior to IPO.



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How To Keep Track of Us

Hedge Funds

- AUM
- Net flows
- Fund returns

+

Private Equity

- AUM
- New capital
- Realizations
- Surplus

+

Castles

- AUM
- New capital
- Returns





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