



Fortress Investment Group

Credit Suisse 2010 Financials Conference

May 18, 2010

Macquarie Global Securities Conference 2010

May 19, 2010

Disclaimer

General. This disclaimer applies to this presentation and the verbal or written comments of any person presenting it. This presentation, taken together with any such verbal or written comments, is referred to herein as the “Presentation.” Fortress Investment Group LLC, taken together with its affiliates, is referred to herein as “Fortress.”

Operating Results Are Not GAAP Measures. Operating measures, including, but not limited to, distributable earnings, fund management distributable earnings, pre-tax distributable earnings and EBITDA are supplemental measures of our operating performance that management believes provide a meaningful basis for comparison between present and future periods and our business. These measures are not prepared in accordance with GAAP. These measures should not be considered as alternatives to cash flow in accordance with GAAP or as measures of our liquidity, and are not necessarily indicative of cash available to fund cash needs (including dividends and distributions). A reconciliation of these supplemental measures of performance to net income is provided in our Annual Reports for the years ended December 31, 2008 and 2009 on Form 10-K and our Quarterly Report for the quarter ended March 31, 2010.

Forward-looking Information. The Presentation may contain forward-looking statements or information which reflect Fortress’ current views with respect to, among other things, future events and financial performance. These forward-looking statements or information may be identified by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of those words or other comparable words. Any forward-looking statements or information contained in the Presentation are based upon Fortress’ historical performance and on its current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by Fortress or any other person that the future plans, estimates or expectations contemplated by Fortress will be achieved. Such forward-looking statements or information are subject to various risks and uncertainties and assumptions relating to Fortress’ operations, financial results, financial condition, business prospects, growth strategy and liquidity. If one or more of these or other risks or uncertainties materialize, or if the assumptions made by Fortress underlying such forward-looking information prove to be incorrect, Fortress’ actual results may vary materially from those indicated in those statements or information. Accordingly, you should not place undue reliance on any forward-looking statements or information. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements and risks that are included in the offering documents and in Fortress Investment Group LLC’s Annual Report on Form 10-K for the year ended December 31, 2009 and in other reports filed by it with the Securities and Exchange Commission. Neither Fortress nor any of its representatives undertakes any obligation to update or review any forward-looking statement or information, whether as a result of new information, future developments or otherwise.

Risk Factors. We face a variety of significant and diverse risks, many of which are inherent in our business. Certain risks that we currently believe could materially affect us are described in our Annual Report for the year ended December 31, 2009 on Form 10-K.

Distribution of the Presentation. By accepting receipt or reading any portion of the Presentation or attending any portion of the verbal presentations to which the Presentation relates, you expressly agree that you will treat the Presentation confidentially. Fortress expressly prohibits any redistribution of the Presentation without the prior written consent of Fortress. The Presentation is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use is contrary to law, rule or regulation.

Fortress Investment Group

- \$41.6 billion global alternative asset manager ⁽¹⁾
- Public company – transparent, strong governance
- Over 1,000 institutions and private LP investors

A STRONG, DIVERSE BUSINESS MODEL

- Long-term fund structure – 80% of assets in long lock-up structures ⁽²⁾
- Stable, supportive base fee income – and growing



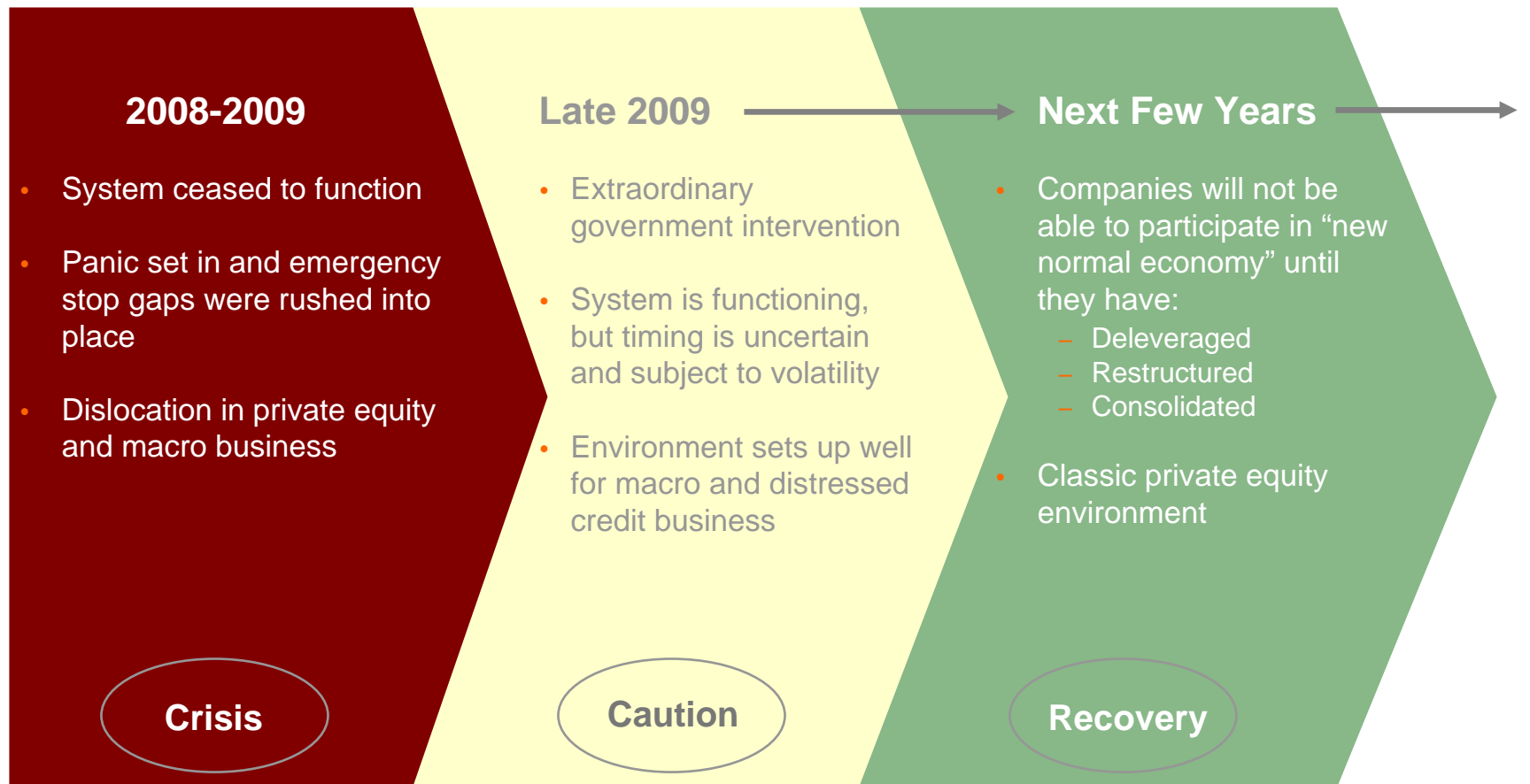
WELL-POSITIONED AND GROWING

- Current market environment exceptionally suited to Fortress capabilities
- Competitive advantage to established firms with deep institutional relationships, strong distribution, global presence and broad product set

(1) Amount gives pro-forma effect to the acquisition of Logan Circle Partners in April 2010. As of the acquisition date on April 16, 2010, Logan Circle Partners had approximately \$11.4 billion of assets under management

(2) Defined as capital which has a term of three years or longer at inception and which cannot be redeemed at the option of the investor during that term. Page 3 Additional detail regarding fund lock-up structures is contained in our quarterly report on Form 10-Q for the quarter ended March 31, 2010

Market View



Advantage to established firms with deep institutional relationships, strong distribution, global presence and broad product set

Investment Strategies – Increase Depth, Build Scope

PRIVATE EQUITY

Take control of investments in asset based businesses

- Durable financing
- Access capital markets
- Drive operating efficiency and control costs
- Move platforms into growth opportunities

CREDIT FUNDS

Invest in The Great Liquidation

- Buy at deep discount to absorb value destruction
- Use servicing / management capability to profit from complex situations
- Seek debt for asset control via restructuring

LIQUID FUNDS

Take advantage of imbalances in global markets

- Understand global macro factors (government, economics, business cycles, consumer trends)
- Manage risk through diversity and liquidity
- Produce consistent, top tier performance

ASSET MANAGEMENT

Expand Scope Prudently

- Logan Circle acquired in April 2010
 - Long-only fixed income asset manager with \$11.4 billion AUM
 - High quality management team led by Jude Driscoll
 - Paid ~\$21 million in cash with potential additional 2011 payment

A challenging market – exceptionally suited to Fortress capabilities

A Public Company – Strong Foundation

INSTITUTIONAL FOUNDATION

- Listed on the NYSE and regulated by the SEC as a registered investment advisor
- Senior unsecured ratings from FITCH of BBB and S&P of BBB-, both with a stable outlook
- Consolidated and coordinated Capital Formation Group
- Consistent firm-wide investment process and risk management

GOVERNANCE

- Strong Board with fully independent audit and compensation committees
- Principals intimately involved in day-to-day investments and operations
- Regular Management Committee meetings
- Regular updates and reviews of financial results and quarterly forecast revisions
- Corporate wide compliance function

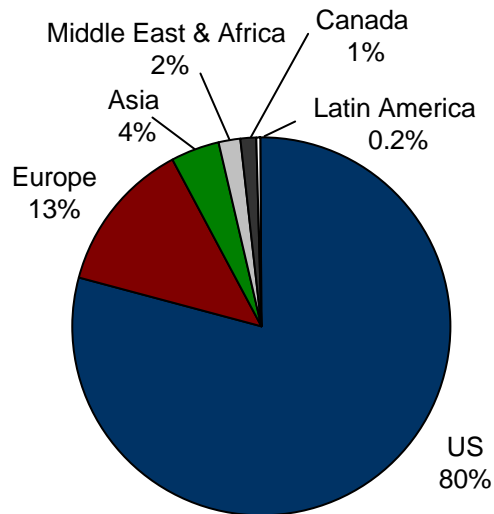
ALIGNMENT

- Structure maximizes investment teams' focus on performance – managerial focus on institution
- ~70% owned by employees / directors
- Performance based compensation
- Employee stock alignment

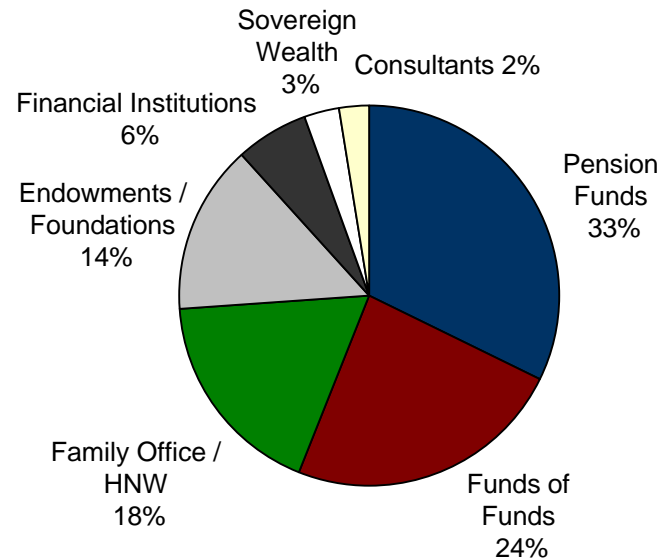
Strong Investor Base – Opportunity for Expansion

- Fortress Funds are owned by ~1,000 leading institutions and private investors

Investor Location by Amount Invested ⁽¹⁾



Investor Base (47 Funds / Managed Accounts)



Note: Investor breakdown based on amount invested as of February 28, 2010

(1) Location of investor was determined using a methodology that may not be comparable to the methodology used by other companies

Stable Base of Assets Under Management

- 80% of Funds (by fee-paying AUM) have long lock-up structure ⁽¹⁾

Long
Lock-up
80%

Fund	Life of Business ⁽²⁾	Redemption Rights	03/31/10 AUM (\$bil)	Share (%)
PRIVATE EQUITY			\$14.6	48.3%
Fortress Investment Funds I-V and others	10 yrs ⁽³⁾	None	\$11.4	
Fortress Mortgage Opportunities Funds	5 yrs	None	\$0.1	
Castles	Perpetual	None	\$3.1	
CREDIT FUNDS			\$11.3	37.5%
Drawbridge Special Opportunities Funds	Perpetual	Annual election to convert interest to private equity style payout	\$5.1	
Fortress Credit Opportunities Funds	12 yrs	None	\$0.9	
Fortress Japan Opportunities Funds	9 yrs	None	\$0.5	
Drawbridge Long Dated Value Funds	25 yrs	None	\$0.7	
Drawbridge Real Assets Funds	10 yrs	None	\$0.2	
Worden Fund	Perpetual	PE Style redemption	\$0.1	
Fortress Value Recovery Funds	Perpetual	None ⁽⁴⁾	\$2.3	
Fortress Partners Funds	Perpetual	3 yr lock-up (with annual redemption)	\$1.6	5.2%
Managed Accounts	5 - 10 yrs	Various	\$0.1	0.2%
LIQUID HEDGE FUNDS			\$4.3	14.1%
Drawbridge Global Macro Funds ⁽⁵⁾	Perpetual	Monthly & Quarterly redemptions	\$0.8	
Fortress Macro Funds	Perpetual	Monthly & Quarterly redemptions	\$2.3	
Fortress Commodities Funds	Perpetual	Monthly & Quarterly redemptions	\$0.9	
Managed Accounts	5 - 10 yrs	Various	\$0.3	

- (1) Defined as capital which has a term of three years or longer at inception and which cannot be redeemed at the option of the investor during that term. Additional detail regarding fund lock-up structures is contained in our quarterly report on Form 10-Q for the quarter ended March 31, 2010
- (2) Includes all potential extensions
- (3) Maturity of funds ranges from 2010 to 2018
- (4) The VRF Funds are being managed through an orderly liquidation by Fortress. Although investors cannot voluntarily redeem from the funds, it is Fortress's stated intent to return capital to investors in an orderly fashion
- (5) Does not include subsequent redemption payouts of approximately \$0.3 billion in April 2010

1Q 2010 Highlights – Positive Momentum

ASSETS UNDER MANAGEMENT ⁽¹⁾

- \$41.6 billion at March 31, 2010
- +31% since 2009

FEE BASED EARNINGS

- \$207 million of fee revenues
- \$92 million of net fee earnings
- Operating margin of 44%

CAPITAL RAISING

- Raised \$890 million in new capital in 1Q 2010
- Approximately \$1 billion raised through April

FUND PERFORMANCE

- Drawbridge Macro Fund +3.7% in 1Q 2010
- Drawbridge Special Opportunities +6.9% in 1Q 2010

(1) Amount gives pro-forma effect to the acquisition of Logan Circle Partners in April 2010. As of the acquisition date on April 16, 2010, Logan Circle Partners had approximately \$11.4 billion of assets under management

Alternative Business Model – Long-term Revenue Stream

- In our alternative asset management business, we manage funds and accounts totaling \$30.2 billion of fee paying AUM at March 31, 2010
- Generated \$92 million of Fund Management Distributable Earnings in the first quarter of 2010, resulting in a 44% operating margin from our fee earning business

<i>\$ in millions</i>	2006	2007	2008	2009	1Q 2010
Ending AUM	\$21,165	\$32,930	\$29,229	\$31,476	\$30,197
Management Fees	\$294	\$470	\$598	\$424	\$108
Incentive Income	436	611	(63)	75	99
Total Revenues	730	1,081	535	499	207
Operating Expenses / Unallocated	(178)	(274)	(290)	(244)	(65)
Profit Sharing Comp	(241)	(283)	(29)	(47)	(50)
Total Expenses	(419)	(557)	(319)	(291)	(115)
Total Fund Mgmt DE (Fee Earnings)	\$311	\$524	\$216	\$208	\$92
<i>Operating Margin</i>	<i>43%</i>	<i>48%</i>	<i>40%</i>	<i>42%</i>	<i>44%</i>
Principal Investments	86	28	(378)	(82)	4
Pre-Tax DE	\$397	\$552	(\$162)	\$126	\$96

Stable, long-term management fees from diverse business lines and variable cost structure

Fortress Investment Group Balance Sheet

- Equity is \$618 million as of March 31, 2010

	3/31/10	12/31/09	
Assets			
Cash and cash equivalents	\$ 223	\$ 197	
Due from affiliates	101	65	
Investments (GP Investments in Funds)	878	867	Private Equity \$ 543mm
Deferred tax asset	443	441	Credit Funds 321mm
Other assets	89	91	Liquid Hedge Funds 14mm
	<u>\$ 1,736</u>	<u>\$ 1,660</u>	Total \$ 878mm
Liabilities and Equity			
Liabilities			
Accrued compensation and benefits	\$ 65	\$ 131	
Due to affiliates	363	346	
Deferred incentive income	227	160	
Debt obligations payable	370	398	
Other liabilities	58	26	
	<u>1,083</u>	<u>1,061</u>	
Commitments and Contingencies			
Equity			
Total Fortress shareholders' equity	278	261	
Principals' and others' interests in equity of consolidated subsidiaries	375	338	
Total Equity	653 ⁽¹⁾	599	
	<u>\$ 1,736</u>	<u>\$ 1,660</u>	

(1) Includes \$35 million of employees' investment in Fortress consolidated subsidiaries