

Fortress Investment Group LLC

Earnings Supplement

Fourth Quarter 2015



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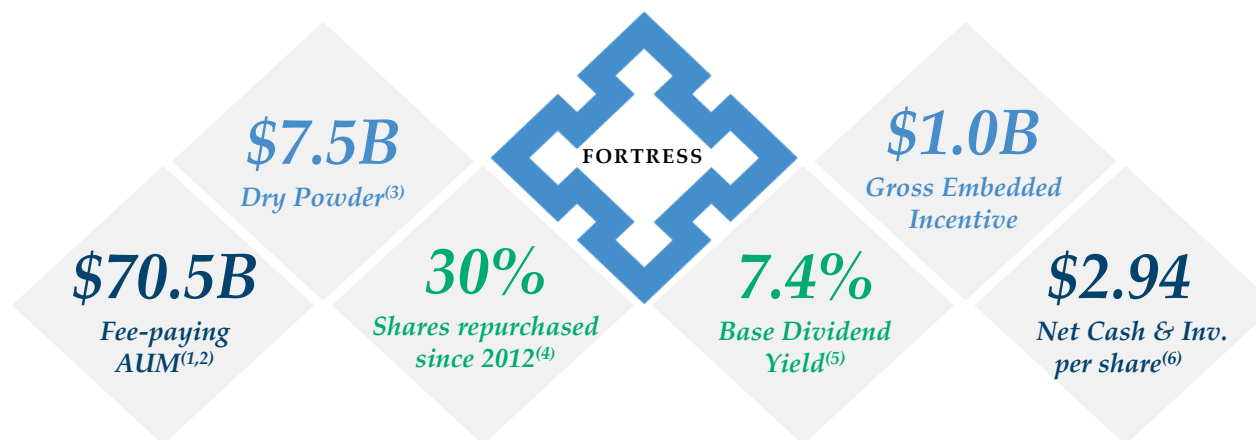
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Non-GAAP Financial Data Information. Distributable Earnings (“DE”) is the primary metric used by management to measure Fortress’s operating performance. Consistent with GAAP, DE is the sole measure that management uses to manage, and thus report on, Fortress’s segments. DE differs from GAAP net income in a number of material ways. For a detailed description of the calculation of pre-tax DE and fund management DE, see Appendix slide #3a. Fortress aggregates its segment results to report consolidated segment results, as shown in Slide 3. The consolidated segment results are non-GAAP financial information. Consolidated segment results should not be considered a substitute for Fortress’s consolidated GAAP results. See Appendix Slide #3 for reconciliations of the components of Fortress’s consolidated segment results to the comparable GAAP measures. Fortress also uses weighted average dividend paying shares and units outstanding (used to calculate pre-tax DE per dividend paying share) and net cash and investments. See Appendix Slide #4 for reconciliations of these measures to the comparable GAAP measures.

Fortress Snapshot: 4Q 2015

Fortress Investment Group LLC (NYSE: FIG) is a highly diversified, global investment manager with \$70.5 billion^(1,2) of fee-paying AUM managed on behalf of over 1,700 investors worldwide



Alternative Businesses				Traditional Fixed Income
Credit & Real Estate	Private Equity	Permanent Capital	Liquid Markets	Logan Circle
Distressed assets and securities, special situations, real estate	Control-oriented equity investments	Six externally managed public companies	Trading in global markets; equity stake in Affiliated Managers	Actively managed, long-only fixed income
\$18.1bn ⁽¹⁾ of AUM	\$9.0bn of AUM	\$6.8bn of AUM	\$5.4bn ⁽²⁾ of AUM	\$31.2bn of AUM

(1) Includes \$2.9 billion of AUM related to co-managed funds.

(2) Includes \$4.5 billion of AUM related to Affiliated Managers.

(3) Includes \$2.8 billion only available for follow-on investments, management fees and other fund expenses.

(4) Based on 51.3 million shares repurchased in December 2012, 60.6 million shares repurchased in February 2014 and 56.8 million shares repurchased in November 2015.

(5) Based on base dividends of \$0.32 per share for FY 2015 and FIG's stock price as of February 24, 2016.

(6) Net Cash & Investments, which is a non-GAAP financial measure, means cash & cash equivalents plus investments less debt outstanding. For a reconciliation of GAAP Book Value to Net Cash & Investments see appendix slide #5.

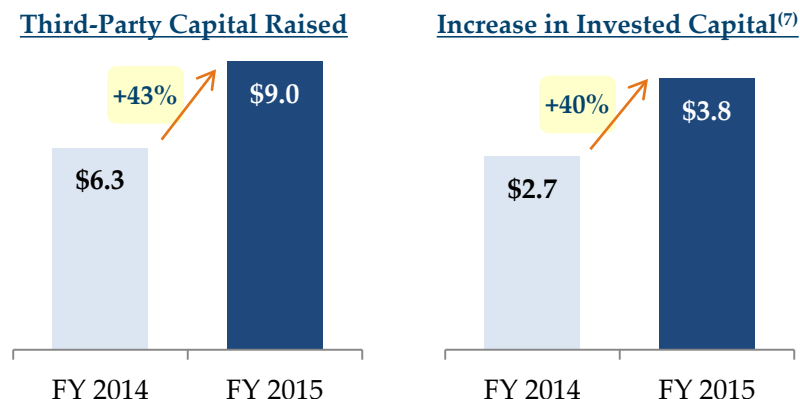
4Q and Full Year 2015 Highlights

- **Another year of strong financial performance:**
 - **Record fourth quarter** pre-tax distributable earnings (“DE”) of **\$130 million**, or **\$0.30 per share⁽¹⁾**
 - Full year pre-tax DE of **\$391 million**, or **\$0.87 per share⁽¹⁾**, including **record full year DE** of \$139 million from the Credit PE Funds and **record full year DE** of \$105 million from the Permanent Capital Vehicles
- **Robust 2015 fundraising activity:**
 - Raised **\$9.0 billion** of alternative capital in 2015, including **\$8.6 billion** in long-term or permanent structures
 - Closed three successor Credit PE funds in 2015 at their targeted caps, with over \$7 billion in total commitments
- **Invested \$256 million to repurchase 57 million shares from a retiring Principal and reduce share count by 13%**
 - Including dividends and a \$100 million cash payment to partially fund the share repurchase, distributed **\$0.54 per share⁽²⁾**, or **77% of FY 2015 after-tax DE⁽³⁾**

Year-over-Year Financial Results⁽⁴⁾ (millions)

	FY 2015	FY 2014	YoY Δ
Fee-Paying AUM ⁽⁵⁾	70,501	\$67,531	+4%
Segment Revenues ⁽⁶⁾	\$1,018	\$995	+2%
Segment Expenses	\$(621)	\$(693)	+10%
Fund Mgmt DE ⁽¹⁾	\$364	\$340	+7%

Capital Raised & Invested⁽⁷⁾ (billions)



(1) Pre-Tax Distributable Earnings and Fund Management Distributable Earnings are non-GAAP financial measures described in Fortress's fourth quarter 2015 earnings release. For a reconciliation of GAAP Net Income to Pre-Tax Distributable Earnings and Fund Management Distributable Earnings, please see Appendix slide #3.

(2) Based on annual base dividends of \$0.32 per share and \$0.22 per share related to a \$100 million cash payment used to partially fund the repurchase of 56.8 million shares completed in November 2015. 453 million Class A and B shares outstanding at time of closing.

(3) Based on FY 2015 tax rate of 20%.

(4) Fortress aggregates its segment results to report consolidated segment results. The consolidated segment results are non-GAAP financial information. Please see Appendix slide #3 for reconciliations of the components of consolidated segment results to the comparable GAAP measures.

(5) Includes \$2.9 billion of AUM related to the co-managed funds and \$4.5 billion of AUM related to Affiliated Managers as of December 31, 2015.

(6) For purposes of comparison, excludes revenues related to the Fortress Asia Macro Funds for FY 2014. In January 2015, the Fortress Asia Macro Funds and related managed accounts transitioned to Graticule Asset Management on Fortress's affiliated manager platform.

(7) For FY 2015, includes \$2.7 billion of capital called and \$1.1 billion of capital previously committed to Credit PE Funds that became fee-paying AUM.

Strong Financial Performance Across Key Metrics

Financial performance substantially improved since 2012 – the last time FIG shares traded at current levels

Key Metric	FY 2015	FY 2012	% Change
Earnings Per Share Growth ⁽¹⁾	\$0.70	\$0.48	+46% ↑
Base Dividend Per Share Growth	\$0.32	\$0.21	+52% ↑
Book Value Per Share Growth ⁽²⁾	\$2.94	\$2.40	+23% ↑
Net Accrued Carry Growth ⁽³⁾	\$1.24	\$0.67	+85% ↑
Book Value + Net Accrued Carry	\$4.18	\$3.07	+36% ↑
FIG Stock Price ⁽⁴⁾	\$4.35	\$5.16	-16% ↓

(1) Reflects after-tax DE per share. Based on Pre-Tax Distributable Earnings per share and full year tax rate of 8% and 20% for FY 2012 and FY 2015, respectively. Pre-Tax Distributable Earnings is a non-GAAP financial measure described in Fortress's fourth quarter 2015 earnings release. For a reconciliation of GAAP Net Income to Pre-Tax Distributable Earnings, please see Appendix slide #3.

(2) Reflects Net Cash & Investments per share. Net Cash & Investments, which is a non-GAAP financial measure, means cash & cash equivalents plus investments less debt outstanding. For a reconciliation of GAAP Book Value to Net Cash & Investments see appendix slide #5.

(3) Based on gross unrecognized incentive income of \$1.0 billion as of December 31, 2015; assumes profit-sharing margin of 50% and 397 million dividend paying shares outstanding as of December 31, 2015.

(4) For FY 2015, reflects FIG stock price as of February 24, 2016. For FY 2012, reflects FIG stock price adjusted for dividends as of February 28, 2013.

Dramatic Improvement Across Key Drivers of Future Earnings

Every major leading indicator of future earnings potential has improved dramatically since 2012

(millions)	FY 2015	FY 2012	% Change
Fee-Paying AUM ⁽¹⁾	\$70,501	\$53,430	+32% ↑
Permanent Capital AUM	\$6,816	\$3,660	+86% ↑
Permanent Capital % of Alt. AUM	17%	11%	+55% ↑
Dry Powder	\$7,472	\$6,150	+21% ↑
Alternative Capital Raised	\$8,992	\$6,685	+35% ↑
Management Fees ⁽²⁾	\$582	\$479	+22% ↑
Gross Incentive Income ⁽²⁾	\$436	\$278	+57% ↑
Gross Unrecognized Incentive Income	\$986	\$649	+52% ↑
Dividend Paying Shares Outstanding	397	485	-18% ↓

(1) For FY 2015, includes \$2.9 billion of AUM related to co-managed funds and \$4.5 billion of AUM related to Affiliated Managers.

(2) Fortress aggregates its segment results to report consolidated segment results. The consolidated segment results are non-GAAP financial information. Please see Appendix slide #3 for reconciliations of the components of consolidated segment results to the comparable GAAP measures.

Demonstrated Commitment to Delivering Lasting Value to Shareholders

Dividend policy calls for distribution of substantially all after-tax earnings in any given year

- Three major opportunistic repurchases since 2012 retired **~170 million shares at a weighted avg. price of ~\$4.70**^(1,2,3)
- FY 2015 DE payout ratio of 77% includes base dividends and \$100 million cash payment for November repurchase^(3,4)

FIG Shareholder Distributions Since 2012

<i>(per share)</i>	FY 2012	FY 2013	FY 2014	FY 2015	Total Since 2012
Base Quarterly Dividends	\$0.21	\$0.26	\$0.32	\$0.32	\$1.11
Top-up Dividends	-	-	\$0.48	⁽⁴⁾	\$0.48
Share Repurchases	\$0.34 ⁽¹⁾	\$0.73 ⁽²⁾	-	\$0.22 ⁽³⁾	\$1.29
Total	\$0.55	\$0.99	\$0.80	\$0.54	\$2.88
After-Tax DE⁽⁵⁾	\$0.48	\$0.80	\$0.80	\$0.70	\$2.78
DE Payout %	115%	124%	100%	77%	104%

(1) Repurchased 51.3 million shares in December 2012 for a total purchase price of \$180 million. 536 million Class A and B shares outstanding at time of purchase.

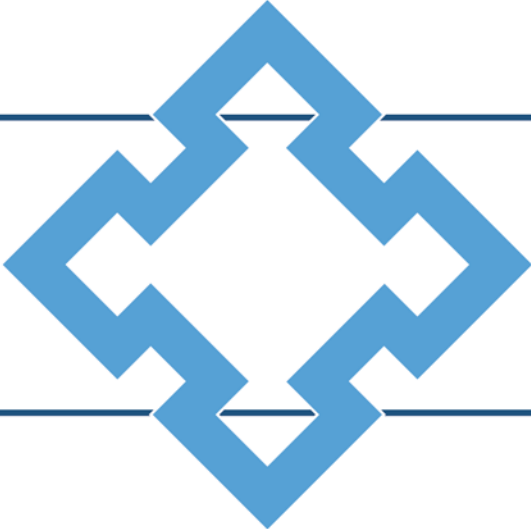
(2) Repurchased 60.6 million shares from Nomura Investment Managers U.S.A. ("Nomura") in February 2014 for a cash payment of \$363 million. 496 million Class A and B shares outstanding at time of purchase. Fortress also agreed to engage Nomura to provide certain financial advisory and financing services until February 2017. In connection with the agreement to engage Nomura to provide these services, Fortress estimated the fair value of the related liability to be approximately \$30 million, which has been recorded as a reduction to equity as part of the repurchase of Class A shares.

(3) Completed repurchase of 56.8 million shares in November 2015, funded with a \$100 million upfront cash payment and a \$156 million two-year promissory note. 453 million Class A and B shares outstanding at time of purchase.

(4) Fortress's Board of Directors has not yet made a final determination as to whether to declare a special dividend or the amount of any special dividend. No assurance can be given that Fortress will declare a special dividend, or the timing of any such declaration.

(5) Based on full year tax rate of 8%, 9%, 19% and 20% for FY 2012, FY 2013, FY 2014, and FY 2015, respectively.

Segment Overview

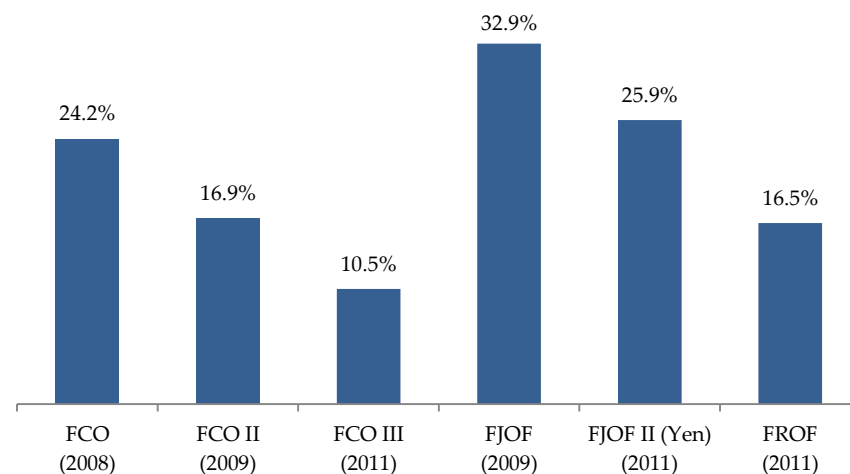


Credit Private Equity Funds

- Fourth quarter pre-tax DE of \$62 million drives record full year earnings of \$139 million
 - **\$90 million** of gross incentive income in the quarter and **\$244 million** in 2015
- Raised a record \$5.9 billion of capital in 2015, including final closes for three successor flagship funds
 - Closed **\$5.0 billion** next-generation Credit Opportunities fund, Fortress Credit Opportunities Fund IV
 - Closed **\$1.1 billion** next-generation Japan Real Estate fund, Fortress Japan Opportunity Fund III
 - Closed **\$1.0 billion** next-generation Global Real Estate fund, Fortress Real Estate Opportunities Fund II
- Substantial embedded value yet to impact earnings
 - **\$6.6 billion⁽¹⁾** of dry powder that will begin generating fees if invested
 - **\$867 million** of gross unrecognized incentive income, 96% of which resides in funds out of their investment period

Financial Results (\$ millions)	4Q 2015	3Q 2015	4Q 2014	FY 2015	FY 2014
Segment Revenues	122	99	159	362	351
Expenses ⁽²⁾	(72)	(66)	(98)	(244)	(242)
Fund Management DE	50	33	61	118	109
Net Investment Income	12	5	7	21	13
Pre-Tax DE	62	38	68	139	122
Fee-Paying AUM	9,308	8,356	6,955	9,308	6,955

Annualized Net Returns Since Inception⁽³⁾



(1) Includes \$2.7 billion of capital that is only available for follow-on investments, management fees and other fund expenses.

(2) Includes segment expenses and principal performance payments.

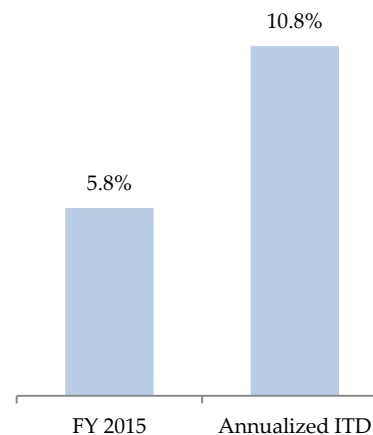
(3) For additional investment performance disclosure please see Appendix slide #2.

Credit Hedge Funds

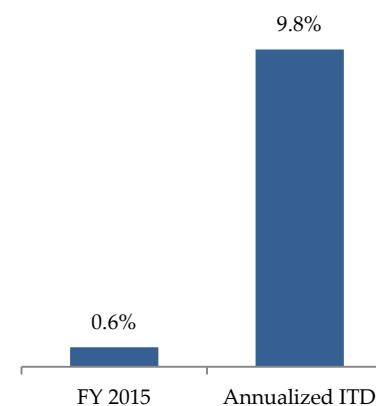
- Continue to extend track record of strong and consistent investment performance
 - 11% annualized inception-to-date net returns for DBSO LP (only one down year since fund's inception in 2002)
 - 27 quarters out of the last 28 quarters where DBSO LP has generated positive net returns
- All flagship Credit Hedge Fund NAV valued above HWMs at year end
 - \$5.5 billion of incentive-eligible NAV above incentive income thresholds as of year end 2015
- AUM up 43% year-over-year to \$8.8 billion, primarily due to addition of \$2.9 billion of AUM related to the co-managed funds
 - In 3Q 2015, became co-manager with Mount Kellett Capital Management LP ("Mount Kellett") of the Mount Kellett investment funds and related accounts (the "co-managed funds")

Financial Results (\$ millions)	4Q 2015	3Q 2015	4Q 2014	FY 2015	FY 2014
Segment Revenues	49	38	49	219	236
Expenses ⁽²⁾	(36)	(25)	(37)	(136)	(149)
Fund Management DE	13	13	12	83	87
Net Investment Income	1	-	1	2	(1)
Pre-Tax DE	14	13	13	85	86
Fee-Paying AUM ⁽¹⁾	8,799	9,070	6,173	8,799	6,173

DBSO LP Net Returns⁽³⁾
\$4.3B of AUM



DBSO Ltd Net Returns⁽³⁾
\$1.2B of AUM



(1) Includes \$2.9 billion of AUM related to co-managed funds as of 4Q 2015.
 (2) Includes segment expenses and principal performance payments.
 (3) For additional investment performance disclosure please see Appendix slide #2.

Private Equity Funds

- **Main PE Funds valued at a multiple of 1.5x net invested capital⁽¹⁾ as of year end**
 - Fund V valued at **1.8x** net invested capital as of year end 2015⁽¹⁾
 - Florida⁽²⁾, OneMain (NYSE: OMF), Holiday and Nationstar (NYSE: NSM) account for nearly 80% of total NAV of main PE Funds
- **Fund V investment valuations up 15% in 2015**
 - Springleaf completed previously announced acquisition of OneMain in November; company rebranded as OneMain Holdings
- **Continued expectations for increased balance sheet realization activity and distributions**
 - Over **\$4.8 billion** in gross capital distributions over the last two years
 - **\$338 million** of net embedded gains that would be recognized in DE if PE-related investments were liquidated at 4Q 2015 values

Financial Results (\$ millions)	4Q 2015	3Q 2015	4Q 2014	FY 2015	FY 2014
Segment Revenues	29	29	32	116	139
Expenses ⁽³⁾	(2)	(13)	(13)	(44)	(51)
Fund Management DE	27	16	19	72	88
Net Investment Income	-	-	-	-	95
Pre-Tax DE	27	16	19	72	183
Fee-Paying AUM	8,991	9,195	9,366	8,991	9,366

PE Fund (vintage)	Fund NAV	Gross Multiple ⁽¹⁾	Select Investments
Fund I (1999)	Liquidated	3.0x	
Fund II (2002)	Liquidated	1.8x	
Fund III (2004) ⁽⁴⁾	\$0.7bn	1.2x	NSM
Fund IV (2006)	\$1.9bn	1.0x	NSM, Holiday, Florida ⁽²⁾
Fund V (2007)	\$5.1bn	1.8x	OMF, Florida ⁽²⁾
Total Main PE Funds	\$7.7bn	1.5x	

(1) For additional investment performance disclosure please see Appendix slide #2.

(2) Florida includes Florida East Coast Railway and Florida East Coast Industries.

(3) Includes segment expenses and principal performance payments. 4Q 2015 figure has been reduced by \$9 million of reimbursed expenses that were incurred in prior period.

(4) Fund III is currently in liquidation.

Permanent Capital Vehicles

- Record \$106 million of incentive income drove full year pre-tax DE to all-time high of \$105 million
 - FY 2015 pre-tax DE up **156%** compared to FY 2014
 - \$6.8 billion** in AUM across six publicly traded vehicles, **up 50%** compared to YE 2014
- Significant opportunities to capture small market share in enormous, addressable markets
 - Raised a record **\$2.4 billion** of permanent capital in 2015
 - Permanent Capital Vehicles have nearly **\$1.0 billion** in liquidity/available capital to invest across addressable markets⁽¹⁾
- Overall, strong company-level operating results has contributed to growth in core earnings, dividends and book value

Financial Results (\$ millions)	4Q 2015	3Q 2015	4Q 2014	FY 2015	FY 2014
Segment Revenues	57	26	44	202	135
Expenses ⁽²⁾	(27)	(18)	(29)	(99)	(96)
Fund Management DE	30	8	15	103	39
Net Investment Income	1	-	-	2	2
Pre-Tax DE	31	8	15	105	41
Fee-Paying AUM	6,816	6,896	4,567	6,816	4,567

Permanent Capital Vehicle	Investment Focus	Market Cap ⁽³⁾	Largest "Peer" Market Cap ⁽³⁾	Addressable Market ⁽⁴⁾
New Residential (NRZ)	Mortgage Servicing Related Investments	\$2.7bn	NLY: \$9.5bn	\$22tn
Newcastle (NCT)	Real Estate Debt & Golf Business	\$0.2bn	STWD: \$4.2bn	\$7tn
New Senior (SNR)	Healthcare REIT	\$0.8bn	HCN: \$21.9bn	\$300bn
New Media (NEWM)	Local Print & Digital Media	\$0.7bn	GCI: \$1.7bn	\$26bn
Eurocastle (ECT)	Italian NPLs	€0.4bn	IF: €1.4bn	\$205bn
Fortress Transportation & Infrastructure (FTAI)	Transportation & Infrastructure	\$0.7bn	KMI: \$39.5bn	\$3tn

(1) Represents aggregate investable cash as of December 31, 2015, per each permanent capital vehicle's management.

(2) Includes segment expenses and principal performance payments.

(3) Market Cap based on stock prices as of February 24, 2016.

(4) Based on FIG estimates as of February 2016.

Liquid Markets

- **Liquid business recorded a pre-tax DE loss of \$3 million in 2015**
 - Full year 2015 pre-tax DE of **\$9 million** excluding the Fortress Macro Funds
 - \$4.5 billion of AUM on Affiliated Manager platform generated \$9 million of pre-tax DE in 2015
- **Closed Fortress Macro Funds in 4Q 2015**
 - Macro Funds had \$1.8 billion of AUM as of 3Q 2015, representing 2% of total FIG AUM
 - Macro Funds generated \$12 million in pre-tax DE losses in 2015
- **Raised \$333 million of capital in 2015, primarily for the Fortress Centaurus Global Funds**

Financial Results ⁽¹⁾ (\$ millions)	4Q 2015	3Q 2015	4Q 2014	FY 2015	FY 2014
Segment Revenues	9	16	48	65	154
Expenses ⁽²⁾	(15)	(21)	(43)	(85)	(130)
Fund Management DE ⁽³⁾	(7)	(3)	5	(11)	24
Net Investment Income	5	(1)	5	8	(2)
Pre-Tax DE	(2)	(4)	10	(3)	22
Fee-Paying AUM ⁽¹⁾	5,409	7,367	8,128	5,409	8,128

Liquid Hedge Fund	Investment Focus/Strategy	AUM
Affiliated Managers	▪ Asia Macro	\$4.5bn
Fortress Partners Funds	▪ Endowment-Style	\$0.5bn
Fortress Centaurus Global Funds	▪ Global, Equity Biased Event Driven	\$0.2bn
Fortress Convex Asia Funds	▪ Volatility-Based	\$0.1bn
Drawbridge Global Macro Funds	▪ Global Macro	\$0.1bn

(1) Prior to 1Q 2015, includes results from the Fortress Asia Macro Funds and related managed accounts. In January 2015, the Fortress Asia Macro Funds and related managed accounts transitioned to Graticule on Fortress's affiliated manager platform ("Affiliated Managers"). Affiliated Managers had \$4.5 billion of AUM as of 4Q 2015.

(2) Includes segment expenses and principal performance payments.

(3) Includes \$(1) million, \$2 million and \$9 million of earnings from Affiliated Managers for 4Q 2015, 3Q 2015 and FY 2015, respectively.

Logan Circle

- Logan Circle currently manages **\$31.2 billion** of AUM across three core fixed income platforms:
 - High Grade – \$20.7 billion of AUM
 - Short Duration / Intermediate – \$6.5 billion of AUM
 - High Yield – \$4.0 billion of AUM
- 15 of 16 Logan Circle strategies have outperformed since inception through year end 2015
 - 8 out of 16 strategies were ranked in the top quartile of performance for their competitor universe⁽¹⁾
- AUM at a profitability breakeven point: potential for high incremental margins with AUM growth going forward

Financial Results (\$ millions)	4Q 2015	3Q 2015	4Q 2014	FY 2015	FY 2014
Segment Revenues	14	13	12	54	47
Expenses	(14)	(13)	(14)	(55)	(54)
Fund Management DE	-	-	(2)	(1)	(7)
Net Investment Income	(1)	-	2	(1)	2
Pre-Tax DE	(1)	-	-	(2)	(5)
Fee-Paying AUM	31,178	33,446	32,342	31,178	32,342

(\$ millions)	Assumed Logan Circle AUM ⁽²⁾		
	\$40,000	\$50,000	\$60,000
Assumed Mgmt Fee Rate (bps) ⁽²⁾	16	16	16
Annual Management Fees	\$64	\$80	\$96
Assumed Operating Margin ⁽²⁾	12.5%	25.0%	35.0%
Annual Operating Expenses	\$(56)	\$(60)	\$(62)
Pre-Tax DE	\$8	\$20	\$34
Pre-Tax DE per share ⁽³⁾	\$0.02	\$0.05	\$0.08

(1) Sourced from eVestment Alliance as of February 2016.

(2) The hypothetical assumptions for AUM, fee rates, management fees and expenses are presented solely for illustrative purposes and actual results could differ materially. AUM figures presented assume additional net client inflows and there can be no assurance as to the occurrence or the timing of such events, which are subject to a variety of factors outside of Fortress's control. Assumed management fee rates based on average management fee rate as of December 31, 2015. Assumed operating margin based on current Fortress estimates.

(3) Based on 397 million dividend paying shares outstanding as of December 31, 2015.

Significant Embedded Value on Balance Sheet

Intend to unlock and distribute underappreciated embedded value through balance sheet monetizations and distributions

- Transition to **\$300 - \$500 million** “maintenance” balance sheet from current \$1.2 billion size
- \$1.70 to \$2.20 per share⁽¹⁾** of implied potential distributions (assuming no further appreciation)

Balance Sheet: \$1.2 Billion

(\$ millions)	Remaining Expected Life - by Fund Maturity			
	< 3 Years	> 3 Years	Other	Total
Cash & Cash Equivalents	340	-	-	340
Direct Equity/Other	-	-	22	22
PE Investments	602	6	-	608
Credit PE Investments	6	182	-	188
Hedge Fund Investments	41	-	174	215
Other Investments	6	-	17	23
Total Cash & Investments	995	188	213	1,396
Less: Debt Outstanding	(231)	-	-	(231)
Net Cash & Investments⁽²⁾	764	188	213	1,165
Per Share⁽¹⁾	\$1.93	\$0.47	\$0.54	\$2.94

Over 40% of balance sheet value resides in our four largest PE investments: *Florida⁽³⁾, OneMain, Holiday, Nationstar*

Potential Balance Sheet: \$0.3bn to \$0.5bn

(per share) ⁽¹⁾	Low	High
Current B/S	\$2.94	\$2.94
Potential Future B/S	~\$0.75	~\$1.25
Potential Distribution	~\$2.20	~\$1.70

(1) Based on 397 million dividend paying shares outstanding as of December 31, 2015.

(2) Net Cash & Investments, which is a non-GAAP financial measure, means cash & cash equivalents plus investments less debt outstanding. For a reconciliation of GAAP Book Value to Net Cash & Investments see appendix slide #5.

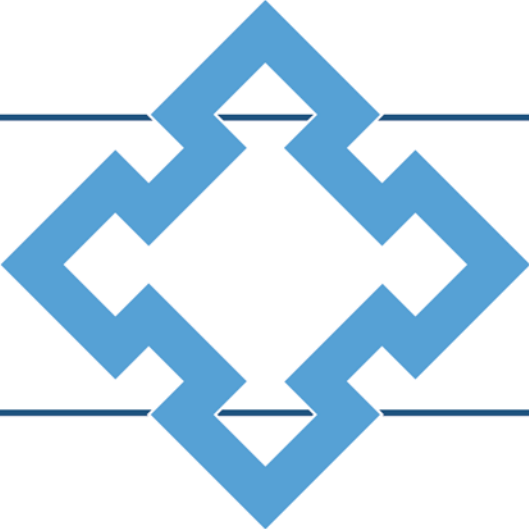
(3) Florida includes Florida East Coast Railway and Florida East Coast Industries.

Conclusion

We believe FIG shares are substantially undervalued

- **FIG trades at a significant discount to intrinsic value despite:**
 - ✓ Strong growth in revenues, earnings per share, and balance sheet value
 - ✓ Dramatic improvement across key drivers of future earnings
 - ✓ Continued shareholder-friendly use of excess capital
 - ✓ Stable, recurring fee base from long-term, locked up capital
 - ✓ Significant earnings upside potential from embedded value in investment funds and balance sheet value


Appendix



Appendix Slide #1: Consolidated Results

Pre-tax DE of \$391 million, or \$0.87 per dividend paying share, for FY 2015

Distributable Earnings (\$ millions)⁽¹⁾

 FORTRESS	4Q 2015	3Q 2015	4Q 2014	FY 2015	FY 2014
Management Fees	148	151	153	582	601
Incentive Income	132	70	191	436	461
Segment Revenues	280	221	344	1,018	1,062
Operating Expenses	(105)	(112)	(126)	(453)	(451)
Profit Sharing Expenses	(47)	(37)	(96)	(168)	(242)
Segment Expenses	(152)	(149)	(222)	(621)	(693)
Earnings From Affiliated Managers	(1)	2	-	9	-
Principal Performance Payments	(14)	(7)	(12)	(42)	(29)
Fund Management DE	113	67	110	364	340
Net Investment Income	17	2	13	27	106
Pre-Tax DE	130	69	123	391	446
per dividend paying share	\$0.30	\$0.15	\$0.28	\$0.87	\$0.99

(1) Segment Revenues, Segment Expenses, Fund Management Distributable Earnings and Pre-Tax Distributable Earnings are non-GAAP financial measures described in Fortress's fourth quarter 2015 earnings release. The release is available in the "Public Shareholders" section of Fortress's website, www.fortress.com. For a reconciliation of GAAP Revenues, GAAP Expenses and GAAP Net Income to Segment Revenues, Segment Expenses and Pre-Tax Distributable Earnings, please see Appendix slide #3.

Appendix Slide #2

Credit Hedge Funds

Net returns are for Drawbridge Special Opportunities Fund LP and Drawbridge Special Opportunities Fund Ltd only and exclude certain other funds, which may have returns that are materially lower than those presented herein. The performance data contained herein reflects returns for a "new issue eligible," single investor class as of the close of business on the last day of the relevant period. Net returns reflect performance data after taking into account management fees borne by the Fund and incentive allocations. The returns for the Drawbridge Special Opportunities Funds reflect the performance of each fund excluding special investments and the performance of the redeeming capital accounts.

Credit PE Funds

Net returns are for Fortress Credit Opportunities Funds I, Credit Opportunities Fund II, Credit Opportunities Fund III, Japan Opportunity Fund, Japan Opportunity Fund II (Yen) and Fortress Real Estate Opportunities Fund only and exclude certain other funds, which may have returns that are materially lower than those presented herein. Net returns represent net annualized internal rates of return to limited partners after management fees and incentive allocations, and are computed on an inception-to-date basis consistent with industry standards. Incentive allocations are computed based on a hypothetical liquidation of the net assets of each fund as of the balance sheet date. Returns are calculated for the investors as a whole. The computation of such returns for an individual investor may vary from these returns based on different management fee and incentive arrangements, and the timing of capital transactions.

Private Equity Funds

Gross multiple equals current NAV plus inception to date distributions, divided by the lesser of capital committed or equity invested. For purposes of calculating the gross multiple, equity invested excludes capital called for management fees and other expenses. The inclusion of such amounts would reduce the gross multiple. Gross multiple is not an accurate indicator of the Company's proximity to incentive income thresholds and is different from the statistic which would be computed based on the Company's periodic 34 Act reporting, which reports net amounts. Multiples are for Fortress Investment Fund I, Fortress Investment Fund II, Fortress Investment Fund III, Fortress Investment Fund IV, and Fortress Investment Fund V only and exclude certain other funds, which may have multiples that are materially lower than those presented herein.

Appendix Slide #3

Reconciliation of GAAP Net Income (Loss) to Pre-tax Distributable Earnings and Fund Management DE (dollars in millions)

	Three Months Ended				Full Year 2014	Three Months Ended				Full Year 2015
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014		March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	
GAAP Net Income (Loss)	\$ 9	\$ 73	\$ 17	\$ 141	\$ 240	\$ 87	\$ 5	\$ (26)	\$ 116	\$ 182
Principals' and Others' Interests in (Income) Loss of Consolidated Subsidiaries	(6)	(42)	(13)	(79)	(140)	(52)	(2)	12	(62)	(104)
Redeemable non-controlling interests in Income (Loss)	-	-	2	(1)	1	-	-	-	-	-
GAAP Net Income (Loss) Attributable to Class A Shareholders	\$ 3	\$ 31	\$ 6	\$ 61	\$ 101	\$ 35	\$ 3	\$ (14)	\$ 54	\$ 78
Private Equity incentive income	37	(10)	29	29	85	3	19	21	(16)	27
Hedge Fund, PCV and Logan Circle incentive income	30	26	21	(77)	-	23	23	1	(47)	-
Incentive income received related to exercise of options	-	2	7	-	9	-	57	-	1	58
Reserve for clawback	2	-	-	-	2	-	-	-	-	-
Distributions of earnings from equity method investees	9	47	6	10	72	4	9	5	17	35
Losses (earnings) from equity method investees	(17)	(20)	(38)	7	(68)	(27)	33	23	17	46
Losses (gains) on options	5	1	23	1	30	(32)	9	27	2	6
Losses (gains) on other Investments	5	42	(16)	(17)	14	(1)	(5)	14	(1)	7
Impairment of investments	-	-	(3)	-	(3)	(3)	-	(1)	(2)	(6)
Adjust income from the receipt of options	-	(1)	(5)	-	(6)	(4)	(21)	-	-	(25)
Gain on transfer of Graticule	-	-	-	-	-	(134)	-	-	-	(134)
Amortization of intangible assets and impairment of goodwill	-	-	-	-	-	-	-	-	1	1
Employee, Principal and director compensation	12	6	6	12	36	20	6	2	5	33
Adjust non-controlling interests related to Fortress Operating Group units	5	40	11	78	134	52	1	(12)	62	103
Tax receivable agreement liability reduction	-	-	4	29	33	-	8	-	(2)	6
Adjust income taxes	6	8	3	(10)	7	18	(5)	3	39	55
Adjust transfer of interest in Graticule	-	-	-	-	-	101	-	-	-	101
Pre-tax Distributable Earnings	\$ 97	\$ 172	\$ 55	\$ 123	\$ 446	\$ 55	\$ 137	\$ 69	\$ 130	\$ 391
Investment Loss (income)	(10)	(97)	11	(14)	(109)	(5)	(4)	(3)	(19)	(31)
Interest Expense	-	1	1	1	3	1	-	1	2	4
Fund Management DE	\$ 87	\$ 76	\$ 67	\$ 110	\$ 340	\$ 51	\$ 133	\$ 67	\$ 113	\$ 364
GAAP Revenues	\$ 237	\$ 270	\$ 243	\$ 455	\$ 1,205	\$ 227	\$ 308	\$ 264	\$ 415	\$ 1,214
Adjust management fees	-	-	-	(1)	(1)	(1)	1	-	-	-
Adjust incentive income	69	17	57	(47)	96	27	100	22	(59)	90
Adjust income from the receipt of options	-	(1)	(5)	-	(6)	(4)	(21)	-	-	(25)
Other revenues	(55)	(56)	(57)	(65)	(233)	(59)	(61)	(65)	(76)	(261)
Segment Revenues	\$ 251	\$ 230	\$ 238	\$ 343	\$ 1,062	\$ 190	\$ 327	\$ 221	\$ 280	\$ 1,018
GAAP Expenses	\$ 231	\$ 216	\$ 235	\$ 310	\$ 992	\$ 329	\$ 258	\$ 224	\$ 242	\$ 1,053
Adjust interest expense	-	(1)	(1)	(1)	(3)	(1)	-	(1)	(2)	(4)
Adjust employee, Principal and director compensation	(12)	(6)	(3)	(3)	(24)	(18)	(2)	(1)	(5)	(26)
Adjust amortization of intangible assets and impairment of goodwill	-	-	-	-	-	-	-	-	(1)	(1)
Adjust expense reimbursements from affiliates and non-affiliates	(54)	(52)	(55)	(70)	(231)	(59)	(61)	(64)	(68)	(252)
Adjust Principal Performance Payments	(9)	(9)	(9)	(15)	(42)	(5)	(20)	(9)	(14)	(48)
Adjust transfer of interest in Graticule	-	-	-	-	-	(101)	-	-	-	(101)
Other	-	-	(1)	1	-	-	-	-	-	-
Segment Expenses	\$ 157	\$ 148	\$ 166	\$ 221	\$ 692	\$ 145	\$ 175	\$ 149	\$ 152	\$ 621

Appendix Slide #3A

“Distributable earnings” is Fortress’s supplemental measure of operating performance used by management in analyzing segment and overall results. It reflects the value created which management considers available for distribution during any period. As compared to generally accepted accounting principles (“GAAP”) net income, distributable earnings excludes the effects of unrealized gains (or losses) on illiquid investments, reflects contingent revenue which has been received as income to the extent it is not expected to be reversed, and disregards expenses which do not require an outlay of assets, whether currently or on an accrued basis. Distributable earnings is reflected on an unconsolidated and pre-tax basis, and, therefore, the interests in consolidated subsidiaries related to Fortress Operating Group units (held by the principals) and income tax expense are added back in its calculation. Distributable earnings is not a measure of cash generated by operations which is available for distribution nor should it be considered in isolation or as an alternative to cash flow or net income in accordance with GAAP and it is not necessarily indicative of liquidity or cash available to fund the Company’s operations. For a complete discussion of distributable earnings and its reconciliation to GAAP, as well as an explanation of the calculation of distributable earnings impairment, see note 11 to the financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

Fortress’s management uses distributable earnings:

- in its determination of periodic distributions to equity holders;
- in making operating decisions and assessing the performance of each of the Company’s core businesses;
- for planning purposes, including the preparation of annual operating budgets; and
- as a valuation measure in strategic analyses in connection with the performance of its funds and the performance of its employees.

Growing distributable earnings is a key component to the Company’s business strategy and distributable earnings is the supplemental measure used by management to evaluate the economic profitability of each of the Company’s businesses and total operations. Therefore, Fortress believes that it provides useful information to investors in evaluating its operating performance. Fortress’s definition of distributable earnings is not based on any definition contained in its amended and restated operating agreement.

“Fund management DE” is equal to pre-tax distributable earnings excluding our direct investment-related results. Fund management DE is comprised of “Pre-tax Distributable Earnings” excluding “Investment Income (Loss)” and “Interest Expense.” Fund management DE and its components are used by management to analyze and measure the performance of our investment management business on a stand-alone basis. Fortress defines segment operating margin to be equal to fund management DE divided by segment revenues. The Company believes that it is useful to provide investors with the opportunity to review our investment management business using the same metrics. Fund management DE and its components are subject to the same limitations as pre-tax distributable earnings, as described above.

Appendix Slide #4

Reconciliation of Weighted Average Class A Shares Outstanding (Used for Basic EPS) to Weighted Average Dividend Paying Shares and Units Outstanding (Used for DEPS)

	Three Months Ended December 31,		Twelve Months Ended December 31,			
	2015	2014	2015	2014	2013	2012
Weighted Average Class A Shares Outstanding (Used for Basic EPS)	217,587,096	208,607,680	216,503,554	210,303,241	236,246,296	214,399,422
Weighted average fully vested restricted Class A share units with dividend equivalent rights	(1,495,044)	(164,866)	(3,272,595)	(1,379,649)	(2,207,612)	(3,194,380)
Weighted average restricted Class A shares	(729,348)	(1,045,134)	(766,420)	(1,016,240)	(921,261)	(737,309)
Weighted Average Class A Shares Outstanding	215,362,704	207,397,680	212,464,539	207,907,352	233,117,423	210,467,733
Weighted average restricted Class A shares ¹	729,348	1,045,134	766,420	1,016,240	921,261	749,007
Weighted average fully vested restricted Class A share units which are entitled to dividend equivalent payments	1,495,044	164,866	3,272,595	1,379,649	2,207,612	3,194,380
Weighted average unvested restricted Class A share units which are entitled to dividend equivalent payments	9,738,355	7,018,682	10,023,561	7,017,047	4,883,186	6,609,155
Weighted average Fortress Operating Group units	202,863,607	226,331,513	220,416,315	231,162,793	249,534,372	299,559,853
Weighted average Fortress Operating Group RPU ²	-	-	-	-	2,434,703	12,817,851
Weighted Average Class A Shares Outstanding (Used for DEPS)	430,189,058	441,957,875	446,943,430	448,483,081	493,098,557	533,397,979
Weighted average vested and unvested restricted Class A share units which are not entitled to dividend equivalent payments	10,963,693	13,735,896	12,139,050	13,310,978	15,321,401	18,419,024
Weighted Average Fully Diluted Shares and Units Outstanding (Used for Diluted DEPS)	441,152,751	455,693,771	459,082,480	461,794,059	508,419,958	551,817,003

“Dividend paying shares and units” represents the number of shares and units outstanding at the end of the period which were entitled to receive dividends or related distributions. The Company believes it is useful for investors in computing the aggregate amount of cash required to make a current per share distribution of a given amount per share. It excludes certain potentially dilutive equity instruments, primarily non-dividend paying restricted Class A share units, and, therefore, is limited in its usefulness in computing per share amounts. Accordingly, dividend paying shares and units should be considered only as a supplement and not an alternative to GAAP basic and diluted shares outstanding. The Company’s calculation of dividend paying shares and units may be different from the calculation used by other companies and, therefore, comparability may be limited.

(1) Includes both fully vested and unvested restricted Class A shares.

(2) Includes both fully vested and unvested Fortress Operating Group RPU.

Appendix Slide #5

Reconciliation of GAAP Book Value Per Share to Net Cash and Investments Per Share (dollars and shares in thousands)

	As of December 31, 2015		As of December 31, 2014	
	GAAP Book Value	Net Cash and Investments	GAAP Book Value	Net Cash and Investments
Cash and Cash equivalents	\$ 339,842	\$ 339,842	\$ 391,089	\$ 391,089
Investments	1,055,789	1,055,789	1,121,545	1,121,545
Investments in options ¹	30,427	-	71,844	-
Due from Affiliates	273,811	-	326,575	-
Deferred Tax Asset, net	427,102	-	417,623	-
Other Assets	148,310	-	173,708	-
Total Assets	2,275,281	1,395,631	2,502,384	1,512,634
Debt Obligations Payable	\$ 230,677	\$ 230,677	\$ 75,000	\$ 75,000
Accrued Compensation and Benefits	318,750	-	374,709	-
Due to Affiliates	365,218	-	375,424	-
Deferred Incentive Income	332,329	-	304,526	-
Other Liabilities	86,503	-	88,053	-
Total Liabilities	1,333,477	230,677	1,217,712	75,000
Less: Redeemable Non-controlling Interests	-	-	1,717	-
Net	\$ 941,804	\$ 1,164,954	\$ 1,282,955	\$ 1,437,634
	Shares Outstanding	Dividend Paying Shares and Units Outstanding	Shares Outstanding	Dividend Paying Shares and Units Outstanding
Class A Shares	216,061	216,061	207,490	207,490
Restricted Class A Shares	729	729	1,045	1,045
Fortress Operating Group Units	169,515	169,515	226,332	226,332
Fully Vested Class A Shares - Dividend Paying	-	1,361	-	194
Unvested Class A Shares - Dividend Paying	-	9,175	-	7,002
Shares Outstanding	386,305	396,841	434,867	442,063
Per Share	\$ 2.44	\$ 2.94	\$ 2.95	\$ 3.25

Net cash and investments represents cash and cash equivalents plus investments less debt outstanding. The Company believes that net cash and investments is a useful supplemental measure because it provides investors with information regarding the Company's net investment assets. Net cash and investments excludes certain assets (investments in options, due from affiliates, deferred tax asset, other assets) and liabilities (due to affiliates, accrued compensation and benefits, deferred incentive income and other liabilities), and its utility as a measure of financial position is limited. Accordingly, net cash and investments should be considered only as a supplement and not an alternative to GAAP book value as a measure of the Company's financial position. The Company's calculation of net cash and investments may be different from the calculation used by other companies and, therefore, comparability may be limited.

- (1) The intrinsic value of options in equity method investees totaled \$17 million at year end and is included in our undistributed, unrecognized incentive income. This value represents incentive income that would have been recorded in Distributable Earnings if Fortress had exercised all of its in-the-money options it holds in the permanent capital vehicles and sold all of the resulting shares at their December 31, 2015 closing price and differs from the fair value derived from option pricing models included in the table above.

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