



Fortress Reports Second Quarter 2017 Results

New York, NY. August 3, 2017 – Fortress Investment Group LLC (NYSE: FIG) (“Fortress” or the “Company”) today reported its second quarter 2017 financial results.

FINANCIAL SUMMARY

- Management Fee Paying Assets Under Management (“AUM”) of \$72.4 billion as of June 30, 2017, up 3% compared to the previous quarter
- GAAP net income of \$32 million, or \$0.06 per diluted Class A share, for the second quarter of 2017, compared to a GAAP net loss of \$27 million, or a \$0.07 loss per diluted Class A share, for the second quarter of 2016
- GAAP net income of \$25 million, or \$0.05 per diluted Class A share, for the first half of 2017, compared to a GAAP net loss of \$43 million, or a \$0.11 loss per diluted Class A share, for the first half of 2016
- Pre-tax distributable earnings (“DE”) of \$86 million, or \$0.22 per dividend paying share, for the second quarter of 2017, compared to pre-tax DE of \$101 million, or \$0.26 per dividend paying share, for the second quarter of 2016
- Pre-tax DE of \$160 million, or \$0.40 per dividend paying share, for the first half of 2017, compared to pre-tax DE of \$165 million, or \$0.42 per dividend paying share, for the first half of 2016
- Net cash and investments of \$1.0 billion, or \$2.55 per dividend paying share, as of June 30, 2017
- \$1.4 billion of gross embedded incentive income across funds and permanent capital vehicles as of June 30, 2017, that has not yet been recognized in DE
- Total uncalled capital, or “dry powder,” of \$7.5 billion as of June 30, 2017, including \$4.5 billion available for general investment purposes

BUSINESS HIGHLIGHTS

- Raised \$1.6 billion of capital across alternative investment businesses in the first half of 2017
- Investment performance summary as of June 30, 2017:
 - Annualized inception-to-date net IRRs for Credit Opportunities Fund (“FCO”), FCO II and FCO III of 23.1%, 15.9% and 10.5%, respectively
 - Second quarter 2017 net returns of 1.2% for the Drawbridge Special Opportunities Fund (“DBSO”) LP
 - 14 of 16 Logan Circle strategies outperformed respective benchmarks in the second quarter of 2017
- Post quarter end, Fortress announced that it had entered into a definitive agreement pursuant to which it will sell Logan Circle Partners, L.P. (“Logan Circle”) to MetLife, Inc. (NYSE: MET) (“MetLife”) for approximately \$250 million

Note: This release contains certain Non-GAAP financial measures. Fortress urges you to read the “Non-GAAP Information” section below and to review the exhibits in this release for reconciliations of these measures to the comparable GAAP measures.

PROPOSED ACQUISITION BY SOFTBANK

On July 12, 2017, Fortress announced that, at its special meeting of shareholders, the Company's shareholders had voted, among other things, in favor of the proposal to adopt the previously announced merger agreement pursuant to which certain subsidiaries of SoftBank Group Corp. ("SoftBank") will acquire Fortress for approximately \$3.3 billion in cash. Of the votes cast in respect of the proposal to adopt the merger agreement, approximately 99.7% of shares voted in favor. The transaction is anticipated to close in the second half of 2017, subject to certain regulatory approvals and other customary closing conditions, after which Fortress will operate as an independent business within SoftBank under the continuing leadership of Fortress Principals Pete Briger, Wes Edens and Randy Nardone.

SUMMARY FINANCIAL RESULTS

Fortress's business model is highly diversified, and management believes that this positions the Company to capitalize on opportunities for investing, capital formation and harvesting profits that can occur at different points in any cycle for our individual businesses. Fortress's business model generates stable and predictable management fees, which is a function of the majority of Fortress's alternative AUM residing in long-term investment structures. Fortress's alternative investment businesses also generate variable incentive income based on performance, and this incentive income can contribute meaningfully to financial results. Balance sheet investments represent a third component of Fortress's business model, and the Company has built substantial value in these investments, which are made in Fortress funds alongside the funds' limited partners. The table below summarizes Fortress's operating results for the three months ended June 30, 2017. The condensed consolidated GAAP statement of operations and balance sheet are presented on pages 10-11 of this press release.

	2Q	1Q	2Q	% Change		1H	1H	% Change
	2017	2017	2016	QoQ	YoY	2017	2016	QoQ
(in millions, except per share amount)								
GAAP								
Revenues	\$ 247	\$ 232	\$ 232	6%	6%	\$ 479	\$ 464	3%
Expenses	210	241	238	(13)%	(12)%	451	445	1%
Other Income (loss)	8	1	(17)	N/A	N/A	9	(57)	N/A
Net income (loss)	32	(7)	(27)	N/A	N/A	25	(43)	N/A
Net income (loss) attributable to Class A Shareholders	15	(3)	(14)	N/A	N/A	11	(23)	N/A
Per diluted share	\$ 0.06	\$ (0.02)	\$ (0.07)	N/A	N/A	\$ 0.05	\$ (0.11)	N/A
Weighted average Class A shares outstanding, diluted	395	220	217			394	219	
Distributable Earnings								
Fund management DE	\$ 82	\$ 61	\$ 98	34%	(16)%	\$ 143	\$ 161	(11)%
Pre-tax DE	86	74	101	16%	(15)%	160	165	(3)%
Per dividend paying share/unit	\$ 0.22	\$ 0.19	\$ 0.26	16%	(15)%	\$ 0.40	\$ 0.42	(5)%
Weighted average dividend paying shares and units outstanding	397	397	394			397	396	
Assets Under Management								
Private Equity and Permanent Capital	\$ 14,682	\$ 14,511	\$ 13,284	1%	11%	\$ 14,682	\$ 13,284	11%
Credit ¹	17,708	17,731	18,209	0%	(3)%	17,708	18,209	(3)%
Liquid Markets ²	4,558	4,198	4,622	9%	(1)%	4,558	4,622	(1)%
Logan Circle	35,483	33,719	34,080	5%	4%	35,483	34,080	4%
Total Assets Under Management	\$ 72,431	\$ 70,159	\$ 70,195	3%	3%	\$ 72,431	\$ 70,195	3%

¹ The Assets Under Management presented for Credit includes \$1,433 million of AUM related to co-managed funds as of 2Q 2017.

² The Assets Under Management presented for Liquid Markets includes \$4,516 million of AUM related to the Affiliated Manager as of 2Q 2017.

GAAP RESULTS

Fortress recorded GAAP net income of \$32 million, or \$0.06 per diluted Class A share, for the second quarter of 2017, compared to a GAAP net loss of \$27 million, or a \$0.07 loss per diluted Class A share, for the second quarter of 2016. Our diluted earnings per share includes the income tax effects to net income (loss) attributable to Class A shareholders from the assumed conversion of Fortress Operating Group units to Class A shares in periods when the effect is dilutive.

The year-over-year change in Fortress's second quarter 2017 GAAP net income was primarily driven by a \$29 million decrease in expenses, a \$25 million increase in other income and a \$14 million increase in revenues.

The \$29 million decrease in expenses was primarily related to lower compensation and benefits expense.

The \$25 million increase in other income was primarily due to higher net earnings from equity method investees, primarily with respect to investments in our private equity funds. These increases in other income were partially offset by net realized and unrealized losses in the fair value of our direct investments, including options and common stock held in our publicly traded private equity portfolio companies in the second quarter of 2017.

The \$14 million increase in revenues was primarily related to higher incentive income from affiliates, partially offset by lower management fees from affiliates and incentive income from non-affiliates.

SEGMENT RESULTS (NON-GAAP)

This section provides information about each of Fortress's businesses: (i) Credit Hedge Funds and Credit PE Funds, (ii) Private Equity Funds and Permanent Capital Vehicles, (iii) Liquid Hedge Funds, and (iv) Logan Circle. Fortress uses DE as the primary metric to manage its businesses and gauge the Company's performance, and it uses DE exclusively to report segment results. All DE figures are presented on a pre-tax basis. Consolidated segment results are non-GAAP information and are not presented as a substitute for Fortress's GAAP results. Fortress urges you to read "Non-GAAP Information" below.

As of June 30, 2017								
(in millions)	Private Equity			Credit Funds		Liquid Hedge Funds	Logan Circle Partners	
	Total	Funds	Permanent Capital Vehicles	Hedge Funds	PE Funds			
Assets Under Management³	\$ 72,431	\$ 6,850	\$ 7,832	\$ 8,310	\$ 9,398	\$ 4,558	\$ 35,483	
Dry Powder	\$ 7,491	\$ 677	\$ -	\$ 322	\$ 6,492	N/A	N/A	
Average Management Fee Rate⁴		1.2%	1.5%	2.0%	1.3%	1.1%	0.2%	
Incentive Eligible NAV Above Incentive Income Threshold⁵	\$ 24,641	\$ 2,042	\$ 5,903	\$ 5,927	\$ 10,225	\$ -	\$ 544	
Undistributed Incentive Income: Unrecognized	\$ 1,385	\$ 254	\$ 37	\$ 67	\$ 1,026	\$ 1	\$ -	
Undistributed Incentive Income: Recognized	\$ 46	-	7	39	-	-	-	
Undistributed Incentive Income⁶	\$ 1,431	\$ 254	\$ 44	\$ 106	\$ 1,026	\$ 1	\$ -	
Three Months Ended June 30, 2017								
(in millions)	Private Equity			Credit Funds		Liquid Hedge Funds	Logan Circle Partners	
	Total	Funds	Permanent Capital Vehicles	Hedge Funds	PE Funds			
Third-Party Capital Raised	\$ 54	\$ -	\$ -	\$ 54	\$ -	\$ -	\$ -	
Segment Revenues								
Management fees	\$ 134	\$ 20	\$ 30	\$ 38	\$ 30	\$ 1	\$ 15	
Incentive income	84	1	48	15	20	-	-	
Total	218	21	78	53	50	1	15	
Segment Expenses								
Operating expenses ⁷	(116)	(7)	(29)	(28)	(32)	(3)	(15)	
Profit sharing compensation expenses	(17)	-	-	(6)	(11)	-	-	
Total	(133)	(7)	(29)	(34)	(43)	(3)	(15)	
Earnings From Affiliated Manager	6	-	-	-	-	6	-	
Principal Performance Payments	(9)	-	(6)	(3)	-	-	-	
Fund Management DE⁷	\$ 82	\$ 14	\$ 43	\$ 16	\$ 7	\$ 4	\$ -	
Net Investment Income ⁸	4	-	1	2	1	2	-	
Pre-tax Distributable Earnings^{7,8}	\$ 86	\$ 14	\$ 44	\$ 18	\$ 8	\$ 6	\$ -	

³ The Assets Under Management presented for the Credit Hedge Funds includes \$1,433 million related to co-managed funds and \$706 million related to the third party originated JP Funds and Value Recovery Funds. The Assets Under Management presented for the Liquid Hedge Funds includes \$4,516 million related to the Affiliated Manager.

⁴ The Average Management Fee Rate presented for the Credit Hedge Funds excludes the co-managed funds and third-party originated JP Funds and Value Recovery Funds (see footnote 3 above). The Average Management Fee Rate presented for the Liquid Hedge Funds excludes the Affiliated Manager.

⁵ The Incentive Eligible NAV Above Incentive Income Threshold presented for Credit Hedge Funds excludes co-managed funds, certain third party originated funds and sidepocket investments and for Liquid Hedge Funds, excludes the Affiliated Manager and sidepocket investments. The Incentive Eligible NAV Above Incentive Income Threshold presented for Private Equity Funds and Credit PE Funds (except for a portion of MSR Opportunities Fund II A, Long Dated Value Fund I and Credit Opportunities Fund IV, whose capital was above the incentive income threshold as of June 30, 2017), represents total fund NAV. The Incentive Eligible NAV Above Incentive Income Threshold presented for the Permanent Capital Vehicles represents the equity basis that is used to calculate incentive income.

⁶ Undistributed Incentive Income - Recognized represents the results of the main fund investments for the Credit Hedge Funds including the impact of realized gains and losses and unrealized losses on sidepocket investments. Undistributed Incentive Income - Unrecognized represents the results of the Private Equity Funds, Credit PE Funds and Liquid and Credit Hedge Fund sidepocket and redeeming capital account (RCA) investments which have not been recognized in Distributable Earnings and will be recognized when realized. The Undistributed Incentive Income presented for the Credit Hedge Funds excludes co-managed funds and certain third party originated funds and for Liquid Hedge Funds, excludes the Affiliated Manager. Undistributed Incentive Income for Credit PE Funds includes \$4 million of net unrealized gains that would have recorded in Distributable Earnings if Fortress had settled Japanese Yen foreign exchange derivative contracts used to economically hedge estimated future incentive income it had outstanding as of June 30, 2017. Undistributed Incentive Income for Permanent Capital Vehicles includes \$37 million of incentive income that would have been recorded in Distributable Earnings if Fortress had (i) exercised all of its in-the-money options it holds in the Permanent Capital Vehicles and sold all of the resulting shares and (ii) sold all of its Permanent Capital Vehicle common shares which it received as incentive income, based on their June 30, 2017 closing price.

⁷ Includes Unallocated Expenses of \$2 million incurred by Fortress related to the proposed acquisition by SoftBank.

⁸ Includes Unallocated Expenses of \$2 million, primarily related to interest expense.

Pre-tax DE was \$86 million in the second quarter of 2017, down from \$101 million in the second quarter of 2016, primarily due to lower incentive income and higher operating expenses, partially offset by lower profit sharing expenses.

Management fees were \$134 million in the second quarter of 2017, down from \$141 million in the second quarter of 2016. The decrease was primarily due to lower management fees from the Liquid Hedge Funds, and Private Equity Funds, partially offset by higher management fees from the Permanent Capital Vehicles.

Incentive income in the second quarter of 2017 totaled \$84 million, down from \$131 million in the second quarter of 2016, primarily due to lower incentive income from the Credit PE Funds and Credit Hedge Funds, partially offset by higher incentive income from the Permanent Capital Vehicles.

Earnings from Affiliated Manager totaled \$6 million in the second quarter of 2017, up from \$1 million in the second quarter of 2016.

The Company's segment revenues and distributable earnings will fluctuate materially depending upon the performance of its funds and the realization events within its private equity businesses, as well as other factors. Accordingly, the revenues and distributable earnings in any particular period should not be expected to be indicative of future results.

ASSETS UNDER MANAGEMENT

As of June 30, 2017, AUM totaled \$72.4 billion, up 3% compared to the previous quarter. As of quarter end, approximately 87% of alternative AUM was in funds with long-term investment structures.

During the quarter, Fortress's AUM increased primarily due to (i) \$1.4 billion of net market-driven valuation gains, (ii) \$0.7 billion of net client flows for Logan Circle, (iii) a \$0.5 billion increase in invested capital, and (iv) a \$0.2 billion change in AUM of the Affiliated Manager and co-managed funds. These increases to AUM were partially offset by (i) \$0.3 billion of capital distributions to investors, (ii) \$0.2 billion in distributions to investors in redeeming capital accounts, and (iii) a \$0.1 billion in Credit Hedge Fund redemptions.

As of June 30, 2017, the Credit Funds and Private Equity Funds had \$6.8 billion and \$0.7 billion of uncalled capital, respectively, that will become AUM if called. Uncalled capital or dry powder – capital committed to the funds but not invested and generating management fees – includes \$3.0 billion that is only available for follow-on investments, management fees and other fund expenses.

BUSINESS SEGMENT RESULTS

Below is a discussion of second quarter 2017 segment results and business highlights.

Credit:

- **DBSO LP and DBSO Ltd had second quarter 2017 net returns of 1.2% and 1.0%, respectively**
- **FCO, FCO II, FCO III, FJOF and FJOF II (Yen) recorded annualized inception-to-date net IRRs of 23.1%, 15.9%, 10.5%, 28.0% and 27.2%, respectively, through June 30, 2017**
- **Nearly \$1.1 billion of gross embedded incentive income that has not yet been recognized in DE**

(See supplemental data on pages 17-18 for more detail on Credit results)

The Credit business, which includes our Credit PE Funds and Credit Hedge Funds, generated pre-tax DE of \$26 million in the second quarter of 2017, down from \$73 million in the second quarter of 2016. The year-over-year decrease in DE was primarily driven by lower incentive income, partially offset by lower profit sharing expense.

The Credit Hedge Funds generated pre-tax DE of \$18 million for the quarter, down from \$26 million in the second quarter of 2016, primarily due to lower incentive income. Fortress's flagship credit hedge fund, DBSO LP, had net returns of 1.2% for the quarter and annualized inception to date net returns of 10.6% as of June 30, 2017.

The Credit PE Funds generated pre-tax DE of \$8 million in the quarter, compared to \$47 million in the second quarter of 2016, primarily due to lower incentive income. Over the last twelve months, the Credit PE Funds have recognized \$178 million of gross incentive income, while gross unrecognized Credit PE incentive income has increased \$147 million year-over-year to \$1.0 billion as of June 30, 2017.

Private Equity and Permanent Capital Vehicles:

- **Permanent Capital Vehicles generated \$48 million of incentive income in the quarter**
- **Closed sale of Florida East Coast Railway ("FEC")**
- **Post quarter end, completed IPO for doBank S.p.A. ("doBank")**

(See supplemental data on pages 15-16 for more detail on Private Equity results)

The Private Equity business recorded pre-tax DE of \$58 million in the second quarter of 2017, up from \$35 million in the second quarter of 2016. The year-over-year increase was primarily driven by higher incentive income and management fees for the Permanent Capital Vehicles, partially offset by lower management fees from the Private Equity Funds.

The Permanent Capital Vehicles generated pre-tax DE of \$44 million in the quarter, up from \$18 million in the second quarter of 2016, primarily due to higher incentive income. The Private Equity Funds generated pre-tax DE of \$14 million, down from \$17 million in the second quarter of 2016.

During the quarter, the Private Equity Funds completed the sale of FEC and related freight rail assets to Grupo México Transportes. The sale generated approximately \$500 million in net proceeds to Fortress-managed funds.

Post quarter end, doBank completed its IPO at a price of €9.00 per share. Acquired in 2015 by Eurocastle Investment Limited (Euronext Amsterdam: ECT) and the Fortress Italian NPL Opportunities Fund (the “Italian NPL Fund”), doBank (formerly UniCredit Credit Management Bank S.p.A.) is the largest and highest rated independent non-performing loan servicing group in Italy. As part of the offering, ECT and the Italian NPL Fund sold approximately 38 million shares for approximately €332 million in net proceeds. Together, ECT and the Italian NPL Fund currently own approximately 40 million shares of doBank, or approximately 51% of shares outstanding.

Logan Circle:

- **14 of 16 Logan Circle strategies outperformed their respective benchmarks in the second quarter**
- **Post quarter end, announced agreement to sell Logan Circle to MetLife for approximately \$250 million**

(See supplemental data on page 20 for more detail on Logan Circle results)

Logan Circle, our traditional asset management business, recorded breakeven pre-tax DE for the second quarter of 2017, down slightly compared to the second quarter of 2016. Second quarter 2017 results include \$2 million of expenses incurred by Fortress related to the proposed sale of Logan Circle.

Logan Circle ended the quarter with \$35.5 billion in AUM, up 5% compared to the previous quarter, primarily due to \$1.1 billion of market-driven valuation gains and \$0.7 billion of net client inflows.

For the quarter ended June 30, 2017, 14 of 16 Logan Circle fixed income strategies outperformed their respective benchmarks. Since inception, all 16 Logan Circle fixed income strategies have outperformed their respective benchmarks and nine were ranked in the top quartile of performance for their competitor universe.

Post quarter end, Fortress entered into a definitive agreement to sell Logan Circle to MetLife. The aggregate purchase price is approximately \$250 million, subject to certain customary closing and post-closing adjustments and an allocation of \$55 million of the purchase price to an employee long-term incentive plan.

Liquid Hedge Funds:

- **Earnings from Affiliated Manager totaled \$6 million in the quarter**

(See supplemental data on page 19 for more detail on Liquid Hedge Funds results)

The Liquid Hedge Funds recorded pre-tax DE of \$6 million in the second quarter of 2017, up from a \$6 million pre-tax DE loss in the second quarter of 2016. The year-over-year increase was due to higher earnings from the Affiliated Manager and lower operating expenses.

LIQUIDITY & CAPITAL

As of June 30, 2017, Fortress had cash and cash equivalents of \$342 million and debt obligations of \$183 million.

As of June 30, 2017, Fortress had approximately \$0.9 billion of investments in Fortress funds and options in publicly traded permanent capital vehicles and a total of \$170 million in outstanding commitments to its funds. In addition, the NAV of Fortress's investments in its own funds exceeded its segment cost basis by \$456 million at quarter end, representing net unrealized gains that have not yet been recognized for segment reporting purposes.

DIVIDEND

In connection with the proposed merger between Fortress and an affiliate of SoftBank, Fortress has contractually agreed that it will not pay any dividends with respect to periods ending after March 31, 2017 while the merger agreement remains in effect.

NON-GAAP INFORMATION

DE is a supplemental metric used by management to measure Fortress's operating performance. DE is a measure that management uses to manage, and thus report on, Fortress's segments, namely: Private Equity, Permanent Capital Vehicles, Credit Hedge Funds, Credit PE Funds, Liquid Hedge Funds and Logan Circle. 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 Exhibit 3 to this release and note 10 to the financial statements included in the Company's most recent quarterly report on Form 10-Q.

Fortress aggregates its segment results to report consolidated segment results, as shown in the table under "Summary Financial Results" and in the "Total" column of the table under "Consolidated Segment Results (Non-GAAP)." The consolidated segment results are non-GAAP financial information. Management believes that consolidated segment results provide a meaningful basis for comparison among present and future periods. However, consolidated segment results should not be considered a substitute for Fortress's consolidated GAAP results. The exhibits to this release contain reconciliations of the components of Fortress's consolidated segment results to the comparable GAAP measures, and Fortress urges you to review these exhibits. 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. The exhibits to this release contain reconciliations of these measures to the comparable GAAP measures, and Fortress urges you to review these exhibits.

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ABOUT FORTRESS

Fortress Investment Group LLC is a leading, highly diversified global investment firm with \$72.4 billion in assets under management as of June 30, 2017. Founded in 1998, Fortress manages assets on behalf of over 1,850 institutional clients and private investors worldwide across a range of credit, real estate, permanent capital, private equity and traditional asset management strategies. Fortress is publicly traded on the New York Stock Exchange (NYSE:FIG). For more information regarding Fortress Investment Group LLC or to be added to its e-mail distribution list, please visit www.fortress.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this communication may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are generally identified by the use of words such as “outlook,” “believe,” “expect,” “potential,” “continue,” “may,” “will,” “should,” “could,” “would,” “seek,” “approximately,” “predict,” “intend,” “plan,” “estimate,” “anticipate,” “opportunity,” “pipeline,” “comfortable,” “assume,” “remain,” “maintain,” “sustain,” “achieve” or the negative version of those words or other comparable words. Forward-looking statements are not historical facts, but instead represent only Fortress’s beliefs as of the date of this communication regarding future events, many of which, by their nature, are inherently uncertain and outside of Fortress’s control. Numerous factors could cause actual events to differ from these forward-looking statements, and any such differences could cause our actual results to differ materially from the results expressed or implied by these forward-looking statements. Such factors include but are not limited to the following: (1) conditions to the closing of the merger or the Logan Circle sale, including the obtaining of required regulatory approvals, may not be satisfied; (2) the merger or the Logan Circle sale may involve unexpected costs, liabilities or delays; (3) the business of Fortress may suffer as a result of uncertainty surrounding the merger or the Logan Circle sale; (4) the outcome of any legal proceedings related to the merger or the Logan Circle sale; (5) Fortress may be adversely affected by other economic, business, and/or competitive factors, including the net asset value of assets in certain of Fortress’s funds; (6) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement or the Logan Circle purchase agreement; (7) risks that the merger or the Logan Circle sale disrupts current plans and operations and the potential difficulties in employee retention as a result of the merger or the Logan Circle sale; (8) other risks to consummation of the merger or the Logan Circle sale, including the risk that the merger or the Logan Circle sale will not be consummated within the expected time period or at all; and (9) the risks described from time to time in Fortress’s reports filed with the SEC under the heading “Risk Factors,” including the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and in other of Fortress’s filings with the SEC. In addition, new risks and uncertainties emerge from time to time, and it is not possible for Fortress to predict or assess the impact of every factor that may cause its actual results to differ from those expressed or implied in any forward-looking statements.

Accordingly, you should not place undue reliance on any forward-looking statements contained in this communication, and you should not regard any forward-looking statement as a representation by Fortress or any other person that the future plans, estimates or expectations currently contemplated by Fortress will be achieved. Fortress can give no assurance that the expectations of any forward-looking statement will be obtained. Such forward-looking statements speak only as of the date of this communication. Fortress expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Fortress’s expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Fortress Investment Group LLC
Condensed Consolidated Statements of Operations (Unaudited)
(dollars in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues				
Management fees: affiliates	\$ 119,710	\$ 126,388	\$ 245,879	\$ 253,778
Management fees: non-affiliates	14,474	14,192	28,697	27,611
Incentive income: affiliates	55,412	22,160	85,785	53,938
Incentive income: non-affiliates	781	9,411	1,191	9,862
Expense reimbursements: affiliates	54,493	56,148	112,787	111,439
Expense reimbursements: non-affiliates	292	1,649	911	2,806
Other revenues	1,827	2,758	3,967	4,889
Total Revenues	246,989	232,706	479,217	464,323
Expenses				
Compensation and benefits	163,400	191,279	345,392	355,484
General, administrative and other	39,580	38,770	92,525	71,896
Depreciation and amortization	4,420	5,821	8,875	12,087
Interest expense	2,226	2,982	4,205	6,019
Total Expenses	209,626	238,852	450,997	445,486
Other Income (Loss)				
Gains (losses)	(18,373)	(7,266)	2,066	(23,939)
Tax receivable agreement liability adjustment	-	-	-	(2,699)
Earnings (losses) from equity method investees	26,512	(9,107)	6,644	(29,887)
Total Other Income (Loss)	8,139	(16,373)	8,710	(56,525)
Income (Loss) Before Income Taxes	45,502	(22,519)	36,930	(37,688)
Income tax benefit (expense)	(13,693)	(4,072)	(11,955)	(4,855)
Net Income (Loss)	\$ 31,809	\$ (26,591)	\$ 24,975	\$ (42,543)
Allocation of Net Income (Loss)				
Principals' and Others' Interests in Income (Loss) of Consolidated Subsidiaries	17,301	(12,146)	13,716	(19,572)
Net Income (Loss) Attributable to Class A Shareholders	14,508	(14,445)	11,259	(22,971)
	\$ 31,809	\$ (26,591)	\$ 24,975	\$ (42,543)
Earnings (Loss) Per Class A Share				
Net income (loss) per Class A share, basic	\$ 0.06	\$ (0.07)	\$ 0.05	\$ (0.11)
Net income (loss) per Class A share, diluted	\$ 0.06	\$ (0.07)	\$ 0.05	\$ (0.11)
Weighted average number of Class A shares outstanding, basic	220,259,863	216,733,660	220,377,475	218,790,533
Weighted average number of Class A shares outstanding, diluted	394,838,000	216,733,660	394,226,039	218,790,533

Fortress Investment Group LLC
Condensed Consolidated Balance Sheets
(dollars in thousands)

	June 30, 2017	December 31, 2016
	(Unaudited)	
Assets		
Cash and cash equivalents	\$ 341,712	\$ 397,125
Due from affiliates	231,611	320,633
Investments	849,660	880,001
Investments in options	65,494	53,206
Deferred tax asset, net	417,652	424,244
Other assets	134,983	126,165
Total Assets	\$ 2,041,112	\$ 2,201,374
Liabilities and Equity		
Liabilities		
Accrued compensation and benefits	\$ 219,186	\$ 370,413
Due to affiliates	335,662	360,769
Deferred incentive income	380,560	330,354
Debt obligations payable	182,838	182,838
Other liabilities	90,296	69,255
Total Liabilities	1,208,542	1,313,629
Commitments and Contingencies		
Equity		
Class A shares, no par value, 1,000,000,000 shares authorized, 219,367,912 and 216,891,601 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	-	-
Class B shares, no par value, 750,000,000 shares authorized, 169,207,335 issued and outstanding at June 30, 2017 and December 31, 2016, respectively	-	-
Paid-in capital	1,871,400	1,899,163
Retained earnings (accumulated deficit)	(1,323,171)	(1,333,828)
Accumulated other comprehensive income (loss)	(2,366)	(1,094)
Total Fortress shareholders' equity	545,863	564,241
Principals' and others' interests in equity of consolidated subsidiaries	286,707	323,504
Total Equity	\$ 2,041,112	\$ 2,201,374

Fortress Investment Group LLC
Exhibit 1-a
Supplemental Data for the Six Months Ended June 30, 2017 and 2016

(in millions)	Six Months Ended June 30, 2017						
	Total	Private Equity		Credit Funds		Liquid Hedge Funds	Logan Circle
		Funds	Permanent Capital Vehicles	Hedge Funds	PE Funds		
Assets Under Management							
AUM - January 1, 2017	\$ 69,627	\$ 6,532	\$ 6,961	\$ 8,803	\$ 9,306	\$ 4,589	\$ 33,436
Capital raised	27	-	-	27	-	-	-
Equity raised (Permanent Capital Vehicles)	835	-	835	-	-	-	-
Increase in invested capital	741	22	-	44	675	-	-
Redemptions	(143)	-	-	(143)	-	-	-
RCA distributions ¹¹	(319)	-	-	(319)	-	-	-
Return of capital distributions	(984)	(119)	(114)	(8)	(573)	(170)	-
Crystallized Incentive Income	(108)	-	-	(108)	-	-	-
Equity buyback	(5)	-	(5)	-	-	-	-
Change in AUM of Affiliated Manager and co-managed funds	(112)	-	-	(263)	-	151	-
Net Client Flows	342	-	-	-	-	-	342
Income (loss) and foreign exchange	2,530	415	155	277	(10)	(12)	1,705
AUM - Ending Balance	\$ 72,431	\$ 6,850	\$ 7,832	\$ 8,310	\$ 9,398	\$ 4,558	\$ 35,483
Third-Party Capital Raised	\$ 1,604	\$ -	\$ 835	\$ 67	\$ 702	\$ -	\$ -
Segment Revenues							
Management fees	\$ 267	\$ 40	\$ 61	\$ 75	\$ 60	\$ 1	\$ 30
Incentive income	187	1	64	47	75	-	-
Total	454	41	125	122	135	1	30
Segment Expenses							
Operating expenses ¹²	(243)	(15)	(53)	(55)	(63)	(5)	(29)
Profit sharing compensation expenses	(57)	-	-	(19)	(38)	-	-
Total	(300)	(15)	(53)	(74)	(101)	(5)	(29)
Earnings From Affiliated Manager	7	-	-	-	-	7	-
Fund Management DE (before Principal Performance Payments)	161	26	72	48	34	3	1
Principal Performance Payments	(18)	-	(10)	(5)	(3)	-	-
Fund Management DE	143	26	62	43	31	3	1
Investment Income	20	-	2	3	4	11	-
Unallocated Investment Income	1	-	-	-	-	-	-
Unallocated Expenses	(4)	-	-	-	-	-	-
Pre-tax Distributable Earnings	\$ 160	\$ 26	\$ 64	\$ 46	\$ 35	\$ 14	\$ 1
Pre-tax Distributable Earnings per Dividend Paying Share	\$ 0.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(in millions)	Six Months Ended June 30, 2016						
	Total	Private Equity		Credit Funds		Liquid Hedge Funds	Logan Circle
		Funds	Permanent Capital Vehicles	Hedge Funds	PE Funds		
Assets Under Management							
AUM - January 1, 2016	\$ 70,501	\$ 8,991	\$ 6,816	\$ 8,799	\$ 9,308	\$ 5,409	\$ 31,178
Capital raised	403	-	-	268	56	79	-
Equity raised (Permanent Capital Vehicles)	-	-	-	-	-	-	-
Increase in invested capital	430	18	-	66	346	-	-
Capital acquisitions	682	-	-	682	-	-	-
Redemptions	(323)	-	-	(64)	-	(259)	-
RCA distributions ¹¹	(173)	-	-	(173)	-	-	-
Return of capital distributions	(1,426)	(602)	(60)	(4)	(731)	(29)	-
Adjustment for capital reset	(650)	(650)	-	-	-	-	-
Crystallized Incentive Income	(57)	-	-	(57)	-	-	-
Equity buyback	(125)	-	(125)	-	-	-	-
Change in AUM of Affiliated Managers and co-managed funds	(1,158)	-	-	(775)	-	(383)	-
Divested Businesses	(177)	-	-	-	-	(177)	-
Net Client Flows	279	-	-	-	-	-	279
Income (loss) and foreign exchange	1,989	(1,117)	13	224	264	(18)	2,623
AUM - Ending Balance	\$ 70,195	\$ 6,640	\$ 6,644	\$ 8,966	\$ 9,243	\$ 4,622	\$ 34,080
Third-Party Capital Raised	\$ 434	\$ -	\$ -	\$ 299	\$ 56	\$ 79	\$ -
Segment Revenues							
Management fees	\$ 282	\$ 52	\$ 54	\$ 74	\$ 62	\$ 12	\$ 28
Incentive income	195	-	16	40	138	1	-
Total	477	52	70	114	200	13	28
Segment Expenses							
Operating expenses	(215)	(20)	(37)	(55)	(61)	(16)	(26)
Profit sharing compensation expenses	(89)	-	(4)	(14)	(70)	(1)	-
Total	(304)	(20)	(41)	(69)	(131)	(17)	(26)
Earnings From Affiliated Managers	2	-	-	-	-	2	-
Fund Management DE (before Principal Performance Payments)	175	32	29	45	69	(2)	2
Principal Performance Payments	(14)	-	(4)	(6)	(4)	-	-
Fund Management DE	161	32	25	39	65	(2)	2
Investment Income	11	(1)	2	1	10	(2)	1
Unallocated Investment Income	(1)	-	-	-	-	-	-
Unallocated Expenses	(6)	-	-	-	-	-	-
Pre-tax Distributable Earnings	\$ 165	\$ 31	\$ 27	\$ 40	\$ 75	\$ (4)	\$ 3
Pre-tax Distributable Earnings per Dividend Paying Share	\$ 0.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

¹¹ Represents distributions from (i) assets held by redeeming capital accounts in the Drawbridge Special Opportunities Funds, and (ii) the Value Recovery Funds.

¹² Includes Unallocated Expenses of \$23 million incurred by Fortress related to the proposed acquisition by SoftBank.

Fortress Investment Group LLC
Exhibit 2-a
Assets Under Management and Fund Management DE
(dollars in millions)

	Three Months Ended				Full Year 2016	Three Months Ended	
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	June 30, 2017
Fortress							
Assets Under Management							
Private Equity Funds	\$ 7,179	\$ 6,640	\$ 7,071	\$ 6,532	\$ 6,532	\$ 6,695	\$ 6,850
Permanent Capital Vehicles	6,773	6,644	6,846	6,961	6,961	7,816	7,832
Credit Hedge Funds ¹³	9,336	8,966	8,804	8,803	8,803	8,633	8,310
Credit Private Equity Funds	9,353	9,243	9,483	9,306	9,306	9,098	9,398
Liquid Hedge Funds ¹⁴	5,195	4,622	4,541	4,589	4,589	4,198	4,558
Logan Circle	32,801	34,080	33,386	33,436	33,436	33,719	35,483
AUM - Ending Balance	\$ 70,637	\$ 70,195	\$ 70,131	\$ 69,627	\$ 69,627	\$ 70,159	\$ 72,431
Third-Party Capital Raised	\$ 348	\$ 86	\$ 399	\$ 437	\$ 1,270	\$ 1,550	\$ 54
Segment Revenues							
Management fees	\$ 141	\$ 141	\$ 136	\$ 133	\$ 551	\$ 133	\$ 134
Incentive income	64	131	113	133	441	103	84
Total	205	272	249	266	992	236	218
Segment Expenses							
Operating expenses ¹⁵	(109)	(106)	(104)	(119)	(438)	(127)	(116)
Profit sharing compensation expenses	(31)	(58)	(50)	(49)	(188)	(40)	(17)
Total	(140)	(164)	(154)	(168)	(626)	(167)	(133)
Earnings From Affiliated Manager	1	1	3	10	15	1	6
Fund Management DE (before Principal Performance Payments)	66	109	98	108	381	70	91
Principal Performance Payments	(3)	(11)	(10)	(12)	(36)	(9)	(9)
Fund Management DE	\$ 63	\$ 98	\$ 88	\$ 96	\$ 345	\$ 61	\$ 82
Net Investment Income	1	3	2	11	17	13	4
Pre-tax Distributable Earnings	\$ 64	\$ 101	\$ 90	\$ 107	\$ 362	\$ 74	\$ 86

¹³ The Assets Under Management presented for Credit Hedge Funds includes \$1,433 million related to co-managed funds as of 2Q 2017.

¹⁴ The Assets Under Management presented for the Liquid Hedge Funds includes \$4,516 million related to the Affiliated Manager as of 2Q 2017.

¹⁵ Includes Unallocated Expenses of \$21 million and \$2 million incurred by Fortress related to the proposed acquisition by SoftBank in 1Q 2017 and in 2Q 2017, respectively.

Fortress Investment Group LLC
Exhibit 2-b
Assets Under Management and Fund Management DE
(dollars in millions)

	Three Months Ended				Full Year 2016	Three Months Ended	
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	June 30, 2017
Private Equity Funds							
Assets Under Management							
Main Funds ¹⁶	\$ 4,907	\$ 4,479	\$ 4,980	\$ 4,502	\$ 4,502	\$ 4,676	\$ 4,660
Coinvestment Funds ¹⁷	1,552	1,463	1,412	1,374	1,374	1,378	1,617
MSR Opportunities Funds ¹⁸	333	309	285	261	261	239	220
Italian NPL Opportunities Fund	231	225	228	213	213	216	163
Fortress Equity Partners	156	164	166	182	182	186	190
AUM - Ending Balance	\$ 7,179	\$ 6,640	\$ 7,071	\$ 6,532	\$ 6,532	\$ 6,695	\$ 6,850
Third-Party Capital Raised	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Segment Revenues							
Management fees	\$ 26	\$ 26	\$ 21	\$ 21	\$ 94	\$ 20	\$ 20
Incentive income	-	-	-	-	-	-	1
Total	26	26	21	21	94	20	21
Segment Expenses							
Operating expenses	(10)	(10)	(8)	(8)	(36)	(8)	(7)
Profit sharing compensation expenses	-	-	-	-	-	-	-
Total	(10)	(10)	(8)	(8)	(36)	(8)	(7)
Fund Management DE (before Principal Performance Payments)	16	16	13	13	58	12	14
Principal Performance Payments	-	-	-	-	-	-	-
Fund Management DE	\$ 16	\$ 16	\$ 13	\$ 13	\$ 58	\$ 12	\$ 14
Net Investment Income	(2)	1	-	2	1	-	-
Pre-tax Distributable Earnings	\$ 14	\$ 17	\$ 13	\$ 15	\$ 59	\$ 12	\$ 14

¹⁶ Combined AUM for Fund IV and Fund V.

¹⁷ Combined AUM for Fund IV Coinvestment, Fund V Coinvestment, FHIF and FECL.

¹⁸ Combined AUM for MSR Opportunities Fund I A, MSR Opportunities Fund I B, MSR Opportunities Fund II A, MSR Opportunities Fund II B and MSR Opportunities Fund MA I.

Fortress Investment Group LLC
Exhibit 2-c
Assets Under Management and Fund Management DE
(dollars in millions)

	Three Months Ended				Full Year 2016	Three Months Ended	
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	June 30, 2017
Permanent Capital Vehicles							
Assets Under Management							
Drive Shack Inc.	\$ 680	\$ 680	\$ 680	\$ 680	\$ 680	\$ 680	\$ 681
New Residential Investment Corp.	2,689	2,689	2,948	2,948	2,948	3,782	3,782
Eurocastle Investment Limited	608	510	486	488	488	587	627
New Media Investment Group Inc.	637	637	637	772	772	712	707
New Senior Investment Group Inc.	1,024	1,024	1,024	1,024	1,024	1,020	1,020
Fortress Transportation and Infrastructure Investors LLC	1,135	1,104	1,071	1,049	1,049	1,035	1,015
AUM - Ending Balance	\$ 6,773	\$ 6,644	\$ 6,846	\$ 6,961	\$ 6,961	\$ 7,816	\$ 7,832
Third-Party Capital Raised	\$ -	\$ -	\$ 279	\$ 135	\$ 414	\$ 835	\$ -
Segment Revenues							
Management fees	\$ 27	\$ 27	\$ 28	\$ 28	\$ 110	\$ 31	\$ 30
Incentive income	2	14	10	41	67	16	48
Total	29	41	38	69	177	47	78
Segment Expenses							
Operating expenses	(19)	(18)	(17)	(26)	(80)	(24)	(29)
Profit sharing compensation expenses	(1)	(3)	(5)	(6)	(15)	-	-
Total	(20)	(21)	(22)	(32)	(95)	(24)	(29)
Fund Management DE (before Principal Performance Payments)	9	20	16	37	82	23	49
Principal Performance Payments	(1)	(3)	(2)	(6)	(12)	(4)	(6)
Fund Management DE	\$ 8	\$ 17	\$ 14	\$ 31	\$ 70	\$ 19	\$ 43
Net Investment Income	1	1	-	1	3	1	1
Pre-tax Distributable Earnings	\$ 9	\$ 18	\$ 14	\$ 32	\$ 73	\$ 20	\$ 44

Fortress Investment Group LLC
Exhibit 2-d
Assets Under Management and Fund Management DE
(dollars in millions)

	Three Months Ended					Three Months Ended	
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	Full Year 2016	March 31, 2017	June 30, 2017
Credit Hedge Funds							
Assets Under Management							
Drawbridge Special Opportunities Funds ¹⁹	\$ 5,816	\$ 5,928	\$ 6,019	\$ 6,153	\$ 6,153	\$ 6,054	\$ 6,010
Third Party Originated Funds ²⁰	815	837	821	840	840	831	706
Japan Income Fund	116	123	125	114	114	143	161
Co-Managed Funds ²¹	2,589	2,078	1,838	1,696	1,696	1,605	1,433
AUM - Ending Balance	\$ 9,336	\$ 8,966	\$ 8,804	\$ 8,803	\$ 8,803	\$ 8,633	\$ 8,310
Third-Party Capital Raised	\$ 272	\$ 27	\$ -	\$ -	\$ 299	\$ 13	\$ 54
Segment Revenues							
Management fees	\$ 37	\$ 37	\$ 39	\$ 37	\$ 150	\$ 37	\$ 38
Incentive income	7	33	44	47	131	32	15
Total	44	70	83	84	281	69	53
Segment Expenses							
Operating expenses	(26)	(29)	(25)	(27)	(107)	(27)	(28)
Profit sharing compensation expenses	(3)	(11)	(16)	(20)	(50)	(13)	(6)
Total	(29)	(40)	(41)	(47)	(157)	(40)	(34)
Fund Management DE (before Principal Performance Payments)	15	30	42	37	124	29	19
Principal Performance Payments	(1)	(5)	(8)	(5)	(19)	(2)	(3)
Fund Management DE	\$ 14	\$ 25	\$ 34	\$ 32	\$ 105	\$ 27	\$ 16
Net Investment Income	-	1	2	3	6	1	2
Pre-tax Distributable Earnings	\$ 14	\$ 26	\$ 36	\$ 35	\$ 111	\$ 28	\$ 18
Net Returns²²							
Drawbridge Special Opportunities Fund LP	0.6%	2.8%	2.7%	3.3%	9.7%	2.4%	1.2%
Drawbridge Special Opportunities Fund Ltd	(1.3%)	1.5%	3.1%	2.6%	5.9%	2.2%	1.0%

¹⁹ Combined AUM for Drawbridge Special Opportunities Fund LP, Drawbridge Special Opportunities Fund Ltd, Drawbridge Special Opportunities Fund managed accounts, Worden Fund LP and Worden Fund II LP. Worden Fund II LP was closed in 1Q 2016.

²⁰ Combined AUM for the third party originated JP Funds and third party originated Value Recovery Funds.

²¹ Combined AUM for the Mount Kellett investment funds and related accounts.

²² 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 which relate to December 31, 2009, December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015 and December 31, 2016 redemptions.

Fortress Investment Group LLC
Exhibit 2-e
Assets Under Management and Fund Management DE
(dollars in millions)

	Three Months Ended				Full Year 2016	Three Months Ended	
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	June 30, 2017
Credit Private Equity Funds							
Assets Under Management							
Long Dated Value Funds ²³	\$ 292	\$ 203	\$ 186	\$ 186	\$ 186	\$ 186	\$ 186
Real Assets Funds	50	33	33	33	33	33	-
Fortress Credit Opportunities Funds ²⁴	6,894	6,765	7,031	7,112	7,112	6,773	7,145
Japan Opportunity Funds ²⁵	2,117	2,242	2,234	1,975	1,975	2,107	2,067
AUM - Ending Balance	\$ 9,353	\$ 9,243	\$ 9,483	\$ 9,306	\$ 9,306	\$ 9,098	\$ 9,398
Third-Party Capital Raised	\$ 13	\$ 43	\$ 120	\$ 302	\$ 478	\$ 702	\$ -
Segment Revenues							
Management fees	\$ 31	\$ 31	\$ 32	\$ 32	\$ 126	\$ 30	\$ 30
Incentive income	53	85	59	44	241	55	20
Total	84	116	91	76	367	85	50
Segment Expenses							
Operating expenses	(32)	(29)	(34)	(38)	(133)	(31)	(32)
Profit sharing compensation expenses	(26)	(44)	(29)	(23)	(122)	(27)	(11)
Total	(58)	(73)	(63)	(61)	(255)	(58)	(43)
Fund Management DE (before Principal Performance Payments)	26	43	28	15	112	27	7
Principal Performance Payments	(1)	(3)	-	(1)	(5)	(3)	-
Fund Management DE	\$ 25	\$ 40	\$ 28	\$ 14	\$ 107	\$ 24	\$ 7
Net Investment Income	3	7	4	6	20	3	1
Pre-tax Distributable Earnings	\$ 28	\$ 47	\$ 32	\$ 20	\$ 127	\$ 27	\$ 8

²³ Combined AUM for Long Dated Value Fund I, Long Dated Value Fund II, Long Dated Value Fund III and LDVF Patent Fund.

²⁴ Combined AUM for Credit Opportunities Fund, Credit Opportunities Fund II, Credit Opportunities Fund III, Credit Opportunities Fund IV, FCO Managed Accounts, Global Opportunities Funds, Life Settlements Fund, Life Settlements Fund MA, SIP managed account, Real Estate Opportunities Fund, Real Estate Opportunities Fund II, Real Estate Opportunities REOC Fund and Secured Lending Fund I.

²⁵ Combined AUM for Japan Opportunity Fund, Japan Opportunity Fund II (Dollar), Japan Opportunity Fund II (Yen), Japan Opportunity Fund III (Dollar), Japan Opportunity Fund III (Yen), FJOF3 Residential Coinvestment Fund (Dollar) and FJOF3 Residential Coinvestment Fund (Yen).

Fortress Investment Group LLC
Exhibit 2-f
Assets Under Management and Fund Management DE
(dollars in millions)

	Three Months Ended				Full Year 2016	Three Months Ended	
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	June 30, 2017
Liquid Hedge Funds							
Assets Under Management							
Drawbridge Global Macro Funds ²⁶	116	112	101	39	39	39	35
Fortress Convex Asia Funds ²⁷	176	N/A	N/A	N/A	N/A	N/A	N/A
Fortress Centaurus Global Funds ²⁸	206	182	N/A	N/A	N/A	N/A	N/A
Fortress Partners Funds ²⁹	228	215	199	186	186	9	7
Affiliated Manager ³⁰	4,469	4,113	4,240	4,365	4,365	4,150	4,516
AUM - Ending Balance	\$ 5,195	\$ 4,622	\$ 4,541	\$ 4,589	\$ 4,589	\$ 4,198	\$ 4,558
Third-Party Capital Raised	\$ 63	\$ 16	\$ -	\$ -	\$ 79	\$ -	\$ -
Segment Revenues							
Management fees	\$ 6	\$ 6	\$ 1	\$ 1	\$ 14	\$ -	\$ 1
Incentive income	2	(1)	-	-	1	-	-
Total	8	5	1	1	15	-	1
Segment Expenses							
Operating expenses	(9)	(7)	(7)	(5)	(28)	(2)	(3)
Profit sharing compensation expenses	(1)	-	-	-	(1)	-	-
Total	(10)	(7)	(7)	(5)	(29)	(2)	(3)
Earnings From Affiliated Manager	1	1	3	10	15	1	6
Fund Management DE (before Principal Performance Payments)	(1)	(1)	(3)	6	1	(1)	4
Principal Performance Payments	-	-	-	-	-	-	-
Fund Management DE	\$ (1)	\$ (1)	\$ (3)	\$ 6	\$ 1	\$ (1)	\$ 4
Net Investment Income	3	(5)	(2)	1	(3)	9	2
Pre-tax Distributable Earnings	\$ 2	\$ (6)	\$ (5)	\$ 7	\$ (2)	\$ 8	\$ 6
Net Returns³¹							
Fortress Convex Asia Fund Ltd	1.5%	(1.2%)	N/A	N/A	0.3%	N/A	N/A
Fortress Centaurus Global Fund Ltd	1.9%	(6.1%)	(3.3%)	N/A	(7.5%)	N/A	N/A

²⁶ Combined AUM for Drawbridge Global Macro Fund LP and Drawbridge Global Macro Intermediate Fund LP.

²⁷ Combined AUM for Fortress Convex Asia Fund LP, Fortress Convex Asia Fund Ltd, Fortress Convex Asia Fund PF LP and Fortress Convex Asia Fund PF Ltd. In 2Q 2016, Fortress transferred its interests as general partner and investment manager of the Fortress Convex Asia Funds to a third party.

²⁸ Combined AUM for Fortress Centaurus Global Fund LP and Fortress Centaurus Global Fund Ltd. In 3Q 2016, Fortress closed the Fortress Centaurus Global Fund.

²⁹ Combined AUM for Fortress Partners Fund LP and Fortress Partners Offshore Fund LP.

³⁰ In 1Q 2015, the Fortress Asia Macro Funds and related managed accounts transitioned to Graticule Asset Management and became an Affiliated Manager.

³¹ 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.

Fortress Investment Group LLC
Exhibit 2-g
Assets Under Management and Fund Management DE
(dollars in millions)

	Three Months Ended				Full Year 2016	Three Months Ended	
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	June 30, 2017
Logan Circle							
Assets Under Management							
AUM - Ending Balance	\$ 32,801	\$ 34,080	\$ 33,386	\$ 33,436	\$ 33,436	\$ 33,719	\$ 35,483
Net Client Flows	\$ 261	\$ 18	\$ (1,453)	\$ 1,049	\$ (125)	\$ (362)	\$ 704
Segment Revenues							
Management fees	\$ 14	\$ 14	\$ 15	\$ 14	\$ 57	\$ 15	\$ 15
Incentive income	-	-	-	1	1	-	-
Total	14	14	15	15	58	15	15
Segment Expenses							
Operating expenses	(13)	(13)	(13)	(15)	(54)	(14)	(15)
Profit sharing compensation expenses	-	-	-	-	-	-	-
Total	(13)	(13)	(13)	(15)	(54)	(14)	(15)
Fund Management DE	\$ 1	\$ 1	\$ 2	\$ -	\$ 4	\$ 1	\$ -
Net Investment Income	-	1	-	(1)	-	-	-
Pre-tax Distributable Earnings	\$ 1	\$ 2	\$ 2	\$ (1)	\$ 4	\$ 1	\$ -

Fortress Investment Group LLC

Exhibit 3

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

	Three Months Ended				Full Year 2016	Three Months Ended		Six Months Ended June 30, 2017
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	June 30, 2017	
GAAP Net Income (Loss)	\$ (16)	\$ (27)	\$ 58	\$ 165	\$ 181	\$ (7)	\$ 32	\$ 25
Principals' and Others' Interests in (Income) Loss of Consolidated Subsidiaries	7	13	(28)	(79)	(87)	4	(17)	(14)
Redeemable non-controlling interests in Income (Loss)	-	-	-	-	-	-	-	-
GAAP Net Income (Loss) Attributable to Class A Shareholders	\$ (9)	\$ (14)	\$ 31	\$ 86	\$ 94	\$ (3)	\$ 15	\$ 11
Private Equity incentive income	23	73	8	(38)	66	41	12	53
Hedge Fund, PCV and Logan Circle incentive income	8	26	35	(69)	-	31	16	47
Incentive income received related to exercise of options	-	-	4	-	4	-	-	-
Distributions of earnings from equity method investees	3	8	4	11	26	13	3	17
Losses (earnings) from equity method investees	24	8	(24)	30	38	22	(20)	2
Losses (gains) on options	2	(12)	(4)	(9)	(23)	(27)	23	(4)
Losses (gains) on other Investments	15	19	1	(37)	(2)	6	(3)	3
Impairment of investments	(2)	(1)	-	(1)	(4)	-	-	-
Adjust income from the receipt of options	-	-	(2)	(3)	(5)	(8)	-	(8)
Amortization of intangible assets and impairment of goodwill	1	-	1	1	3	1	-	1
Employee, Principal and director compensation	3	2	2	37	44	3	10	13
Adjust non-controlling interests related to Fortress Operating Group units	(8)	(12)	27	79	86	(4)	17	13
Tax receivable agreement liability reduction	3	-	-	4	7	-	-	-
Adjust income taxes and other tax related items	1	4	7	16	28	(1)	13	12
Pre-tax Distributable Earnings	\$ 64	\$ 101	\$ 90	\$ 107	\$ 362	\$ 74	\$ 86	\$ 160
Investment Loss (income)	(4)	(6)	(4)	(13)	(27)	(15)	(6)	(21)
Interest Expense	3	3	2	2	10	2	2	4
Fund Management DE	\$ 63	\$ 98	\$ 88	\$ 96	\$ 345	\$ 61	\$ 82	\$ 143
GAAP Revenues	\$ 232	\$ 232	\$ 261	\$ 438	\$ 1,164	\$ 232	\$ 247	\$ 479
Adjust management fees	1	-	-	-	1	1	-	1
Adjust incentive income	31	100	65	(107)	89	72	28	100
Adjust income from the receipt of options	-	-	(2)	(3)	(5)	(8)	-	(8)
Other revenues	(59)	(60)	(75)	(62)	(257)	(61)	(57)	(118)
Segment Revenues	\$ 205	\$ 272	\$ 249	\$ 266	\$ 992	\$ 236	\$ 218	\$ 454
GAAP Expenses	\$ 207	\$ 238	\$ 226	\$ 280	\$ 951	\$ 241	\$ 210	\$ 451
Adjust interest expense	(3)	(3)	(2)	(2)	(10)	(2)	(2)	(4)
Adjust employee, Principal and director compensation	(2)	(1)	(1)	(35)	(39)	(2)	(6)	(8)
Adjust amortization of intangible assets and impairment of goodwill	(1)	-	(1)	(1)	(3)	(1)	-	(1)
Adjust expense reimbursements from affiliates and non-affiliates	(57)	(58)	(58)	(60)	(233)	(58)	(57)	(115)
Adjust Principal Performance Payments	(4)	(12)	(10)	(14)	(40)	(11)	(12)	(23)
Segment Expenses	\$ 140	\$ 164	\$ 154	\$ 168	\$ 626	\$ 167	\$ 133	\$ 300

“Distributable earnings” is Fortress’s supplemental measure of operating performance used by management in analyzing segment and overall results. 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 10 to the financial statements included in the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017.

Fortress’s management uses distributable earnings:

- 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;
- as a valuation measure in strategic analyses in connection with the performance of its funds and the performance of its employees; and
- to assist in evaluating its periodic distributions to equity holders.

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 Loss (Income)” 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.

Fortress Investment Group LLC

Exhibit 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)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Weighted Average Class A Shares Outstanding (Used for Basic EPS)	220,259,863	216,733,660	220,377,475	218,790,533
Weighted average fully vested restricted Class A share units with dividend equivalent rights	(1,907,872)	(291,469)	(2,208,686)	(984,000)
Weighted average restricted Class A shares	(934,192)	(810,882)	(933,669)	(790,155)
Weighted Average Class A Shares Outstanding	217,417,799	215,631,309	217,235,120	217,016,378
Weighted average restricted Class A shares ³²	1,907,872	810,882	2,208,686	790,155
Weighted average fully vested restricted Class A share units which are entitled to dividend equivalent payments	934,192	291,469	933,669	984,000
Weighted average unvested restricted Class A share units which are entitled to dividend equivalent payments	7,461,953	8,063,715	7,363,765	7,940,803
Weighted average Fortress Operating Group units	169,207,335	169,514,478	169,207,335	169,514,478
Weighted Average Class A Shares Outstanding (Used for DEPS)	396,929,151	394,311,853	396,948,575	396,245,814
Weighted average vested and unvested restricted Class A share units which are not entitled to dividend equivalent payments	8,493,099	9,344,273	8,251,752	9,050,075
Weighted Average Fully Diluted Shares and Units Outstanding (Used for Diluted DEPS)	405,422,250	403,656,126	405,200,327	405,295,889

“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. 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.

³² Includes both fully vested and unvested restricted Class A shares.

Fortress Investment Group LLC
Exhibit 5
Reconciliation of GAAP Book Value Per Share to Net Cash and Investments Per Share
(dollars and shares in thousands)

	As of June 30, 2017		As of December 31, 2016	
	GAAP Book Value	Net Cash and Investments	GAAP Book Value	Net Cash and Investments
Cash and Cash equivalents	\$ 341,712	\$ 341,712	\$ 397,125	\$ 397,125
Investments	849,660	849,660	880,001	880,001
Investments in options ³³	65,494	-	53,206	-
Due from Affiliates	231,611	-	320,633	-
Deferred Tax Asset, net	417,652	-	424,244	-
Other Assets	134,983	-	126,165	-
Total Assets	2,041,112	1,191,372	2,201,374	1,277,126
Debt Obligations Payable	\$ 182,838	\$ 182,838	\$ 182,838	\$ 182,838
Accrued Compensation and Benefits	219,186	-	370,413	-
Due to Affiliates	335,662	-	360,769	-
Deferred Incentive Income	380,560	-	330,354	-
Other Liabilities	90,296	-	69,255	-
Total Liabilities	1,208,542	182,838	1,313,629	182,838
Net	\$ 832,570	\$ 1,008,534	\$ 887,745	\$ 1,094,288
	Shares	Dividend Paying	Shares	Dividend Paying
	Outstanding	Shares and Units	Outstanding	Shares and Units
Class A Shares	218,434	218,434	216,005	216,005
Restricted Class A Shares	934	934	887	887
Fortress Operating Group Units	169,207	169,207	169,207	169,207
Fully Vested Class A Shares - Dividend Paying	-	-	-	468
Unvested Class A Shares - Dividend Paying	-	7,462	-	8,064
Shares Outstanding	388,575	396,037	386,099	394,631
Per Share	\$ 2.14	\$ 2.55	\$ 2.30	\$ 2.77

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.

³³ The intrinsic value of options in equity method investees totaled \$32 million at quarter 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 June 30, 2017 closing price and differs from the fair value derived from option pricing models included in the table above.