

**NORTHSTAR REALTY FINANCE CORP.
TAX REPORTING TREATMENT OF 2009 DISTRIBUTIONS**

February 19, 2010

The following table details year-end federal income tax reporting information for distributions made by NorthStar Realty Finance Corp. in 2009, on a per share basis:

<u>Class of Stock</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Amount Distributed</u>	<u>Ordinary Income (Taxable)¹</u>	<u>Return of Capital</u>
Common	1/28/2009	2/27/2009	\$ 0.25000 ²	\$ 0.25000 ²	\$ —
Common	5/5/2009	5/15/2009	\$ 0.10000	\$ 0.10000	\$ —
Common	8/4/2009	8/14/2009	\$ 0.10000	\$ 0.10000	\$ —
Common	11/6/2009	11/16/2009	\$ 0.10000	\$ 0.10000	\$ —
Total			<u>\$ 0.55000</u>	<u>\$ 0.55000</u>	<u>\$ —</u>
Preferred Series A	2/6/2009	2/16/2009	\$ 0.54688	\$ 0.54688	\$ —
Preferred Series A	5/5/2009	5/15/2009	\$ 0.54688	\$ 0.54688	\$ —
Preferred Series A	8/4/2009	8/14/2009	\$ 0.54688	\$ 0.54688	\$ —
Preferred Series A	11/6/2009	11/16/2009	\$ 0.54688	\$ 0.54688	\$ —
Total			<u>\$ 2.18752</u>	<u>\$ 2.18752</u>	<u>\$ —</u>
Preferred Series B	2/6/2009	2/16/2009	\$ 0.51563	\$ 0.51563	\$ —
Preferred Series B	5/5/2009	5/15/2009	\$ 0.51563	\$ 0.51563	\$ —
Preferred Series B	8/4/2009	8/14/2009	\$ 0.51563	\$ 0.51563	\$ —
Preferred Series B	11/6/2009	11/16/2009	\$ 0.51563	\$ 0.51563	\$ —
Total			<u>\$ 2.06252</u>	<u>\$ 2.06252</u>	<u>\$ —</u>

- (1) For tax reporting purposes, none of NorthStar Realty Finance Corp.'s ordinary income dividends are treated as qualified dividend income.
- (2) A portion of this distribution was paid in shares of our common stock. For federal income tax purposes, the amount distributed on 2/27/09 includes both the portion of the distribution paid in shares of our common stock and the portion of the distribution paid in cash. Taxable stockholders are required to take the entire distribution, including the portion paid in shares of our common stock, into account as ordinary income for federal income tax purposes.

The tax information above should not be construed as tax advice and is not a substitute for careful tax planning and analysis. Stockholders are encouraged to consult with their own tax advisors regarding the specific federal, state, local, foreign and other tax consequences of ownership of NorthStar Realty Finance Corp. stock and the specific tax treatment of distributions on NorthStar Realty Finance Corp. stock.

NorthStar Realty Finance Corp. is an internally-managed real estate investment trust (REIT) that originates and invests in commercial real estate debt, real estate securities and net lease properties. For more information about NorthStar Realty Finance Corp., please visit <http://www.nrfc.com> or call Joseph Calabrese, Investor Relations.

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