

# CRYSTAL RIVER CAPITAL, INC.

## FORM 8-K (Current report filing)

Filed 04/08/08 for the Period Ending 04/08/08

Address	THREE WORLD FINANCIAL CENTER 200 VESEY STREET, 10TH FLOOR NEW YORK, NY 10281-1010
Telephone	212-549-8400
CIK	0001344705
Symbol	CRZ
SIC Code	6798 - Real Estate Investment Trusts
Industry	Misc. Financial Services
Sector	Technology
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**Current Report  
Pursuant  
to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported) April 8, 2008

**CRYSTAL RIVER CAPITAL, INC.**

*(Exact Name of Registrant as Specified in its Charter)*

Maryland

*(State or Other Jurisdiction of Incorporation)*

001-32958

*(Commission File Number)*

20-2230150

*(I.R.S. Employer Identification No.)*

Three World Financial Center, 200 Vesey Street, 10th Floor  
New York, New York

*(Address of Principal Executive Offices)*

10281-1010

*(Zip Code)*

(212) 549-8400

*(Registrant's Telephone Number, Including Area Code)*

Not Applicable

*(Former Name or Former Address, if Changed Since Last Report)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ( see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 7.01. Regulation FD Disclosure.**

A copy of a slide presentation that Crystal River Capital, Inc. (the "Company") uses for its meetings with investors and analysts is attached to this Current Report on Form 8-K (this "Current Report") as Exhibit 99.1 and is incorporated herein by reference solely for purposes of this Item 7.01. Additionally, the Company has posted the slide presentation on its website at <http://www.crystalriverreit.com> under the investor relations section.

The information in this Current Report, including the exhibit attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section, and shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing. This Current Report will not be deemed an admission as to the materiality of any information in this Current Report that is required to be disclosed solely by Regulation FD.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	PowerPoint slide presentation.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Crystal River Capital, Inc.**

April 8, 2008

By: /s/ Craig J. Laurie  
Name: Craig J. Laurie  
Title: Chief Financial Officer and  
Treasurer

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**EXHIBIT INDEX**

Exhibit

99.1 PowerPoint slide presentation.

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Investor Presentation  
April 2008



# Forward Looking Statement



Some of the statements contained in this presentation are “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933 that involve risks, uncertainties and assumptions with respect to us, including some statements concerning the transactions described in this presentation, future results, projected sector returns, plans, goals and other events which have not yet occurred. The forward looking statements contained in this presentation involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects;
- the general volatility of the securities markets in which we invest and the market price of our common stock;
- changes in our business strategy;
- availability, terms and deployment of capital;
- changes in our industry, interest rates, the debt securities markets or the general economy;
- increased rates of default and/or decreased recovery rates on our investments;
- increased prepayments of mortgages and other loans underlying our mortgage-backed or other asset-backed securities;
- our expected financings and investments;
- the adequacy of our cash resources and working capital;
- changes in government regulations, tax rates and similar matters;
- changes in generally accepted accounting principles by standard-setting bodies;
- future margin reductions and the availability of liquid assets to post additional collateral;
- availability of investment opportunities in real estate-related and other securities; and
- the degree and nature of our competition.

These forward looking statements are based on our current expectations, speak only as of the date of this presentation and are susceptible to a number of risks, uncertainties and other factors. Our actual results, performance and achievements may differ materially from any future results, performance or achievements expressed or implied by such forward looking statements. Many important factors could affect our future results and could cause those results to differ materially from those expressed in the forward looking statements contained in this presentation.

# At A Glance



- A specialty finance REIT that invests in assets that generate long-term sustainable cash flows and that are funded with long-term liabilities
- NYSE: CRZ
  - market cap ~\$220M <sup>(1)</sup>
  - total assets: \$2.5B <sup>(2)</sup>
- 8% owned by parent company / management / directors



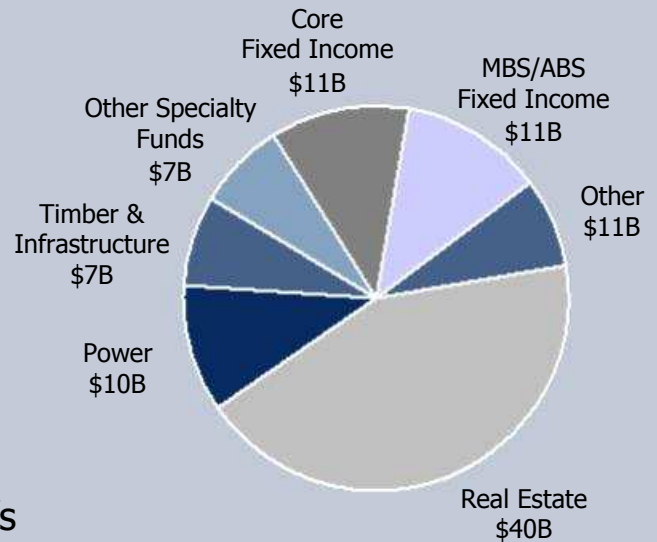
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<sup>(1)</sup> As of March 31, 2008

<sup>(2)</sup> As of December 31, 2007

## Brookfield Asset Management Expertise

- Externally managed by subsidiaries of Brookfield Asset Management (NYSE: BAM)
  - Approximately \$95B AUM, 50 offices and 300 investment professionals worldwide \*
  - superior track record
  - \$22B in CMBS, RMBS and ABS for major pension plans, national banks and insurance companies \*
  - decades of experience managing each asset class in Crystal River portfolio
- Crystal River benefits from Brookfield's strong operating expertise, long-standing relationships and financial resources



# Dynamic, Flexible Investment Capabilities



- High grade
- High leverage

- High yield
- Low leverage

Agency  
MBS

Non-Agency  
RMBS

CMBS

Commercial  
Real Estate  
Loans

Commercial  
Real Estate  
Equity



## Q1 2008

### Market Events

Asset values continued to decline, especially on CMBS

Initial financing margins on Agency MBS increased from 3% to 7% on average

### Company Responses

**Reported in the 10-K:**  
Sold down \$700 million of Agency MBS

Liquidated remaining single-name CMBS CDS

Sold investment in real estate finance fund

**Subsequent events:**  
Sold down remaining \$500 million of Agency MBS <sup>(1)</sup>

### Results

Raised net cash of \$45 million <sup>(1)</sup>

Freed up \$52 million on funding line capacity

Reduced repurchase debt balance by \$1.2 billion to \$28 million after asset sales

\$100 million of unencumbered assets

<sup>(1)</sup> During the first quarter of 2008 we sold our Agency MBS portfolio; some of these trades are expected to settle in late April

# Portfolio Snapshot As Of December 31, 2007



Sector	Current Asset Allocation		Comment / Outlook
Agency MBS <sup>(1)</sup>	\$ 1,246.7	55%	Sold position during the first quarter of 2008 to deleverage balance sheet
CMBS	399.4	18%	Continued focus
CRE debt & equity	445.2	20%	Continued focus
Non-Agency RMBS	168.4	7%	Only \$52.7M of sub-prime RMBS

<sup>(1)</sup> During the first quarter of 2008 we sold our Agency MBS portfolio; some of these trades are expected to settle in late April

# Our Assets Are Well Financed - Liability Side



(As of December 31, 2007) (\$ in millions)	Asset Carrying Value	CDO Debt <sup>(1)</sup>	Other Term Debt	Funding Facilities	Repurchase Agreements
<b>Agency MBS</b>	\$ 1,246.7 <sup>(2)(3)</sup>	\$ —	\$ —	\$ —	\$ 1,215.7
CMBS	399.4	391.7	—	—	39.8
Prime RMBS	115.7	61.9	—	6.4	4.9
Sub-prime RMBS	52.7	33.0	—	5.7	2.3
CDO Notes	—	—	—	1.3	—
Preferred stock	0.7	—	—	—	—
Real estate loans	170.8	—	99.8	30.0	—
Commercial real estate	238.2	—	219.4	—	—
Real Estate Finance Fund	36.2	—	—	37.3	—
Trust preferred securities	—	—	51.6	—	—
Other	1.6	—	—	—	—
<b>Total</b>	<b>\$ 2,262.0</b>	<b>\$ 486.6</b>	<b>\$ 370.8</b>	<b>\$ 80.7</b>	<b>\$ 1,262.7</b>

Reduced to  
\$48 million  
after asset  
sales

Reduced to  
\$28 million  
after asset  
sales

(1) CDO debt has been allocated based upon the asset mix within the Company's CDOs

(2) Excludes margin cash

(3) During the first quarter of 2008 we sold our Agency MBS portfolio; some of these trades are expected to settle in late April

# Company Focus



- Focus on attractive commercial real estate assets that provide long-term, sustainable cash flows and that can be funded with long-term liabilities
- Opportunistically invest in Brookfield-sourced infrastructure and real estate assets and funds
- Procure attractive long-term funding
- Near term:
  - Continue to manage liquidity
  - Opportunistically invest in:
    - » Agency MBS
    - » Single-A rated CMBS
    - » Triple-net lease buildings



CRYSTAL  
RIVER™

Q&A  
April 2008

