

Redwood Trust Announces Offering Of Convertible Senior Notes Due 2023

NEWS PROVIDED BY

Redwood Trust, Inc.

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MILL VALLEY, Calif., Aug. 14, 2017 /PRNewswire/ -- Redwood Trust, Inc. ("Redwood") (NYSE: [RWT](#)) today announced that it plans to offer, subject to market and other conditions, \$225.0 million aggregate principal amount of convertible senior notes due 2023 in an underwritten public offering (the "Notes"). Redwood expects to grant the underwriters a 30-day option to purchase up to an additional \$33.75 million aggregate principal amount of the Notes in connection with the offering solely to cover over-allotments, if any. The Notes will be senior unsecured obligations of Redwood. The interest rate and offering price are to be determined by negotiations between Redwood and the underwriters of the offering.

Redwood intends to use the net proceeds from this offering for general corporate purposes, which may include the repayment of debt, including a portion of the \$250 million outstanding aggregate principal amount of its 4.625% convertible senior notes due 2018 repurchased in the open market or in privately negotiated transactions or repaid at maturity on April 15, 2018, and to fund its business and investment activity. Pending such uses, Redwood may use a portion of the net proceeds from this offering to temporarily reduce borrowings under its short-term residential loan warehouse facilities and its short-term real estate securities repurchase facilities.

J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are acting as joint book-running managers for the proposed offering. Goldman Sachs & Co. LLC is acting as lead manager and JMP Securities LLC is acting as co-manager. A copy of the prospectus supplement and prospectus relating to these securities may be obtained, when available, by contacting: J.P. Morgan Securities LLC c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717 or by calling 1-866-803-9204; or Wells Fargo Securities, LLC c/o Equity Syndicate Department, 375 Park Avenue, 4th Floor, New York, New York 10152 or by calling 1-800-326-5897 or by emailing cmclientsupport@wellsfargo.com.

This announcement shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the

securities laws of any such state or jurisdiction. This announcement is being issued pursuant to and in accordance with Rule 134 under the Securities Act of 1933, as amended. Any offer, if at all, will be made only by means of a prospectus supplement and the accompanying prospectus, forming a part of the effective registration statement.

Redwood is a publicly traded company structured as a real estate investment trust.

CAUTIONARY STATEMENT: This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, such as statements related to the offering and the expected use of the net proceeds. Forward-looking statements involve numerous risks and uncertainties. Redwood's actual results may differ materially from those projected, and Redwood cautions investors not to place undue reliance on the forward-looking statements contained in this release. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "believe," "intend," "seek," "plan," and similar expressions or their negative forms, or by references to strategy, plans, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in Redwood's preliminary prospectus supplement dated August 14, 2017, the accompanying prospectus dated May 10, 2016, and the documents incorporated in the prospectus supplement and the prospectus by reference. Redwood undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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