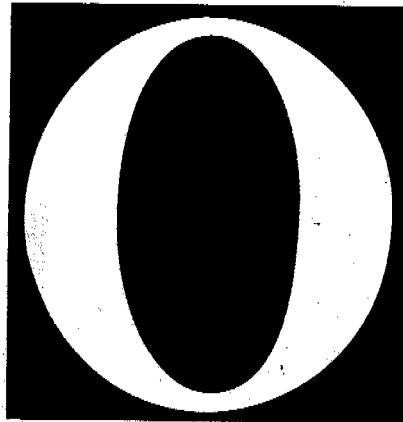


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OMEGA
HEALTHCARE
INVESTORS,
INC.

Capitol Research Division
SNL Financial
1-800-969-4121

2003
Annual Report

OMEGA HEALTHCARE INVESTORS, INC.

We are a self-administered real estate investment trust ("REIT"), providing financing and capital to the long-term healthcare industry with a particular focus on skilled nursing facilities located in the United States. Operating in accordance with federal tax laws and regulations governing REITs, income is distributed to stockholders without federal tax liability to our company.

At December 31, 2003, our domestic investments consisted of 211 healthcare facilities containing approximately 21,400 licensed beds in 28 states, operated by 39 third-party healthcare operating companies. The table below sets forth the portion of our total investments represented by facilities operated by each operator.

INVESTMENT BY OPERATOR

Public Companies	Private Companies
Sun Healthcare Group, Inc. 20.74% \$168,482,119 <i>Alabama, California, Idaho, Illinois, Massachusetts, North Carolina, Ohio, Tennessee, Washington, West Virginia</i> Advocat, Inc. 12.84% \$104,282,057 <i>Alabama, Arkansas, Florida, Kentucky Ohio, Tennessee, West Virginia</i> Mariner Health Care, Inc. 7.35% \$59,688,450 <i>Michigan, North Carolina</i> Emeritus Corporation 0.70% \$5,673,693 <i>Washington</i> Public Companies Total 41.63% \$338,126,319	Parthenon Healthcare, Inc. 1.34% \$10,850,522 <i>Florida</i> Peak Medical of Idaho, Inc. 1.29% \$10,500,000 <i>Idaho</i> HQM of Floyd County, Inc. 1.26% \$10,250,000 <i>Kentucky</i> Triad Health Management of Georgia II, LLC 1.23% \$10,000,000 <i>Georgia</i> Mark Ide Limited Liability Company* 1.22% \$9,885,326 <i>Indiana</i> The Ensign Group, Inc. 1.19% \$9,656,209 <i>California</i> Harborside Healthcare Management 2.81% \$22,867,774 <i>Massachusetts</i> Haven Healthcare 2.75% \$22,386,909 <i>Connecticut</i> Alterra Healthcare Corporation 2.73% \$22,216,370 <i>Colorado, Indiana, Kansas, Ohio, Oklahoma, Tennessee</i> StoneGate Senior Care LP 2.68% \$21,780,824 <i>Texas</i> Lakeland Investors, LLC 1.03% \$8,347,866 <i>Kentucky</i> Other Investments Less than 1% 5.92% \$48,091,484 <i>California, Florida, Illinois, Indiana, Iowa, Louisiana, Missouri, Texas, Utah</i> Private Companies Total 57.15% \$464,250,899
Private Companies	Company Owned and Operated
Seacrest Healthcare 6.77% \$55,019,839 <i>Florida</i> Claremont Healthcare Holdings, Inc. 5.65% \$45,900,000 <i>Florida, New Hampshire, Pennsylvania</i> Alden Management Services, Inc. 3.91% \$31,727,269 <i>Illinois</i> CommuniCare Health Services 2.50% \$20,300,000 <i>Ohio</i> Infinia Properties of Arizona, LLC 2.20% \$17,851,999 <i>Arizona</i> Hickory Creek Healthcare Foundation 2.13% \$17,275,219 <i>Indiana, Ohio</i> USA Healthcare, Inc. 1.83% \$14,878,888 <i>Iowa</i> Essex Healthcare Corp. 1.78% \$14,484,496 <i>Ohio</i> Conifer Care Communities, Inc 1.77% \$14,364,620 <i>Colorado</i> Senior Management 1.66% \$13,463,111 <i>Texas</i> Washington N&R LLC 1.50% \$12,152,174 <i>Missouri</i>	Managed by Nexion Healthcare, Inc.* 0.65% \$5,294,715 <i>Illinois</i> Owned and Operated Total 0.65% \$5,294,715
Closed Facilities	Closed Facilities
Closed Facilities 0.57% \$4,597,222 <i>Florida, Illinois, Iowa, Pennsylvania, Washington</i> Closed Facilities Total 0.57% \$4,597,222 Grand Total 100.00% \$812,269,155	

* Effective January 1, 2004, our remaining owned and operated asset was re-leased to Mark Ide Limited Liability Company.

TO OUR STOCKHOLDERS

Dear Stockholders:

In 2003, our company successfully returned to paying preferred and common dividends. The achievement of this important milestone was the result of a series of restructurings, sales and refinancings over the last three years.

Important 2003 highlights include:

- completing the leasing and sale of all owned and operated assets;
- refinancing the balance sheet with a \$125 million term loan and a \$100 million revolving loan;
- reaching an agreement in principal with our largest operator, Sun Healthcare Group, Inc. to continue leasing 30 facilities while transitioning 20 facilities to new operators; and
- closing on a four-year \$50 million acquisition line of credit.

During 2004, we will continue to focus on maximizing stockholder value by protecting the revenue from our existing assets, selectively looking to grow our portfolio, continuing to strengthen our balance sheet and maintaining or increasing dividends paid to our stockholders. Consistent with these general goals, in 2004 we have already closed or announced a number of important transactions, including:

- selling \$118.5 million preferred Series D stock at 8.375%;
- selling 18.1 million secondary shares and 2.7 million primary shares at \$9.85 per share;
- selling \$200 million in 7% senior unsecured bonds due in 2014;
- closing on a new \$125 million revolving loan agreement;
- announcing the redemption of \$57.5 million of preferred Series A stock at 9.25%; and
- closing on a \$26 million acquisition of three facilities in Connecticut and New Hampshire.

We look forward to continuing to execute our strategic plan and delivering strong returns to our stockholders.

Very truly,



C. Taylor Pickett
Chief Executive Officer
April 30, 2004

STOCKHOLDER INFORMATION

Officers and Directors

C. Taylor Pickett⁽¹⁾
Chief Executive Officer
Director

Daniel J. Booth
Chief Operating Officer

Robert O. Stephenson
Chief Financial Officer

R. Lee Crabill, Jr.
Senior Vice President of Operations

Bernard J. Korman^{(1), (2), (4)}
Chairman of the Board

Thomas F. Franke^{(2), (4)}
Director

Harold J. Kloosterman^{(1), (2), (3), (4)}
Director

Edward Lowenthal^{(2), (3), (4)}
Director

Stephen D. Plavin^{(2), (3), (4)}
Director

(1) Member of Investment Committee

(2) Member of Compensation Committee

(3) Member of Audit Committee

(4) Member of Nominating and Corporate Governance Committee

Auditors

Ernst & Young LLP
Chicago, Illinois

Transfer Agent and Registrar

EquiServe Trust Company, N.A.
Post Office Box 43069
Providence, RI 02940-3069
(800) 519-3111
www.equiserve.com

Exchange Listing

New York Stock Exchange (Symbol OHI)

Corporate Office

9690 Deereco Road
Suite 100
Timonium, MD 21093
(410) 427-1700 Phone
(410) 427-8800 Fax

Annual Meeting

The Annual Meeting of the Stockholders will be held at 10:00 A.M. EST on June 3, 2004, at the Holiday Inn Select, Timonium, Maryland. All stockholders are invited to attend.

SEC Form 10-K

The Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission is available on our website at www.omegahealthcare.com or upon written request to the Corporate Office.

Member

National Association of Real Estate Investment Trusts, Inc.