

Omega Announces \$200 Million in New Investments; Hurricane Harvey Update

HUNT VALLEY, Md.--(BUSINESS WIRE)-- **\$200M in New Investments.** Omega Healthcare Investors, Inc. (NYSE:OHI) (the “Company” or “Omega”), the nation’s largest owner of post-acute care facilities, today announced that on August 31, 2017, it acquired 15 skilled nursing facilities (“SNFs”) for approximately \$190 million from two unrelated third parties and leased them to an existing operator. The 15 Indiana SNFs with approximately 2,074 beds were added to the existing operator’s master lease with an initial annual cash yield of 9.5% and 2.5% annual escalators. Simultaneously with the closing of the acquisition, the Company entered into a \$9.4 million loan to purchase the leasehold interest in a 135 bed Indiana SNF with the same operator. The loan is cross-defaulted and cross-collateralized with the Company’s existing master lease with that operator. The loan has an initial term of 5 years and bears an initial annual interest rate of 12.0% with 2.5% annual escalators.

Commenting on the transaction, Omega’s CEO, Taylor Pickett said, “We are excited to further strengthen our portfolio with one of our top SNF operators with this acquisition.” Mr. Pickett continued, “We will continue to work with our operators to identify acquisitions and dispositions that strengthen portfolio cash flows. We are evaluating over \$200 million of disposition opportunities within our portfolio that could potentially close over the next 9 - 12 months.”

Hurricane Harvey Update. The Company has 32 facilities located in Texas and Louisiana that were within the proximity of Hurricane Harvey’s path. Two facilities located along the Sabine River were evacuated. Mr. Pickett stated, “Omega sends its thoughts and prayers to our operators, their staff, the residents at the facilities, and the surrounding communities that have been impacted by Hurricane Harvey.” Mr. Pickett continued, “Although our facilities appear to have relatively little damage, it is much too early to assess the effect on the surrounding communities and the dedicated staff that cares for our facility residents.”

Omega is a real estate investment trust investing in and providing financing to the long-term care industry. As of June 30, 2017, Omega has a portfolio of investments that includes approximately 1,000 properties located in 42 states and the United Kingdom and operated by 77 different operators.

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding Omega’s or its tenants’, operators’, borrowers’ or managers’ expected future financial condition, results of operations, cash flows, funds from operations, dividends and dividend plans, financing opportunities and plans, capital markets transactions, business strategy, budgets, projected costs, operating metrics, capital expenditures, competitive positions, acquisitions, investment opportunities, dispositions, merger integration, growth opportunities, expected lease income, continued qualification as a REIT, plans and objectives of management for future operations and statements that include words such as “anticipate,” “if,” “believe,” “plan,” “estimate,” “expect,” “intend,” “may,” “could,”

“should,” “will” and other similar expressions are forward-looking statements. These forward-looking statements are inherently uncertain, and actual results may differ from Omega’s expectations. Omega does not undertake a duty to update these forward-looking statements, which speak only as of the date on which they are made.

Omega’s actual results may differ materially from those reflected in such forward-looking statements as a result of a variety of factors, including, among other things: (i) uncertainties relating to the business operations of the operators of Omega’s properties, including those relating to reimbursement by third-party payors, regulatory matters and occupancy levels; (ii) regulatory and other changes in the healthcare sector; (iii) changes in the financial position of Omega’s operators; (iv) the ability of any of Omega’s operators in bankruptcy to reject unexpired lease obligations, modify the terms of Omega’s mortgages and impede the ability to collect unpaid rent or interest during the pendency of a bankruptcy proceeding and retain security deposits for the debtor’s obligations; (v) the availability and cost of capital; (vi) changes in Omega’s credit ratings and the ratings of its debt securities; (vii) competition in the financing of healthcare facilities; (viii) Omega’s ability to maintain its status as a REIT; (ix) Omega’s ability to manage, re-lease or sell any owned and operated facilities, if any; (x) Omega’s ability to sell closed or foreclosed assets on a timely basis and on terms that allow Omega to realize the carrying value of these assets; (xi) the effect of economic and market conditions generally, and particularly in the healthcare industry; (xii) the potential impact of changes in the SNF and ALF market or local real estate conditions on the Company’s ability to dispose of assets held for sale for the anticipated proceeds or on a timely basis, or to redeploy the proceeds therefrom on favorable terms; (xiii) the potential impact of Hurricane Harvey and other extreme weather events on our facilities on our facilities and the financial condition of our operations; and (xiv) other factors identified in Omega’s filings with the Securities and Exchange Commission. Statements regarding future events and developments and Omega’s future performance, as well as management’s expectations, beliefs, plans, estimates or projections relating to the future, are forward looking statements. Omega undertakes no obligation to update any forward-looking statements contained in this announcement.

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