

Supplemental Information

Q1 2017

Omega Healthcare Investors, Inc. is a 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.

At March 31, 2017, the Company's portfolio of investments included 972 operating healthcare facilities, consisting of skilled nursing facilities, assisted living facilities and other specialty hospitals, located in 42 states (includes Manhattan 2nd Avenue project) and the UK (35 facilities), and operated by 77 third-party healthcare operating companies.

As a source of capital to the healthcare industry, Omega continually evaluates the opportunities, trends and challenges affecting the industry. Our goal is to identify long-term investments in quality healthcare properties with outstanding operators that provide the most favorable risk/reward ratio to our investors.

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Executive Officers

Taylor Pickett, President and Chief Executive Officer
 Dan Booth, Chief Operating Officer
 Steven Insoft, Chief Corporate Development Officer
 Bob Stephenson, Chief Financial Officer
 Mike Ritz, Chief Accounting Officer

Board of Directors

Bernard J. Korman, Chairman
 Craig M. Bernfield
 Norman R. Bobins
 Craig R. Callen
 Barbara B. Hill
 Harold J. Kloosterman
 Edward Lowenthal
 Stephen D. Plavin
 Ben W. Perks
 Taylor Pickett

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Stock Symbol:	OHI	Shares & Units Outstanding March 31, 2017:	205,575,196
Exchange:	NYSE	CUSIP Number:	681936100

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This supplement 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 of 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; (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 and (xiii) 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 supplement.

Operator Information: This supplement includes information regarding the operators of our facilities such as EBITDAR and EBITDARM coverage ratios. The information related to operators that is provided in this supplement has been provided by the operators. We have not independently verified this information. We are providing this data for informational purposes only.

Non-GAAP Information: This supplement also contains certain non-GAAP financial information including EBITDA, Adjusted Total Debt (or Funded Debt), Adjusted Book Capitalization, FFO, Adjusted FFO, Funds Available for Distribution ("FAD"), Total Cash Fixed Charges and certain related ratios. A reconciliation of these non-GAAP disclosures is available in the Financial Performance section of this supplement.

Information is provided as of March 31, 2017, unless specifically stated otherwise. We assume no duty to update or supplement the information provided.

INVESTMENT SUMMARY

(\$ in thousands)

As of March 31, 2017

Balance Sheet Data	Total No. of Properties ⁽²⁾	Investment	% of Investment	Total No. of Operating Properties ⁽⁴⁾	No. of Operating Beds
Real Estate Investments ⁽¹⁾	869	\$ 7,600,865	86%	867	87,718
Direct Financing Leases	58	604,777	7%	57	5,695
Loans Receivable	49	641,501	7%	48	5,115
Total Investments	976	\$ 8,847,143	100%	972	98,528

Investment Data	Total No. of Properties ⁽²⁾	Investment	% of Investment	Total No. of Operating Properties ⁽⁴⁾	No. of Operating Beds	Investment Per Bed
Skilled Nursing/Transitional Care ⁽¹⁾	861	\$ 7,558,759	85%	860	91,369	\$83
Senior Housing ⁽³⁾	115	1,288,384	15%	112	7,159	180
	976	\$ 8,847,143	100%	972	98,528	\$90

(1) Includes a \$19.2 million lease inducement and excludes \$23.2 million of assets (nine properties) classified as assets held for sale

(2) Excludes properties classified as assets held for sale

(3) Includes ALFs, memory care and independent living facilities

(4) Excludes facilities which are non-operating, closed and/or not currently providing patient services

REVENUE SUMMARY

(\$ in thousands)

Revenue by Investment Type	Three Months Ended 3/31/2017	
Rental Property	\$ 192,537	83%
Direct Financing Leases	15,646	7%
Mortgage Notes	15,956	7%
Other Investment Income & Misc Income	7,605	3%
	\$ 231,744	100%

Revenue by Facility Type	Three Months Ended 3/31/2017	
Skilled Nursing / Transitional Care	\$ 199,464	86%
Senior Housing	24,675	11%
Other	7,605	3%
	\$ 231,744	100%

PAYOR MIX AND COVERAGE SUMMARY

Three Months Ended...	% Revenue Mix			Twelve Months Ended...	Occ. % ⁽¹⁾	Coverage Data	
	Medicaid	Medicare / Insurance	Private / Other			EBITDARM	EBITDAR
December 31, 2016	52.6%	35.8%	11.6%	December 31, 2016	82.2%	1.69x	1.33x
September 30, 2016	53.0%	35.8%	11.2%	September 30, 2016	82.1%	1.68x	1.31x
June 30, 2016	51.8%	37.5%	10.7%	June 30, 2016	82.1%	1.72x	1.34x
March 31, 2016	51.8%	38.6%	9.6%	March 31, 2016	82.2%	1.75x	1.37x
December 31, 2015	53.1%	37.5%	9.4%	December 31, 2015	82.5%	1.78x	1.40x

(1) Based on available (operating) beds

REVENUE CONCENTRATION BY OPERATOR

(\$ in thousands)

	No. of Properties ⁽¹⁾	Revenue ⁽²⁾	% Revenue
1 Ciena	68	\$ 82,268	10%
2 Signature	62	61,801	7%
3 Genesis	50	57,293	7%
4 Ark	58	54,001	6%
5 Communicare	32	46,107	5%
6 Saber	46	41,098	5%
7 HHC	44	34,544	4%
8 Maplewood	13	33,102	4%
9 Guardian	31	29,303	3%
10 Diversicare	35	28,123	3%
<i>Remaining 67 Operators</i>	<i>533</i>	<i>378,757</i>	<i>46%</i>
	972	\$ 846,397	100.0%

(1) Number of Properties excludes facilities which are non-operating, closed and/or not currently providing patient services

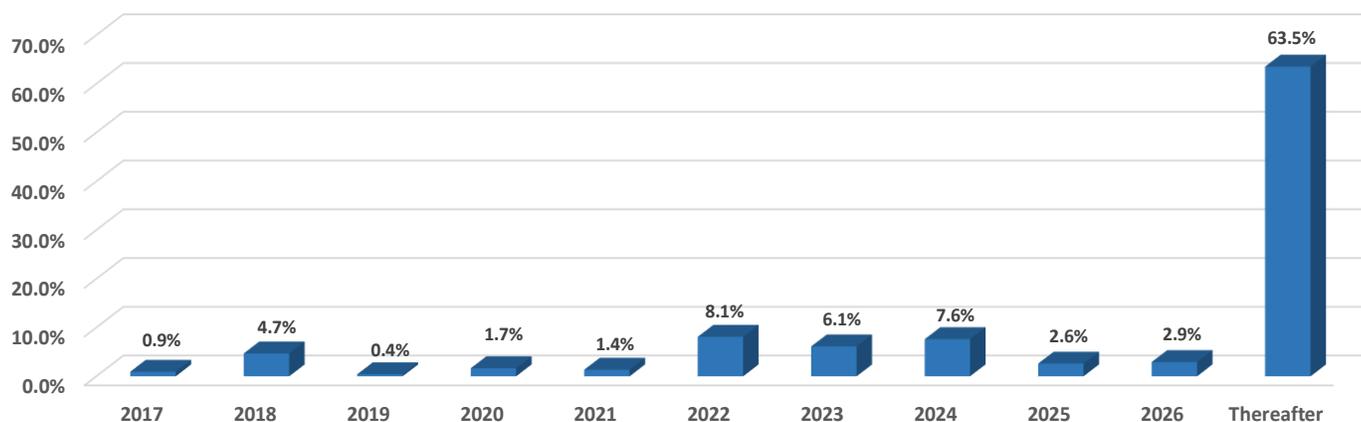
(2) 1Q 2017 rent and debt service annualized; includes mezzanine and term loan interest

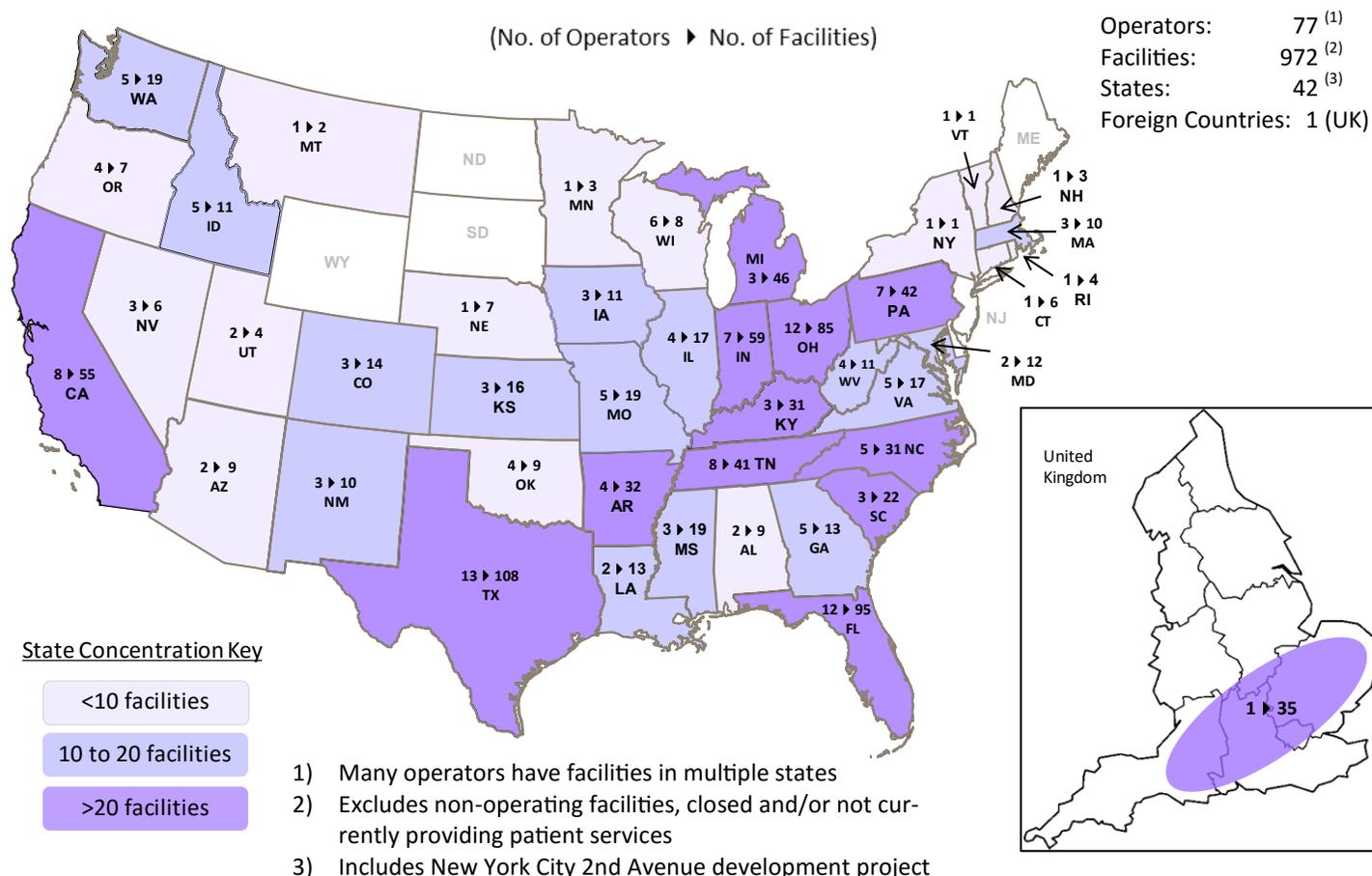
LEASE AND MORTGAGE EXPIRATIONS

(\$ in thousands)

Year	1Q 2017 Contractual Revenue		Investment Amounts						Operating Facilities		Operating Beds	
	Annualized	%	Lease	Capital Lease	Mortgage	Total	%	No.	%	No.	%	
1 2017	\$ 7,964	0.9%	\$ 95,054	\$ -	\$ -	\$ 95,054	1.1%	12	1.2%	957	1.0%	
2 2018	39,741	4.7%	314,813	-	37,627	352,441	4.0%	52	5.3%	5,124	5.2%	
3 2019	3,636	0.4%	38,423	-	-	38,423	0.4%	6	0.6%	406	0.4%	
4 2020	14,055	1.7%	56,242	393	2,500	59,135	0.7%	10	1.0%	1,050	1.1%	
5 2021	11,441	1.4%	118,422	-	-	118,422	1.3%	23	2.4%	1,153	1.2%	
6 2022	68,584	8.1%	584,975	-	-	584,975	6.6%	86	8.8%	8,533	8.7%	
7 2023	51,867	6.1%	504,803	-	-	504,803	5.7%	62	6.4%	6,680	6.8%	
8 2024	64,507	7.6%	548,715	-	112,500	661,215	7.5%	64	6.6%	6,072	6.2%	
9 2025	22,064	2.6%	204,086	-	-	204,086	2.3%	21	2.2%	2,829	2.9%	
10 2026	24,729	2.9%	292,383	-	-	292,383	3.3%	35	3.6%	3,834	3.9%	
Thereafter	537,809	63.5%	4,842,949	604,384	488,874	5,936,206	67.1%	601	61.8%	61,890	62.8%	
TOTAL	\$ 846,397	100.0%	\$ 7,600,865	\$ 604,777	\$ 641,501	\$ 8,847,143	100.0%	972	100.0%	98,528	100.0%	

Note: All percentages rounded to one decimal.





GEOGRAPHIC CONCENTRATION BY INVESTMENT

(\$ in thousands)

As of March 31, 2017

	No. of Properties ⁽¹⁾	Total Investment ⁽²⁾	% Investment	% Occupancy ⁽⁴⁾
Ohio	87	\$ 843,813	9.5%	83.6%
Texas	109	786,418	8.9%	70.1%
Florida	95	783,921	8.9%	87.7%
Michigan	46	604,294	6.8%	85.9%
California	55	511,722	5.8%	92.7%
Pennsylvania	43	468,529	5.3%	87.0%
Indiana	59	406,490	4.6%	81.7%
Tennessee	41	345,290	3.9%	72.9%
Virginia	17	303,034	3.4%	87.2%
South Carolina	23	268,947	3.1%	94.0%
Remaining 32 states ⁽³⁾	366	3,267,239	36.9%	80.9%
	941	\$ 8,589,697	97.1%	82.2%
United Kingdom	35	257,446	2.9%	
Total	976	\$ 8,847,143	100.0%	

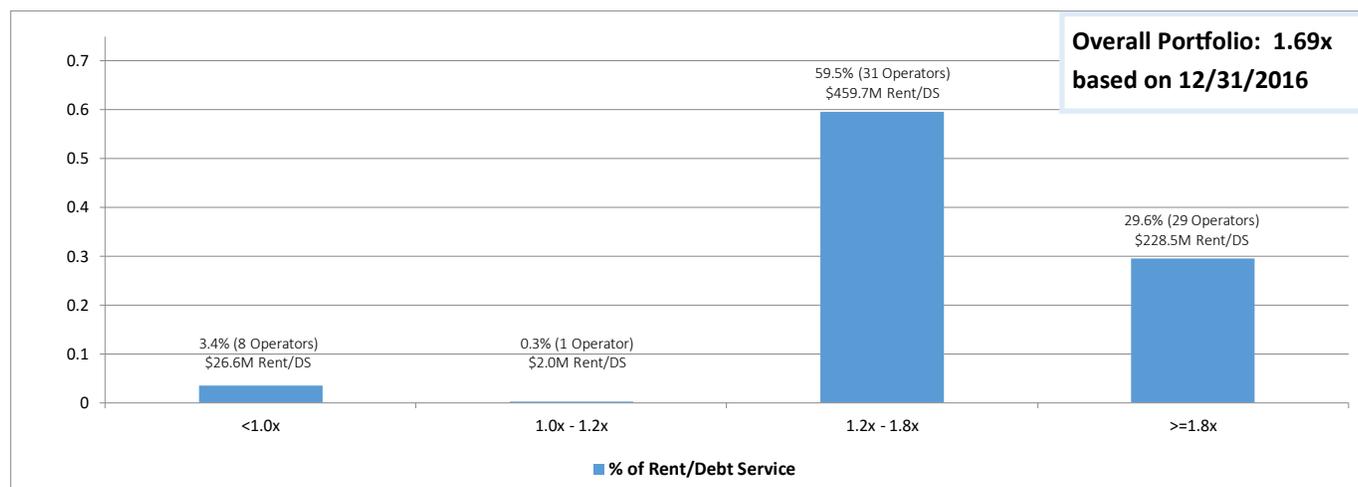
(1) Excludes nine properties classified as assets held for sale (AHS)

(2) Includes a \$19.2 million lease inducement and excludes \$23.2 million (nine properties) classified as AHS

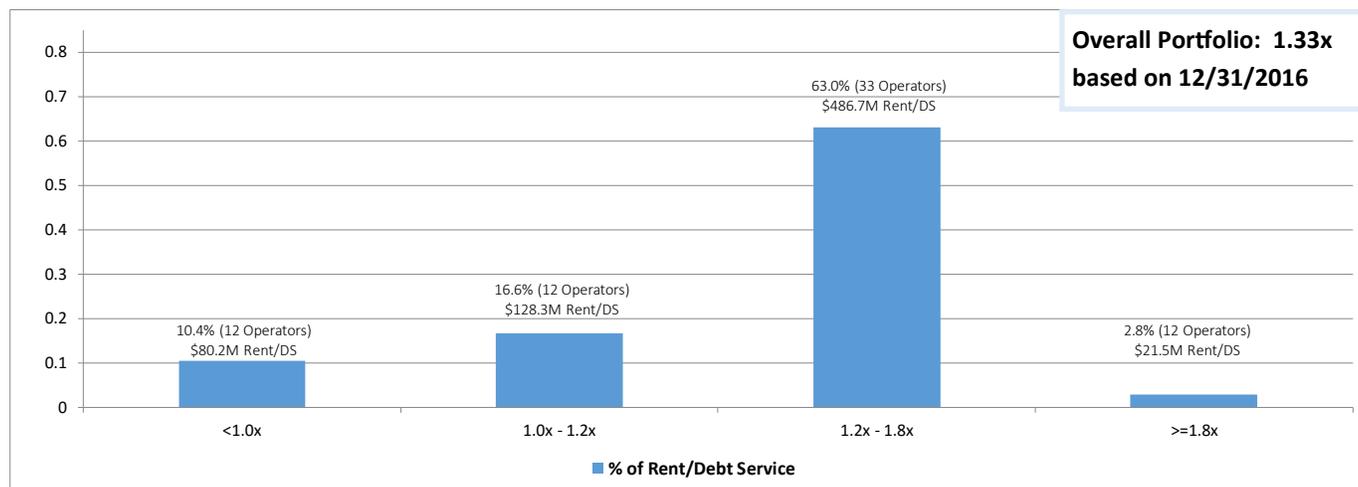
(3) Includes New York City 2nd Avenue development project

(4) As of December 31, 2016, TTM

OPERATOR EBITDARM COVERAGE DISTRIBUTION AS A PERCENTAGE OF RENT/DEBT SERVICE—BASED ON 12/31/2016 TTM



OPERATOR EBITDAR COVERAGE DISTRIBUTION AS A PERCENTAGE OF RENT/DEBT SERVICE—BASED ON 12/31/2016 TTM



NOTE: Represents 93% of current rent/debt service which is representative of all stable properties. Stable properties include generally, any triple-net rental property unless it 1) is new development that is not yet complete/open; 2) has not yet stabilized and is still within 12 months following the budgeted stabilization date; 3) is held for sale and/or is slated for closure or to be sold; or 4) is slated to be transitioned or has transitioned to a new operator within the last 12 months.

MASTER LEASES WITH OPERATOR EBITDAR COVERAGE < 1.0X

Investment Type	EBITDARM Coverage	EBITDAR Coverage	% of Total Rent	Current on Rent (1)	Subordinated Management Fees	Guaranty	Letter of Credit / Security Deposit
SNF	1.28	0.96	6.5%	Within 45 days	✓	✓	
SNF	0.82	0.47	1.4%	✓		✓	✓
SNF/ALF	0.83	0.59	1.4%	✓	✓	✓	✓
SNF/ALF	0.92	0.62	0.3%	✓		✓	✓
SNF	1.02	0.68	0.3%	✓	✓	✓	
Add'l 7 SNFs with EBITDAR Cov. <1.0 ⁽²⁾			<u>0.5%</u>	6 / 7	2 / 7	6 / 7	7 / 7
			10.4%				

(1) Rent is current if < 30 days outstanding; measured on 5/2/17

(2) Combined EBITDARM Coverage is .90x and combined EBITDAR Coverage is .43x

Portfolio: Investment Activity—Last Five Years



(\$ in Thousands)		Investment Amount	Facility Types								Totals	
			SNF	Beds	ALF	Beds	Rehab	Beds	ILU	Units	Facilities	Beds/Units
2012 Total Investments		\$ 509,558	39	4,832	6	601	0	0	6	259	51	5,692
2013 Total Investments		\$ 620,858	59	5,769	2	152	0	0	0	0	61	5,921
2014 Total Investments		\$ 565,510	25	2,684	7	541	0	0	0	0	32	3,225
	2015											
	Closing Date											
	State(s)											
Acquisition	1/28/2015	\$ 6,300	TX	1	93	-	-	-	-	-	1	93
Acquisition	5/1/2015	177,484	UK	-	-	23	1,018	-	-	-	23	1,018
Acquisition	7/1/2015	15,000	NE	6	530	-	-	-	-	-	6	530
Acquisition	7/1/2015	10,800	GA	-	-	2	125	-	-	-	2	125
Acquisition	7/1/2015	18,000	WA	1	92	2	69	-	-	-	3	161
Acquisition	7/30/2015	28,500	VA	1	300	-	-	-	-	-	1	300
Acquisition	9/29/2015	32,000	FL	2	260	-	-	-	-	-	2	260
Acquisition	11/30/2015	5,300	TX	1	92	-	-	-	-	-	1	92
Total Acq. & Mtgs.		\$ 293,384		12	1,367	27	1,212	-	-	-	39	2,579
Construction-in-Progress		161,265										
CAPEX Funding		52,295										
2015 Total Investments		\$ 506,944										
	2016											
Acquisition	1/18/2016	\$ 8,270	UK	-	-	1	52	-	-	-	1	52
Acquisition	2/1/2016	169,000	MI, OH, VA	10	985	-	-	-	-	-	10	985
Acquisition	3/1/2016	20,200	GA	-	-	2	164	-	-	-	2	164
Acquisition	3/15/2016	6,134	UK	-	-	1	33	-	-	-	1	33
Acquisition	3/1/2016	212,500	NC, VA	21	2,446	-	-	-	-	-	21	2,446
Acquisition	4/1/2016	113,816	UK	-	-	10	775	-	-	-	10	775
Acquisition	4/20/2016	66,000	TX	-	-	3	367	-	-	-	3	367
Acquisition	4/29/2016	31,790	CO, MO	3	338	-	-	-	-	-	3	338
Acquisition	7/29/2016	4,300	FL	-	-	1	114	-	-	-	1	114
Acquisition	8/31/2016	16,500	FL	-	-	1	175	-	-	-	1	175
Acquisition	8/31/2016	2,500	GA	-	-	1	46	-	-	-	1	46
Acquisition	9/30/2016	10,100	SC	1	144	-	-	-	-	-	1	144
Acquisition	9/30/2016	9,000	OH	1	96	-	-	-	-	-	1	96
Acquisition	9/30/2016	300,000	FL, KY, TN	31	4,047	-	-	-	-	-	31	4,047
Total Acq. & Mtgs.		\$ 970,110		67	8,056	20	1,726	-	-	-	87	9,782
Construction-in-Progress		62,197										
CAPEX Funding and Other		72,515										
Mezz, Term Loans, DFL & Other		223,447										
2016 Total Investments		\$ 1,328,269										
	2017											
Acquisition		\$ 7,574	VA	-	-	1	60	-	-	-	1	60
Total Acq. & Mtgs.		\$ 7,574		-	-	1	60	-	-	-	1	60
Construction-in-Progress		13,673										
CAPEX Funding and Other		13,865										
Direct Financing Leases & Other		2,229										
2017 Total Investments		\$ 37,341										

NEW BUILD, MAJOR RENOVATION AND CAPEX INVESTMENTS

Commitment Year	Location	# of Projects	Property Type	Initial Cash Yield	Beds/ Units	Investment Commitment	Inception Date Funding	Land Cost	Total Capitalized Interest/Other	Remaining Commitment	Estimated In Service Date
New Builds											
2014	Brewster, MA	1	ALF	9.00%	131	37,288,000	36,650,910	6,288,000	-	637,090	Dec-16
2014	Vara, MA	1	ALF	9.00%	75	23,835,652	15,285,855	3,864,292	-	8,549,797	Nov-17
2014	West Yarmouth, MA	1	ALF	9.00%	126	10,230,500	537,086	-	-	9,693,414	TBD
2014	Middleburg, FL	1	SNF	9.00%	120	17,750,000	3,022,009	1,529,599	-	14,727,991	Dec-18
2015	Webster, TX	1	SNF	9.00%	120	16,714,450	4,507,672	2,211,330	-	12,206,778	Oct-17
2015	Pensacola, FL	1	SNF	8.75%	90	20,788,990	12,485,769	2,450,395	45,549	8,303,221	Jul-17
2015	Tampa Lakes, FL	1	SNF	9.25%	179	26,500,000	24,182,506	1,337,184	375,234	2,317,494	Mar-17
2015	Polk County, FL	1	SNF	9.00%	120	18,000,000	4,111,894	823,859	-	13,888,106	Dec-17
2015	2nd Ave, NY	1	ALF/MC	7.00%	214	249,628,480	132,326,980	122,579,202	-	117,301,500	Apr-19
2015	Five Forks, GA	1	ALF	8.75%	48	10,600,000	9,555,148	1,134,935	51,917	1,044,852	Jan-17
2015	Baton Rouge, LA	1	ALF	8.75%	50	11,700,000	10,625,146	2,382,941	198,537	1,074,854	Sep-17
2015	Watkins, VA	1	ALF	8.75%	48	11,700,000	6,691,448	1,802,533	71,261	5,008,552	Jan-17
2016	Viera, FL	1	SNF	8.75%	131	26,500,000	3,936,036	2,558,000	-	22,563,964	Jul-18
2016	Pensacola, FL	1	SNF	6.00%	90	19,400,000	944,956	930,173	-	18,455,044	Aug-18
2016	Brunswick, NC	1	SNF	9.00%	100	11,650,000	4,685,229	-	-	6,964,771	Sep-17
		15			1,642	\$ 512,286,072	\$ 269,548,644	\$ 149,892,443	\$ 742,498	\$ 242,737,428	
Additional Capex (excluding New Builds)		104				\$ 166,236,086	\$ 119,469,379	\$ -	\$ -	\$ 46,766,708	
Total:		119				\$ 678,522,158	\$ 389,018,023	\$ 149,892,443	\$ 742,498	\$ 289,504,136	

Capitalization: Capital Structure and Rates



CAPITAL STRUCTURE AT APRIL 30, 2017

(\$000's, except per share data)

Financial Instrument	Secured (Y/N)	Debt Capacity 4/30/2017	Month Ending Rate	Type	Interest Pay Dates	Latest Maturity	Yrs to Maturity	Borrowed as of 4/30/2017	% of Total	1Q 2017 Debt/Ann. EBITDA	1Q 2017 Debt/Total Asset Value
Credit Facility:											
Revolver	(1) N	1,250,000	2.295%	V		6/27/19 (2)	2.2 Yrs	20,000	0.5%		
\$200M Term	N	200,000	2.493%	V		6/27/19 (2)	2.2 Yrs	200,000	4.8%		
\$100MM OHI LP Term	N	100,000	2.494%	V		6/27/19 (2)	2.2 Yrs	100,000	2.4%		
\$350MM Add-on Term	N	350,000	2.493%	V		1/29/21 (2)	3.7 Yrs	350,000	8.3%		
\$250MM Term	N	250,000	3.800%	F (3)		12/16/22	5.6 Yrs	250,000	6.0%		
\$20M Sub-Notes	N	20,000	9.000%	F	6/1 12/1	12/21/21	4.6 Yrs	20,000	0.5%		
\$700M 4.375% Notes	N	700,000	4.375%	F	2/1 8/1	8/1/23	6.3 Yrs	700,000	16.7%		
\$400M 4.95% Notes	N	400,000	4.950%	F	4/1 10/1	4/1/24	6.9 Yrs	400,000	9.5%		
\$400M 4.50% Notes	(4) N	400,000	4.500%	F	1/15 7/15	1/15/25	7.7 Yrs	250,000	6.0%		
\$600M 5.25% Notes	N	600,000	5.250%	F	1/15 7/15	1/15/26	8.7 Yrs	600,000	14.3%		
\$700M 4.50% Notes	N	700,000	4.500%	F	10/1 4/1	4/1/27	9.9 Yrs	700,000	16.7%		
\$550M 4.75% Notes	(5) N	550,000	4.750%	F	1/15 7/15	1/15/28	10.7 Yrs	550,000	13.1%		
HUD (12 Loan Summary)	Y	54,530	3.063%	F		7/1/44	27.2 Yrs	54,530	1.3%		
Total Debt		\$ 5,574,530						\$ 4,194,530	100.0%	4.7 x	49.5%
Weighted Averages			3.86%				7.7 Yrs		4.30%		
Common Stock: 196,809,064 shares at \$33.00 per share:								6,494,699			
Operating Units: 8,773,857 units at \$33.00 per unit:								289,537			
Total Market Capitalization								\$ 10,978,766			

Note: At March 31, 2017, Omega held approximately \$40.3MM of net cash and short-term investments (excludes UK balances)

1) Excludes 0.25% annual Facility Fee on the full commitment

2) Latest maturity given optional extensions provided in Agreements

3) Fixed via swap at 3.80% effective beginning 12/30/2016

4) Includes \$150 million add-on closed on 4/4/2017

5) New offering closed on 4/4/2017

DEBT MATURITIES AT APRIL 30, 2017

(\$ in thousands)

Year	Secured Debt		Unsecured Debt		Total Debt Maturities
	HUD Mortgages (1)	Line of Credit & Term Loans (2)(3)	Senior Notes (4)	Sub Notes (5)	
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	1,550,000	-	-	1,550,000
2020	-	-	-	-	-
2021	-	350,000	-	20,000	370,000
2022	-	250,000	-	-	250,000
2023	-	-	700,000	-	700,000
Thereafter	54,530	-	2,650,000	-	2,704,530
	54,530	2,150,000	3,350,000	20,000	5,574,530

(1) Mortgages guaranteed by HUD (excludes net deferred financing costs of \$0.6 million)

(2) Reflected at 100% borrowing capacity

(3) \$1.55 billion is comprised of a: \$100 million term loan to Omega's operating partnership, \$200 million Tranche A-1 term loan and \$1.25 billion revolving credit facility (excluding a \$250 million accordion feature and \$5.1 million net deferred financing costs) assuming the exercise of existing extension rights

(4) Excludes net discounts, deferred financing costs and a \$1.5 million promissory note

(5) Excludes \$0.5 million of fair market valuation adjustments

SENIOR UNSECURED CREDIT RATINGS

	CUSIP #	Rating Information		
		S&P	Moody's	Fitch
Common Stock	681936 10 0			
Senior Unsecured Debt				
\$700M, 4.375% 2023 Notes	681936 BJ 8	BBB-	Baa3	BBB-
\$400M, 4.95% 2024 Notes	681936 BB 5	BBB-	Baa3	BBB-
\$250M, 4.50% 2025 Notes	681936 BD 1	BBB-	Baa3	BBB-
\$600M, 5.25% 2026 Notes	681936 BH 2	BBB-	Baa3	BBB-
\$700M, 4.50% 2027 Notes	681936 BF 6	BBB-	Baa3	BBB-
\$550M, 4.75% 2028 Notes	681936 BK 5	BBB-	Baa3	BBB-
Corporate Rating		BBB-		
Outlook.....		Stable	Stable	Stable
Analyst(s).....		Michael Souers (212) 438-2508	Lori Marks (212) 553-1098	Britton O. Costa (212) 908-0524

SELECTED CREDIT FACILITY COVENANTS ⁽¹⁾

Quarter Ending	Consolidated					
	Leverage Ratio	Secured Leverage Ratio	Unsecured Leverage Ratio	Fixed Charge Cov. Ratio	Unsecured Interest Cov. Ratio	Tangible Net Worth
Requirement:	<= 60%	<=30%	<= 60%	>=1.50 to 1	>=2.00 to 1	>\$2,348MM
June 30, 2016	48%	3%	49%	5.3	5.0	Pass
September 30, 2016	48%	1%	52%	5.3	4.3	Pass
December 31, 2016	46%	1%	50%	5.3	4.5	Pass
March 31, 2017	46%	1%	50%	5.2	4.3	Pass
Status	Pass	Pass	Pass	Pass	Pass	Pass

SELECTED UNSECURED NOTE COVENANTS ⁽¹⁾

Quarter Ending	Debt / Adj. Total Assets	Unencumbered Assets / Unsecured Debt	Secured Debt / Adj. Total Assets
	Requirement:	<= 60%	>= 150%
June 30, 2016	47%	209%	2%
September 30, 2016	48%	202%	0%
December 31, 2016	47%	207%	0%
March 31, 2017	47%	206%	0%

(1) Covenants are based on calculations as defined in the Company's Credit Agreement and Senior Note Indentures

SELECTED CREDIT STATISTICS

	2017	2016YE	2015YE	2014YE	2013YE	2012YE
	1Q					
Total Net Funded Debt / Adj. Pro Forma EBITDA ¹	4.7	4.7	4.5	4.6	4.4	4.7
Secured Debt / Adjusted EBITDA ¹	0.1	0.1	0.3	0.5	0.6	0.9
Fixed Charge Coverage ²	4.5	5.1	4.7	4.1	4.0	3.5
Balance Sheet Cash (\$ 000)	40,349	93,687	5,424	4,489	2,616	1,711

- EBITDA is adjusted for non-cash and one-time items, and for leverage ratios includes proforma revenue for investments made in quarter/year; Total Net Funded Debt excludes outstanding L/C's, if any, premium on bonds, fair market valuations & FIN46 consolidations and net of cash & cash equivalents. EBITDA for "Qtr. Ending" periods are annualized
- Fixed charges includes scheduled amortizations, amortization of deferred financing charges and capitalized interest

NOTE: See the Non-GAAP reconciliations provided at the end of this supplement and on our website at www.omegahealthcare.com under "Financial Information" then "Non-GAAP Financial Measures."

EQUITY ISSUANCE SUMMARY

(in thousands, except per share data)

ESP/ATM Program						2017				
	2012	2013	2014	2015	2016	Q1	Q2	Q3	Q4	YTD
Shares Issued	3,398	6,504	1,848	-	656	228	-	-	-	227.50
Average Price per Share	\$ 23.47	\$ 30.48	\$ 34.33	\$ -	\$ 31.10	\$ 31.12	\$ -	\$ -	\$ -	31.12
Gross Proceeds	\$ 79,749	\$ 198,220	\$ 63,452	\$ -	\$ 20,392	\$ 7,079	\$ -	\$ -	\$ -	7,079
DRSPP and Waiver Program						2017				
	2012	2013	2014	2015	YTD	Q1	Q2	Q3	Q4	YTD
Shares Issued	5,062	1,930	2,083	4,184	7,215	239	-	-	-	239.16
Average Price per Share	\$ 22.11	\$ 28.94	\$ 34.32	\$ 36.06	\$ 33.27	\$ 30.67	\$ -	\$ -	\$ -	30.67
Gross Proceeds	\$ 111,941	\$ 55,872	\$ 71,502	\$ 150,871	\$ 240,041	\$ 7,335	\$ -	\$ -	\$ -	7,335
Secondary						2017				
	2012	2013	2014	2015	YTD	Q1	Q2	Q3	Q4	YTD
Shares Issued	-	2,875	-	10,925	-	-	-	-	-	-
Average Price per Share	\$ -	\$ 29.48	\$ -	\$ 42.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
Gross Proceeds	\$ -	\$ 84,755	\$ -	\$ 458,850	\$ -	\$ -	\$ -	\$ -	\$ -	-
Totals						2017				
	2012	2013	2014	2015	YTD	Q1	Q2	Q3	Q4	YTD
Shares Issued	8,460	11,309	3,932	15,109	7,871	467	-	-	-	466.66
Average Price per Share	\$ 22.66	\$ 29.96	\$ 34.32	\$ 40.36	\$ 33.09	\$ 30.89	\$ -	\$ -	\$ -	30.89
Gross Proceeds	\$ 191,690	\$ 338,847	\$ 134,954	\$ 609,721	\$ 260,433	\$ 14,414	\$ -	\$ -	\$ -	14,414

Percentages of adjusted total debt to adjusted book capitalization and adjusted total debt to total market capitalization at March 31, 2017 were 50.8% and 39.1%, respectively. Adjusted total debt is total debt plus the discount or less the premium derived from the sale of unsecured borrowings, deferred financing costs (net) and fair market value adjustment of assumed debt. Adjusted book capitalization is defined as adjusted total debt plus stockholders' equity and noncontrolling interest. Adjusted total debt, adjusted book capitalization and related ratios are non-GAAP financial measures. Total market capitalization is the total market value of our securities as of March 31, 2017 plus adjusted total debt.

Unaudited	
(In thousands)	
	At
	March 31, 2017
Revolving line of credit.....	\$ 123,000
Term loans.....	1,100,000
Secured borrowings.....	54,636
Unsecured borrowings.....	3,073,000
FMV adjustment of assumption of debt	460
Premium/(discount) unsecured borrowings (net).....	(17,129)
Deferred financing costs (net).....	(33,102)
Total debt.....	\$ 4,300,865
Deduct FMV adjustment of assumption of debt	(460)
Add back discount (deduct premium) on unsecured borrowings (net).....	17,129
Add back deferred financing costs (net).....	33,102
Adjusted total debt.....	<u>\$ 4,350,636</u>
BOOK CAPITALIZATION.....	
Adjusted total debt.....	\$ 4,350,636
Omega stockholders' equity.....	3,863,494
Noncontrolling interest	351,028
Adjusted book capitalization.....	<u>\$ 8,565,158</u>
MARKET CAPITALIZATION.....	
Omega common shares and OP units outstanding at 3/31/2017.....	205,575
Market price of common stock at 3/31/2017.....	\$ 32.99
Market capitalization of common stock at 3/31/2017.....	6,781,919
Market capitalization of publicly traded securities.....	6,781,919
Add adjusted total debt.....	4,350,636
Total market capitalization.....	<u>\$ 11,132,555</u>
Adjusted total debt / adjusted book capitalization.....	<u>50.8%</u>
Adjusted total debt / total market capitalization.....	<u>39.1%</u>

Financial Performance: Historical AFFO, FAD and Dividends



Year	Quarter Ended	Ending Share Price	Div. * Yield	Quarterly					Omega AFFO Guidance ¹	Annually					
				AFFO/ Share	Dividend	Payout Ratio	FAD/ Share	FAD Payout Ratio		AFFO/ Share	% Change	FAD/ Share	% Change	Annual Dividend	% Change
2007	3/31/2007	\$17.15	6.1%	\$ 0.3375	\$ 0.27	80.0%	\$0.3111	86.8%	\$1.32 - \$1.36						
	6/30/2007	\$15.83	6.8%	\$ 0.3365	0.27	80.2%	\$0.3141	86.0%							
	9/30/2007	\$15.53	7.0%	\$ 0.3528	0.28	80.0%	\$0.3299	84.9%							
	12/31/2007	\$16.05	7.0%	\$ 0.3535	0.29	82.0%	\$0.3387	85.6%							
2008	3/31/2008	\$17.36	6.7%	\$ 0.3639	\$ 0.30	82.4%	\$0.3612	83.1%	\$1.41 - \$1.43						
	6/30/2008	\$16.65	7.2%	\$ 0.3816	0.30	78.6%	\$0.3709	80.9%							
	9/30/2008	\$19.66	6.1%	\$ 0.3387	0.30	88.6%	\$0.3079	97.4%							
	12/31/2008	\$15.97	7.5%	\$ 0.3702	0.30	81.0%	\$0.3354	89.4%							
2009	3/31/2009	\$14.08	8.5%	\$ 0.3701	\$ 0.30	81.1%	\$0.3550	84.5%	\$1.47 - \$1.50						
	6/30/2009	\$15.52	7.7%	\$ 0.3714	0.30	80.8%	\$0.3569	84.1%							
	9/30/2009	\$16.02	7.5%	\$ 0.3657	0.30	82.0%	\$0.3529	85.0%							
	12/31/2009	\$19.45	6.2%	\$ 0.3604	0.32	88.8%	\$0.3401	94.1%							
2010	3/31/2010	\$19.49	6.6%	\$ 0.3766	\$ 0.32	85.0%	\$0.3704	86.4%	\$1.60 - \$1.68						
	6/30/2010	\$19.93	6.4%	\$ 0.3652	0.36	98.6%	\$0.3957	91.0%							
	9/30/2010	\$22.45	6.4%	\$ 0.4531	0.37	81.7%	\$0.4218	87.7%							
	12/31/2010	\$22.44	6.6%	\$ 0.4566	0.37	81.0%	\$0.4074	90.8%							
2011	3/31/2011	\$22.34	6.6%	\$ 0.4432	\$ 0.38	85.7%	\$0.4009	94.8%	\$1.80 - \$1.86						
	6/30/2011	\$21.01	7.2%	\$ 0.4748	0.40	84.2%	\$0.4345	92.1%							
	9/30/2011	\$15.93	10.0%	\$ 0.4769	0.40	83.9%	\$0.4392	91.1%							
	12/31/2011	\$19.35	8.3%	\$ 0.4963	0.41	82.6%	\$0.4623	88.7%							
2012	3/31/2012	\$21.26	7.7%	\$ 0.5469	\$ 0.42	76.8%	\$0.4738	88.6%	\$2.06 - \$2.12						
	6/30/2012	\$22.50	7.5%	\$ 0.5252	0.42	80.0%	\$0.4535	92.6%							
	9/30/2012	\$22.73	7.4%	\$ 0.5353	0.44	82.2%	\$0.4702	93.6%							
	12/31/2012	\$23.85	7.4%	\$ 0.5776	0.45	77.9%	\$0.5236	85.9%							
2013	3/31/2013	\$30.36	5.9%	\$ 0.6313	\$ 0.46	72.9%	\$0.5739	80.2%	\$2.45 - \$2.50						
	6/30/2013	\$31.02	5.9%	\$ 0.6227	0.47	75.5%	\$0.5614	83.7%							
	9/30/2013	\$29.87	6.3%	\$ 0.6260	0.48	76.7%	\$0.5682	84.5%							
	12/31/2013	\$29.80	6.4%	\$ 0.6471	0.49	75.7%	\$0.5861	83.6%							
2014	3/31/2014	\$33.52	5.8%	\$ 0.7112	\$ 0.50	70.3%	\$0.6506	76.9%	\$2.69 - \$2.72						
	6/30/2014	\$36.86	5.4%	\$ 0.6859	0.51	74.4%	\$0.6257	81.5%							
	9/30/2014	\$34.19	6.0%	\$ 0.7320	0.52	71.0%	\$0.6690	77.7%							
	12/31/2014	\$39.07	5.3%	\$ 0.7232	0.53	73.3%	\$0.6621	80.0%							
2015	3/31/2015	\$40.57	5.2%	\$ 0.7084	\$ 0.54	76.2%	\$0.6492	83.2%	\$2.98 - \$3.04						
	6/30/2015	\$34.33	6.3%	\$ 0.7696	0.55	71.5%	\$0.7000	78.6%							
	9/30/2015	\$35.15	6.3%	\$ 0.7913	0.56	70.8%	\$0.7168	78.1%							
	12/31/2015	\$34.98	6.4%	\$ 0.8067	0.57	70.7%	\$0.7237	78.8%							
2016	3/31/2016	\$35.30	6.5%	\$ 0.8336	\$ 0.58	69.6%	\$0.7488	77.5%	\$3.25 - \$3.30						
	6/30/2016	\$33.95	6.8%	\$ 0.8684	0.60	69.1%	\$0.7731	77.6%							
	9/30/2016	\$35.45	6.8%	\$ 0.8327	0.61	73.3%	\$0.7477	81.6%							
	12/31/2016	\$31.26	7.8%	\$ 0.8803	0.62	70.4%	\$0.7965	77.8%							
2017	3/31/2017	\$32.99	7.5%	\$ 0.8569	\$ 0.63	73.5%	\$0.7730	81.5%	\$3.40 - \$3.44						

1. Except for 2015, guidance provided at the beginning of each fiscal year

* Based on the annualized dividend announced the previous quarter

No. of consecutive quarterly dividends paid since 2003:	55
No. of quarterly dividend increases since 2003:	41
No. of consecutive quarterly dividend increases:	19

2017 Guidance: AFFO: \$3.40—\$3.44
FAD: \$3.10—\$3.14

NOTE: See the Non-GAAP reconciliations provided at the end of this supplement and on our website at www.omegahealthcare.com under "Financial Information" then "Non-GAAP Financial Measures."

2017 AFFO and FAD Guidance and Reconciliation

The Company affirmed its 2017 annual Adjusted FFO available to common stockholders to be between \$3.40 and \$3.44 per diluted share. The Company also confirmed its 2017 FAD guidance to be between \$3.10 and \$3.14 per diluted share. The following table presents a reconciliation of Omega’s guidance regarding Adjusted FFO and FAD to projected GAAP earnings.

**2017 Annual Adjusted FFO and FAD
Guidance Range ⁽¹⁾**

	Full Year
Net Income	\$1.86 - \$1.90
Depreciation	1.40
Gain on assets sold	(0.04)
Real estate impairment	0.04
FFO	\$3.26 - \$3.30
Adjustments:	
Contractual settlement	(0.05)
Provision for uncollectible accounts	0.01
Transaction costs	0.00
Interest – refinancing costs	0.11
Stock-based compensation expense	0.07
Adjusted FFO	\$3.40 - \$3.44
Non-cash interest expense	0.07
Capitalized interest	(0.03)
Non-cash revenue	(0.34)
FAD	\$3.10 - \$3.14

(1) The Company's Adjusted FFO and FAD guidance for 2017 includes approximately \$100 million of planned capital renovation projects; however, it excludes the impact of additional new investments. It also excludes the impact of gains and losses from the sale of assets, revenue from divestitures, certain revenue and expense items, interest refinancing expense, capital transactions, acquisition and merger related costs, provisions for uncollectible receivables, and stock-based compensation expense. The Company may, from time to time, update its publicly announced Adjusted FFO and FAD guidance, but it is not obligated to do so.

The Company's guidance is based on a number of assumptions, which are subject to change and many of which are outside the Company's control. If actual results vary from these assumptions, the Company's expectations may change. Without limiting the generality of the foregoing, the timing and completion of acquisitions, divestitures, capital and financing transactions, and variations in stock-based compensation expense may cause actual results to vary materially from our current expectations. There can be no assurance that the Company will achieve its projected results.

Unaudited (in thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2017	2016
Revenue		
Rental income	\$ 192,537	\$ 176,703
Income from direct financing leases	15,646	15,442
Mortgage interest income	15,956	16,606
Other investment income – net	6,914	3,431
Miscellaneous income	691	697
Total operating revenues	<u>231,744</u>	<u>212,879</u>
Expenses		
Depreciation and amortization	69,993	62,433
General and administrative	12,524	10,455
Acquisition costs	(41)	3,771
Impairment loss on real estate properties	7,638	34,558
Provision for uncollectible accounts	2,404	5,124
Total operating expenses	<u>92,518</u>	<u>116,341</u>
Income before other income and expense	139,226	96,538
Other income (expense)		
Interest income	4	8
Interest expense	(45,041)	(37,222)
Interest – amortization of deferred financing costs	(2,502)	(2,132)
Interest – refinancing costs	-	(298)
Contractual settlement	10,412	-
Realized gain (loss) on foreign exchange	61	(22)
Total other expense	<u>(37,066)</u>	<u>(39,666)</u>
Income before gain on assets sold	102,160	56,872
Gain on assets sold – net	7,420	1,571
Income from continuing operations	109,580	58,443
Income tax expense	(1,100)	(247)
Income from unconsolidated joint venture	632	-
Net income	109,112	58,196
Net income attributable to noncontrolling interest	(4,672)	(2,641)
Net income available to common stockholders	\$ 104,440	\$ 55,555
Income per common share available to common stockholders:		
Basic:		
Net income available to common stockholders	<u>\$ 0.53</u>	<u>\$ 0.30</u>
Diluted:		
Net income	<u>\$ 0.53</u>	<u>\$ 0.29</u>
Dividends declared per common share	<u>\$ 0.62</u>	<u>\$ 0.57</u>
Weighted-average shares outstanding, basic	<u>197,013</u>	<u>188,228</u>
Weighted-average shares outstanding, diluted	<u>206,174</u>	<u>198,350</u>

Unaudited (in thousands)

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	(Unaudited)	
ASSETS		
Real estate properties		
Real estate investments	\$ 7,581,665	\$ 7,566,358
Less accumulated depreciation	(1,306,084)	(1,240,336)
Real estate investments – net.....	6,275,581	6,326,022
Investments in direct financing leases – net	604,777	601,938
Mortgage notes receivable – net	644,696	639,343
	<u>7,525,054</u>	<u>7,567,303</u>
Other investments – net	255,899	256,846
Investment in unconsolidated joint venture.....	40,152	48,776
Assets held for sale – net	23,245	52,868
Total investments	<u>7,844,350</u>	<u>7,925,793</u>
Cash and cash equivalents.....	40,349	93,687
Restricted cash	12,198	13,589
Accounts receivable – net.....	272,506	240,035
Goodwill.....	643,692	643,474
Other assets	29,023	32,682
Total assets	<u>\$ 8,842,118</u>	<u>\$ 8,949,260</u>
LIABILITIES AND EQUITY		
Revolving line of credit.....	\$ 123,000	\$ 190,000
Term loans – net	1,094,875	1,094,343
Secured borrowings – net.....	54,052	54,365
Unsecured borrowings – net	3,028,938	3,028,146
Accrued expenses and other liabilities	316,985	360,514
Deferred income taxes.....	9,746	9,906
Total liabilities	<u>4,627,596</u>	<u>4,737,274</u>
Equity:		
Common stock \$.10 par value authorized – 350,000 shares, issued and outstanding – 196,761 shares as of March 31, 2017 and 196,142 as of December 31, 2016	19,676	19,614
Common stock – additional paid-in capital.....	4,878,637	4,861,408
Cumulative net earnings	1,843,377	1,738,937
Cumulative dividends paid.....	(2,829,718)	(2,707,387)
Accumulated other comprehensive loss.....	(48,478)	(53,827)
Total stockholders’ equity	<u>3,863,494</u>	<u>3,858,745</u>
Noncontrolling interest.....	351,028	353,241
Total equity.....	<u>4,214,522</u>	<u>4,211,986</u>
Total liabilities and equity	<u>\$ 8,842,118</u>	<u>\$ 8,949,260</u>

Unaudited (in thousands)

	Three Months Ended March 31,	
	2017	2016
Cash flows from operating activities		
Net income	\$ 109,112	\$ 58,196
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	69,993	62,433
Impairment loss on real estate properties	7,638	34,558
Provision for uncollectible accounts	2,404	5,124
Refinancing costs and amortization of deferred financing costs.....	2,502	2,430
Accretion of direct financing leases	(3,016)	(2,921)
Stock-based compensation expense	3,744	2,778
Gain on assets sold – net.....	(7,420)	(1,571)
Amortization of acquired in-place leases - net	(3,096)	(4,300)
Effective yield receivable on mortgage notes.....	(593)	(819)
Change in operating assets and liabilities – net:		
Accounts receivable	(21,377)	560
Straight-line rent receivables	(11,747)	(9,947)
Lease inducements.....	447	647
Other operating assets and liabilities	(34,653)	(19,989)
Net cash provided by operating activities	113,938	127,179
Cash flows from investing activities		
Acquisition of real estate.....	(7,574)	(416,104)
Investments in construction in progress	(15,703)	(16,316)
Investments in direct financing leases.....	(2,229)	-
Deposit to acquire real estate	—	(113,816)
Placement of mortgage loans.....	(5,749)	(6,162)
Distributions from unconsolidated joint venture	8,587	—
Proceeds from sale of real estate investments.....	45,848	2,392
Capital improvements to real estate investments	(8,199)	(9,544)
Proceeds from other investments	23,181	1,461
Investments in other investments	(22,144)	(116,003)
Collection of mortgage principal	333	312
Net cash provided by (used in) investing activities	16,351	(673,780)
Cash flows from financing activities		
Proceeds from credit facility borrowings	148,000	670,000
Payments on credit facility borrowings	(215,000)	(370,000)
Receipts of other long-term borrowings	—	350,000
Payments of other long-term borrowings.....	(318)	(309)
Payments of financing related costs	(563)	(3,576)
Receipts from dividend reinvestment plan	7,335	19,596
Payments for exercised options and restricted stock.....	(2,120)	(2,381)
Net proceeds from issuance of common stock	6,759	—
Dividends paid	(122,272)	(107,500)
Redemption of OP Units.....	(56)	(10)
Distributions to OP Unit Holders	(5,554)	(5,131)
Net cash (used in) provided by financing activities	(183,789)	550,689
Effect of foreign currency translation on cash and cash equivalents.....	162	(105)
(Decrease) increase in cash and cash equivalents.....	(53,338)	3,983
Cash and cash equivalents at beginning of period	93,687	5,424
Cash and cash equivalents at end of period	\$ 40,349	\$ 9,407

**Net Income, FFO, Adjusted FFO and FAD
(unaudited)**

(in thousands, except per share data)

	Three Months Ended March 31,	
	2017	2016
Net income	\$ 109,112	\$ 58,196
Deduct gain from real estate dispositions	(7,420)	(1,571)
Sub – total	101,692	56,625
Elimination of non-cash items included in net income:		
Depreciation and amortization	69,993	62,433
Depreciation - unconsolidated joint venture	1,658	—
Add back non-cash provision for impairments on real estate properties	7,638	34,558
Funds from operations	\$ 180,981	\$ 153,616
 Weighted-average common shares outstanding, basic.....	 197,013	 188,228
Restricted stock and PRSUs	347	1,175
Omega OP Units.....	8,814	8,947
Weighted-average common shares outstanding, diluted	206,174	198,350
 Funds from operations available per share	 \$ 0.88	 \$ 0.77
 Adjustments to calculate adjusted funds from operations:		
Funds from operations available to common	\$ 180,981	\$ 153,616
Deduct one-time revenue	—	(235)
Deduct contractual settlement.....	(10,412)	—
(Deduct) add back acquisition costs.....	(41)	3,771
Add back provision for uncollectible accounts.....	2,404	5,124
Add back interest refinancing expense	—	298
Add back non-cash stock-based compensation expense	3,744	2,778
Adjusted funds from operations	\$ 176,676	\$ 165,352
 Adjustments to calculate funds available for distribution:		
Non-cash interest expense.....	2,810	2,100
Capitalized interest	(1,989)	(1,720)
Non-cash revenues	(18,129)	(17,209)
Funds available for distribution	\$ 159,368	\$ 148,523

Funds From Operations (“FFO”), Adjusted FFO and FAD are non-GAAP financial measures. For purposes of the Securities and Exchange Commission’s Regulation G, a non-GAAP financial measure is a numerical measure of a company’s historical or future financial performance, financial position or cash flows that exclude amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable financial measure calculated and presented in accordance with GAAP in the statement of operations, balance sheet or statement of cash flows (or equivalent statements) of the company, or include amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable financial measure so calculated and presented. As used in this press release, GAAP refers to generally accepted accounting principles in the United States of America. Pursuant to the requirements of Regulation G, the Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

The Company calculates and reports FFO in accordance with the definition and interpretive guidelines issued by the National Association of Real Estate Investment Trusts (“NAREIT”), and consequently, FFO is defined as net income (computed in accordance with GAAP), adjusted for the effects of asset dispositions and certain non-cash items, primarily depreciation and amortization and impairments on real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis. The Company believes that FFO, Adjusted FFO and FAD are important supplemental measures of its operating performance. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time, while real estate values instead have historically risen or fallen with market conditions. The term FFO was designed by the real estate industry to address this issue. FFO described herein is not necessarily comparable to FFO of other real estate investment trusts, or REITs, that do not use the same definition or implementation guidelines or interpret the standards differently from the Company.

Adjusted FFO is calculated as FFO excluding the impact of non-cash stock-based compensation and certain revenue and expense items identified above. FAD is calculated as Adjusted FFO less non-cash interest expense and non-cash revenue, such as straight-line rent. The Company believes these measures provide an enhanced measure of the operating performance of the Company’s core portfolio as a REIT. The Company’s computation of Adjusted FFO and FAD are not comparable to the NAREIT definition of FFO or to similar measures reported by other REITs, but the Company believes that they are appropriate measures for this Company.

The Company uses these non-GAAP measures among the criteria to measure the operating performance of its business. The Company also uses Adjusted FFO among the performance metrics for performance-based compensation of officers. The Company further believes that by excluding the effect of depreciation, amortization, impairments on real estate assets and gains or losses from sales of real estate, all of which are based on historical costs and which may be of limited relevance in evaluating current performance, FFO can facilitate comparisons of operating performance between periods and between other REITs. The Company offers these measures to assist the users of its financial statements in analyzing its operating performance and not as measures of liquidity or cash flow. These non-GAAP measures are not measures of financial performance under GAAP and should not be considered as measures of liquidity, alternatives to net income or indicators of any other performance measure determined in accordance with GAAP. Investors and potential investors in the Company’s securities should not rely on these non-GAAP measures as substitutes for any GAAP measure, including net income.

For information regarding Adjusted Total Debt and Adjusted Book Capitalization, see the “Capitalization: Book and Market Capitalization with Ratios” section of this supplement.

EBITDA Reconciliation and Debt Coverage Ratio Calculation

Our ratios of Funded Debt to annualized EBITDA, Funded Debt to adjusted annualized EBITDA and Funded Debt to adjusted pro forma annualized EBITDA as of March 31, 2017 were 4.70x, 4.78x and 4.78x, respectively. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as acquisition and merger related costs and stock-based compensation expense and adds back certain non-cash expenses, if any, to EBITDA. Adjusted pro forma EBITDA adds to adjusted EBITDA the incremental EBITDA from new investments made during the 1st quarter assuming a January 1 purchase date. EBITDA, adjusted EBITDA, adjusted pro forma EBITDA and related ratios are non-GAAP financial measures. Annualized EBITDA, adjusted annualized EBITDA and adjusted pro forma annualized EBITDA assume the current quarter results multiplied by four, and are not projections of future performance. Below is the reconciliation of EBITDA and adjusted EBITDA to net income.

Unaudited (In thousands)	Three Months Ended March 31, 2017
Net income.....	\$ 109,112
Depreciation and amortization.....	69,993
Depreciation - unconsolidated joint venture	1,658
Interest.....	47,543
Income taxes.....	1,100
EBITDA.....	\$ 229,406
Deduct gain on assets sold - net	(7,420)
Deduct contractual settlement.....	(10,412)
Deduct acquisition and merger related costs.....	(41)
Add back non-cash provision for uncollectible accounts.....	2,404
Add back non-cash provision for impairments on real estate properties.....	7,638
Add back stock-based compensation expense.....	3,744
Adjusted EBITDA.....	\$ 225,319
Add incremental proforma EBITDA from new investments in 1st Quarter	151
Adjusted proforma EBITDA.....	\$ 225,470
DEBT	
Revolving line of credit.....	\$ 123,000
Term loans.....	1,100,000
Secured borrowings	54,636
Unsecured borrowings.....	3,073,000
FMV adjustment of assumption of debt	460
Premium/(discount) on unsecured borrowings (net).....	(17,129)
Deferred financing costs (net).....	(33,102)
Total debt.....	\$ 4,300,865
Deduct balance sheet cash and cash equivalents.....	(40,349)
Deduct debt borrowed to fund UK acquisitions.....	\$ 4,260,516
Deduct FMV adjustment for assumption of debt	(460)
Add back discount (deduct premium) on unsecured borrowings (net).....	17,129
Add back deferred financing costs (net).....	33,102
Adjusted total debt (aka Funded Debt).....	\$ 4,310,287
Funded Debt / annualized EBITDA	4.70 x
Funded Debt / adjusted annualized EBITDA	4.78 x
Funded Debt / adjusted pro forma annualized EBITDA.....	4.78 x

EBITDA Reconciliation and Fixed Charge and Interest Coverage Ratio Calculation

Our EBITDA to total interest expense ratio, adjusted EBITDA to total interest expense ratio and adjusted EBITDA to fixed charges as of March 31, 2017 were 4.8x, 4.7x and 4.5x, respectively. Fixed charge coverage is the ratio determined by dividing EBITDA by our fixed charges. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as acquisition and merger related costs and stock-based compensation expense and adds back certain non-cash expenses, if any, to EBITDA.

Fixed charges consist of interest expense, amortization of other non-cash interest charges, amortization of deferred financing costs and refinancing costs. EBITDA, adjusted EBITDA and interest expense ratio are non-GAAP measures. Below is the reconciliation of EBITDA to net income.

Unaudited (In thousands)	Three Months Ended March 31, 2017
Net income.....	\$ 109,112
Depreciation and amortization.....	69,993
Depreciation - unconsolidated joint venture	1,658
Interest.....	47,543
Income taxes.....	1,100
EBITDA.....	<u>\$ 229,406</u>
Deduct gain on assets sold - net.....	(7,420)
Deduct contractual settlement.....	(10,412)
Deduct acquisition and merger related costs.....	(41)
Add back non-cash provision for uncollectible accounts.....	2,404
Add back non-cash provision for impairments on real estate properties.....	7,638
Add back stock-based compensation expense.....	3,744
Adjusted EBITDA.....	<u><u>\$ 225,319</u></u>
 FIXED CHARGES	
Interest expense.....	\$ 45,041
Amortization of non-cash deferred financing charges.....	2,502
Total interest expense.....	<u>\$ 47,543</u>
Add back: capitalized interest.....	1,989
Total fixed charges.....	<u><u>\$ 49,532</u></u>
 EBITDA / total interest expense ratio.....	 <u><u>4.8 x</u></u>
Adjusted EBITDA / total interest expense ratio.....	<u><u>4.7 x</u></u>
Adjusted EBITDA / fixed charge coverage ratio.....	<u><u>4.5 x</u></u>

PORTFOLIO METRICS

EBITDARM Coverage: Represents EBITDARM of our operators, defined as earnings before interest, taxes, depreciation, amortization, Rent expense and management fees for the applicable period, divided by the total Rent paid to the Company by its operators during such period.

EBITDAR Coverage: Represents EBITDAR of our operators, defined as earnings before interest, taxes, depreciation, amortization, and Rent expense for the applicable period, divided by the total Rent paid to the Company by its operators during such period. Assumes a management fee of 4%.

Portfolio Occupancy: Represents the average daily number of beds at the Company's properties that are occupied during the applicable period divided by the total number of total operating beds at the Company's properties that are available for use during the applicable period.

Property Type: ALF = assisted living facility; SNF = skilled nursing facility

Portfolio metrics and other statistics are not derived from Omega's financial statements but are operating statistics that the Company derives from reports that it receives from its operators pursuant to Omega's triple-net leases and mortgages. As a result, the Company's portfolio metrics typically lag its own financial statements by approximately one quarter. Portfolio metrics exclude assets held for sale, closed properties, properties under construction and, with certain exceptions for shorter periods, properties within 24 months of completion of construction.

Rent: Refers to the total monthly rent and mortgage interest due under all of the Company's lease and mortgage agreements as of the date specified, calculated based on the first full month following the specified date. Omega calculates "annualized rent" for properties during a period by utilizing the amount of rent under contract as of the last day of the period and assumes that amount of rent was received in respect of such property throughout the entire period.

NON-GAAP FINANCIAL MEASURES

FFO: Funds from Operations (FFO), is defined as net income (computed in accordance with GAAP), adjusted for the effects of asset dispositions and certain non-cash items, primarily depreciation and amortization and impairments on real estate assets, and after adjustments for unconsolidated partnerships and joint ventures.

AFFO: Adjusted FFO (AFFO) is calculated as FFO excluding the impact of non-cash stock-based compensation and certain revenue and expense items identified above.

FAD: Funds Available for Distribution (FAD) is calculated as AFFO less non-cash interest expense and non-cash revenue, such as straight-line rent.

A further discussion of the Non-GAAP Financial Measures defined above is provided on page 18 of this supplement.