OMEGA HEALTHCARE INVESTORS, INC.
FUNDS FROM OPERATIONS
Unaudited
(In thousands, except per share amounts)

		Three Months Ended March 31, 2009
Net income available to common stockholders	$	22,641
Elimination of non-cash items included in net income:		
Depreciation and amortization		10,931
Funds from operations available to common stockholders	$	33,572
Weighted-average common shares outstanding, basic		82,396
Effect of restricted stock awards		69
Assumed exercise of stock options		10
Deferred stock		3
Weighted-average common shares outstanding, diluted		82,478
Funds from operations per share available to common stockholders	$	0.4070
Adjusted funds from operations:		
Funds from operations available to common stockholders	$	33,572
Deduct nursing home revenues		(4,424)
Deduct litigation settlements		(4,527)
Add back non-cash provision for impairment on real estate properties		70
Add back nursing home expenses		5,353
Add back non-cash restricted stock compensation expense		480
Adjusted funds from operations available to common stockholders	$	30,524
Adjusted funds from operations per share available to common stockholders	$	0.3701

Funds From Operations, ("FFO"), adjusted FFO, EBITDA, adjusted EBITDA, adjusted fixed charges, adjusted total debt, adjusted book capitalization and related ratios are non-GAAP financial measures. For purposes of the Securities and Exchange Commission's ("SEC") 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 excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable 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 includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. As used herein, 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 available to common stockholders, adjusted for the effects of asset dispositions and certain non-cash items, primarily depreciation and amortization. The Company believes that FFO is an important supplemental measure 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 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.

In February 2004, NAREIT informed its member companies that it was adopting the position of the SEC with respect to asset impairment charges and would no longer recommend that impairment write-downs be excluded from FFO. In the tables included in this press release, the Company has applied this interpretation and has not excluded asset impairment charges in calculating its FFO. As a result, its FFO may not be comparable to similar measures disclosed prior to February 2004. According to NAREIT, there is inconsistency among NAREIT member companies as to the adoption of this interpretation of FFO. Therefore, a comparison of the Company's FFO results to another company's FFO results may not be meaningful.

The Company uses FFO as one of several criteria to measure operating performance of its business. The Company further believes that by excluding the effect of depreciation, amortization 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. The Company offers this measure to assist the users of its financial statements in analyzing its performance; however, this is not a measure of financial performance under GAAP and should not be considered a measure of liquidity, an alternative to net income or an indicator of any other performance measure determined in accordance with GAAP. Investors and potential investors in the Company's securities should not rely on non-GAAP financial measures as a substitute for any GAAP measure, including net income.

Adjusted FFO is calculated as FFO available to common stockholders less non-cash stock-based compensation and one-time revenue and expense items. The Company believes that adjusted FFO provides an enhanced measure of the operating performance of the Company's core portfolio as a REIT. Funds Available for Distribution is calculated as Adjusted FFO less scheduled principal payments on mortgages, non-cash interest expense and non-cash revenue, such as straight-line rent. Funds Available for Distribution provides a supplemental measure of the Company's ability to incur and service debt and to distribute dividends to shareholders. The Company's computation of adjusted FFO and Funds Available for Distribution are not comparable to the NAREIT definition of FFO or to similar measures reported by other REITs, but the Company believes they are appropriate measures for this Company.

Our ratios of debt to annualized EBITDA and debt to adjusted annualized EBITDA as of March 31, 2009 were 3.0x and 3.2x, respectively. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as nursing home revenues and expenses, litigation settlements, and adds back certain non-cash expenses, if any to EBITDA. EBITDA, adjusted EBITDA and related ratios are non-GAAP financial measures. Annualized EBITDA and adjusted 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.

OMEGA HEALTHCARE INVESTORS, INC.
EBITDA RECONCILIATION AND
DEBT COVERAGE RATIO CALCULATION
Unaudited
(In thousands)

	Three Months Ended March 31, 2009
Net Income	$ 24,912
Depreciation and amortization	10,931
Interest	9,273
EBITDA	$ 45,116
Deduct nursing home revenues	(4,424)
Deduct litigation settlements	(4,527)
Add back non-cash provision for impairment on real estate properties	70
Add back nursing home expenses	5,353
Add back non-cash restricted stock compensation expense	480
Adjusted EBITDA	$ 42,068
DEBT	
Revolving line of credit	$ 55,000
Unsecured borrowings (1)	485,000
Total debt	$ 540,000
Total debt / annualized EBITDA ratio	**3.0 x**
Total debt / adjusted annualized EBITDA ratio	**3.2 x**

(1) Excludes net discount on unsecured borrowings.

Our EBITDA to fixed charge coverage ratio, adjusted EBITDA to total interest expense ratio and adjusted EBITDA to fixed charge coverage ratio as of March 31, 2009 were 3.9x, 4.5x and 3.6x, 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 nursing home revenues and expenses, litigation settlements, and adds back certain non-cash expenses, if any to EBITDA. Fixed charges consist of interest expense, amortization of deferred financing costs and regularly occurring preferred dividends. EBITDA, adjusted EBITDA, fixed charges and related ratios are non-GAAP measures. Below is the reconciliation of EBITDA to net income.

OMEGA HEALTHCARE INVESTORS, INC.
EBITDA RECONCILIATION AND
FIXED CHARGE AND INTEREST COVERAGE RATIO CALCULATION
Unaudited
(In thousands)

		Three Months Ended March 31, 2009
Net income	$	24,912
Depreciation and amortization		10,931
Interest		9,273
EBITDA	$	45,116
Deduct nursing home revenues		(4,424)
Deduct litigation settlements		(4,527)
Add back non-cash provision for impairment on real estate properties		70
Add back nursing home expenses		5,353
Add back non-cash restricted stock compensation expense		480
Adjusted EBITDA	$	42,068
FIXED CHARGES		
Cash interest	$	8,773
Amortization of non-cash deferred financing charges		500
Total interest expense		9,273
Preferred dividends		2,271
Total fixed charges	$	11,544
EBITDA / fixed charge coverage ratio		**3.9 x**
Adjusted EBITDA / total interest expense ratio		**4.5 x**
Adjusted EBITDA / fixed charge coverage ratio		**3.6 x**

OMEGA HEALTHCARE INVESTORS, INC.
FUNDS AVAILABLE FOR DISTRIBUTION
Unaudited
(In thousands, except per share amounts)

		Three Months Ended March 31, 2009
Net income available to common stockholders (1)	$	22,641
Elimination of non-cash items included in net income:		
Depreciation and Amortization		10,931
Funds from operations available to common stockholders	$	33,572
Adjustments:		
Deduct litigation settlements		(4,527)
Add back net loss from nursing home operations		929
Add back non-cash provision for impairment on real estate properties		70
Add back non-cash restricted stock compensation expense		480
Adjusted funds from operations available to common stockholders	$	30,524
Adjustments:		
Scheduled principal payments on mortgages		133
Non-cash interest expense		500
Non-cash revenues		(1,748)
Funds available for distribution (FAD) (2)	$	29,409
Weighted-average common shares outstanding, basic		82,396
Effect of restricted stock awards		69
Assumed exercise of stock options		10
Deferred stock		3
Weighted-average common shares outstanding, diluted		82,478
FAD per share, diluted	$	0.3566

(1) Includes amounts in discontinued operations.
(2) Excludes cash from asset sales and mortgage payoffs.

Percentages of total debt to book capitalization, adjusted total debt to adjusted book capitalization and adjusted total debt to total market capitalization at March 31, 2009 were 40.7%, 40.6% and 30.4%, respectively. Adjusted total debt is total debt plus the discount or less the premium derived from the sale of unsecured borrowings. Book capitalization is defined as total debt plus stockholders' equity. Adjusted book capitalization is defined as adjusted total debt plus stockholders' equity. 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, 2009 plus adjusted total debt.

OMEGA HEALTHCARE INVESTORS, INC.
BOOK AND MARKET CAPITALIZATION RATIO CALCULATIONS

Unaudited
(In thousands)

		At March 31, 2009
Revolving line of credit	$	55,000
Unsecured borrowings		485,000
(Discount)/premium on unsecured borrowings (net)		(307)
Total debt	$	539,693
Add back discount (deduct premium) on unsecured borrowings (net)		307
Adjusted total debt	$	540,000
BOOK CAPITALIZATION		
Total debt	$	539,693
Stockholders' equity		786,549
Book capitalization	$	1,326,242
Add back discount (deduct premium) on unsecured borrowings (net)		307
Add back net loss - owned and operated assets		4,360
Adjusted book capitalization	$	1,330,909
MARKET CAPITALIZATION		
Common shares outstanding at 3/31/09		82,408
Market price of common stock at 3/31/09	$	14.08
Market capitalization of common stock at 3/31/09		1,160,305
Series D preferred shares outstanding at 3/31/09		4,340
Market price of preferred series D at 3/31/09	$	18.00
Market capitalization of preferred series D at 3/31/09		78,120
Market capitalization of publicly traded securities		1,238,425
Add adjusted total debt		540,000
Total market capitalization	$	1,778,425
Total debt / book capitalization		**40.7%**
Adjusted total debt / adjusted book capitalization		**40.6%**
Adjusted total debt / total market capitalization		**30.4%**