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

		Three Months Ended March 31, 2013
Net income available to common stockholders	$	38,120
Elimination of non-cash items included in net income:		
Depreciation and amortization		31,959
Funds from operations available to common stockholders	$	70,079
Weighted-average common shares outstanding, basic		112,782
Effect of restricted stock awards		714
Deferred stock		26
Weighted-average common shares outstanding, diluted		113,522
Funds from operations per share available to common stockholders	$	0.6173
Adjusted funds from operations:		
Funds from operations available to common stockholders	$	70,079
Add back acquisition deal related costs		134
Add back stock-based compensation expense		1,452
Adjusted funds from operations available to common stockholders	$	71,665
Adjusted funds from operations per share available to common stockholders	$	0.6313

Funds From Operations, ("FFO"), adjusted FFO, EBITDA, adjusted EBITDA, adjusted fixed charges, adjusted total debt, Funds Available for Distribution ("FAD"), 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 (loss) available to common stockholders, adjusted for the effects of asset dispositions and certain non-cash items, primarily depreciation and amortization and impairments on real estate assets. 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.

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, 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. 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 excluding the impact of certain non-cash items and certain items of revenue and expense specified in the schedule above. The Company believes that adjusted FFO provides an enhanced measure of the operating performance of the Company's core portfolio as a REIT.

FAD is calculated as Adjusted FFO less non-cash interest expense and non-cash revenue, such as straight-line rent. For periods prior to the quarter ended September 30, 2012, FAD also excluded scheduled debt and principal payments on mortgages. FAD 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 FAD 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 adjusted total debt to annualized EBITDA, adjusted total debt to adjusted annualized EBITDA and adjusted total debt to adjusted pro forma annualized EBITDA as of March 31, 2013 were 4.5.x, 4.4x and 4.4x, respectively. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as impairments and nursing home revenues and expenses 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.

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

		Three Months Ended March 31, 2013
Net income	$	38,120
Depreciation and amortization		31,959
Interest		26,354
EBITDA	$	96,433
Add back acquisition deal related costs		134
Add back stock-based compensation expense		1,452
Adjusted EBITDA	$	98,019
Add incremental proforma EBITDA from new investments in 1st Quarter		132
Adjusted proforma EBITDA	$	98,151
DEBT		
Revolving line of credit	$	-
Term loan		200,000
Secured borrowings		335,069
Unsecured borrowings		1,195,000
FMV adjustment of assumption of debt		31,367
Premium/(discount) on unsecured borrowings (net)		4,258
Total debt	$	1,765,694
Deduct FMV adjustment of assumption of debt		(31,367)
Add back discount (deduct premium) on unsecured borrowings (net)		(4,258)
Adjusted total debt	$	1,730,069
Adjusted total debt / annualized EBITDA ratio		**4.5 x**
Adjusted total debt / adjusted annualized EBITDA ratio		**4.4 x**
Adjusted total debt / adjusted pro forma annualized EBITDA ratio		**4.4 x**

Our annualized EBITDA to fixed charge coverage ratio and annualized adjusted EBITDA to total interest expense ratio as of March 31, 2013 were 3.6x and 3.7x, respectively. Fixed charge coverage is the ratio determined by dividing annualized EBITDA by our fixed charges. Annualized EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Annualized adjusted EBITDA eliminates items such as impairments and nursing home revenues and expenses and adds back certain non-cash expenses, if any, to annualized EBITDA.

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

		Three Months Ended March 31, 2013
Net income	$	38,120
Depreciation and amortization		31,959
Interest		26,354
EBITDA	$	96,433
Add back acquisition deal related costs		134
Add back stock-based compensation expense		1,452
Adjusted EBITDA	$	98,019
FIXED CHARGES		
Cash interest	$	25,761
Capitalized interest		139
Amortization mortgage insurance premium		419
Amortization HUD fair market value adjustment		(508)
Amortization of non-cash deferred financing charges		682
Total interest expense	$	26,493
Annualized EBITDA / fixed charge coverage ratio		**3.6 x**
Annualized adjusted EBITDA / total interest expense ratio		**3.7 x**

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

		Three Months Ended March 31, 2013
Net income available to common stockholders	$	38,120
Elimination of non-cash items included in net income:		
Depreciation and Amortization		31,959
Funds from operations available to common stockholders	$	70,079
Adjustments:		
Add back acquisition deal related costs		134
Add back stock-based compensation expense		1,452
Adjusted funds from operations available to common stockholders	$	71,665
Adjustments:		
Non-cash interest expense		593
Capitalized interest		(139)
Non-cash revenues		(6,973)
Funds available for distribution (FAD)	$	65,146
Weighted-average common shares outstanding, basic		112,782
Effect of restricted stock awards		714
Deferred stock		26
Weighted-average common shares outstanding, diluted		113,522
FAD per share, diluted	$	0.5739

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, 2013 were 61.5%, 61.0% and 32.9%, respectively. Adjusted total debt is total debt plus the discount or less the premium derived from the sale of unsecured borrowings and fair market value adjustment of assumed debt. 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, 2013 plus adjusted total debt.

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

Unaudited

(In thousands)

		At March 31, 2013
Revolving line of credit	$	-
Term loan		200,000
Secured borrowings		335,069
Unsecured borrowings		1,195,000
FMV adjustment of assumption of debt		31,367
Premium/(discount) unsecured borrowings (net)		4,258
Total debt	$	1,765,694
Deduct FMV adjustment of assumption of debt		(31,367)
Add back discount (deduct premium) on unsecured borrowings (net)		(4,258)
Adjusted total debt	$	1,730,069
BOOK CAPITALIZATION		
Total debt	$	1,765,694
Stockholders' equity		1,105,754
Book capitalization	$	2,871,448
Deduct FMV adjustment of assumption of debt		(31,367)
Add back discount (deduct premium) on unsecured borrowings (net)		(4,258)
Adjusted book capitalization	$	2,835,823
MARKET CAPITALIZATION		
Common shares outstanding at 3/31/2013		116,153
Market price of common stock at 3/31/2013	$	30.36
Market capitalization of common stock at 3/31/2013		3,526,405
Market capitalization of publicly traded securities		3,526,405
Add adjusted total debt		1,730,069
Total market capitalization	$	5,256,474
Total debt / book capitalization		**61.5%**
Adjusted total debt / adjusted book capitalization		**61.0%**
Adjusted total debt / total market capitalization		**32.9%**