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

		Three Months Ended December 31, 2014
Net income available to common stockholders	$	56,990
Elimination of non-cash items included in net income:		
Depreciation and amortization		30,401
Funds from operations available to common stockholders	$	87,391
Weighted-average common shares outstanding, basic		127,804
Restricted stock and PRSUs		688
Weighted-average common shares outstanding, diluted		128,492
Funds from operations per share available to common stockholders	$	0.6801
Adjusted funds from operations:		
Funds from operations available to common stockholders	$	87,391
Deduct non-cash provision for uncollectible accounts receivable, mortgages and notes		(7)
Deduct one-time interest refinancing expense		(27)
Add back acquisition deal related costs		3,549
Add back stock-based compensation expense		2,022
Adjusted funds from operations available to common stockholders	$	92,928
Adjusted funds from operations per share available to common stockholders	$	0.7232

Funds From Operations ("FFO"), Adjusted FFO and Adjusted Funds Available for Distribution ("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 excludes 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 includes 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 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, 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.

The Company uses FFO, Adjusted FFO and FAD among the criteria to measure the 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 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. FFO, Adjusted FFO and FAD 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 this measure as a substitute for any GAAP measure, including net income.

Adjusted FFO is calculated as FFO available to common stockholders 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. FAD is calculated as Adjusted FFO less non-cash interest expense and non-cash revenue, such as straight-line rent. 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

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 December 31, 2014 were 4.9x, 4.7x and 4.7x, respectively. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as acquistion deal 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 4th quarter assuming an October 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 December 31, 2014
Net income	$ 56,990
Depreciation and amortization	30,401
Interest	33,289
EBITDA	$ 120,680
Deduct non-cash provision for uncollectible accounts receivable, mortgages and notes	(7)
Add back acquisition deal related costs	3,549
Add back stock-based compensation expense	2,022
Adjusted EBITDA	$ 126,244
Add incremental proforma EBITDA from new investments in 4th Quarter	849
Adjusted proforma EBITDA	$ 127,093
DEBT	
Revolving line of credit	$ 85,000
Term loan	200,000
Secured borrowings	237,881
Unsecured borrowings	1,845,000
FMV adjustment of assumption of debt	14,320
Premium/(discount) on unsecured borrowings (net)	(3,698)
Total debt	$ 2,378,503
Deduct FMV adjustment of assumption of debt	(14,320)
Add back discount (deduct premium) on unsecured borrowings (net)	3,698
Adjusted total debt (aka Funded Debt)	$ 2,367,881
Adjusted total debt / annualized EBITDA ratio	**4.9 x**
Adjusted total debt / adjusted annualized EBITDA ratio	**4.7 x**
Adjusted total debt / adjusted pro forma annualized EBITDA ratio	**4.7 x**

Our annualized EBITDA to total interest expense ratio, annualized adjusted EBITDA to total interest expense ratio and annualized adjusted EBITDA to fixed charges as of December 31, 2014 were 3.6x, 3.8x and 3.8x, 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 acquisition deal related costs and stock-based compensation expense and adds back certain non-cash expenses, if any, to annualized 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.

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

		Three Months Ended December 31, 2014
Net income	$	56,990
Depreciation and amortization		30,401
Interest		33,289
EBITDA	$	120,680
Deduct non-cash provision for uncollectible accounts receivable, mortgages and notes		(7)
Add back acquisition deal related costs		3,549
Add back stock-based compensation expense		2,022
Adjusted EBITDA	$	126,244
FIXED CHARGES		
Cash interest	$	31,903
Amortization mortgage insurance premium		305
Amortization HUD fair market value adjustment		(240)
Amortization of non-cash deferred financing charges		1,348
Refinancing costs		(27)
Total interest expense	$	33,289
Add (less) refinancing charges		27
Total fixed charges	$	33,316
Annualized EBITDA / total interest expense ratio		**3.6 x**
Annualized adjusted EBITDA / total interest expense ratio		**3.8 x**
Annualized adjusted EBITDA / fixed charge coverage ratio		**3.8 x**

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

		Three Months Ended December 31, 2014
Net income available to common stockholders	$	56,990
Elimination of non-cash items included in net income:		
Depreciation and Amortization		30,401
Funds from operations available to common stockholders	$	87,391
Adjustments:		
Deduct non-cash provision for uncollectible mortgages, notes and accounts receivable		(7)
Deduct one-time interest refinancing expense		(27)
Add back acquisition deal related costs		3,549
Add back stock-based compensation expense		2,022
Adjusted funds from operations available to common stockholders	$	92,928
Adjustments:		
Non-cash interest expense		1,413
Non-cash revenues		(9,265)
Funds available for distribution (FAD)	$	85,076
Weighted-average common shares outstanding, basic		127,804
Restricted stock and PRSUs		688
Weighted-average common shares outstanding, diluted		128,492
FAD per share, diluted	$	0.6621

Percentages of total debt to book capitalization, adjusted total debt to adjusted book capitalization and adjusted total debt to total market capitalization at December 31, 2014 were 62.9%, 62.8% and 32.2%, 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 December 31, 2014 plus adjusted total debt.

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

Unaudited
(In thousands)

		At December 31, 2014
Revolving line of credit	$	85,000
Term loan		200,000
Secured borrowings		237,881
Unsecured borrowings		1,845,000
FMV adjustment of assumption of debt		14,320
Premium/(discount) unsecured borrowings (net)		(3,698)
Total debt	$	2,378,503
Deduct FMV adjustment of assumption of debt		(14,320)
Add back discount (deduct premium) on unsecured borrowings (net)		3,698
Adjusted total debt	$	2,367,881
BOOK CAPITALIZATION		
Total debt	$	2,378,503
Stockholders' equity		1,401,327
Book capitalization	$	3,779,830
Deduct FMV adjustment of assumption of debt		(14,320)
Add back discount (deduct premium) on unsecured borrowings (net)		3,698
Adjusted book capitalization	$	3,769,208
MARKET CAPITALIZATION		
Common shares outstanding at 12/31/2014		127,606
Market price of common stock at 12/31/2014	$	39.07
Market capitalization of common stock at 12/31/2014		4,985,566
Market capitalization of publicly traded securities		4,985,566
Add adjusted total debt		2,367,881
Total market capitalization	$	7,353,447
Total debt / book capitalization		**62.9%**
Adjusted total debt / adjusted book capitalization		**62.8%**
Adjusted total debt / total market capitalization		**32.2%**