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

		Three Months Ended December 31, 2015
Net income	$	63,543
Add back loss from real estate dispositions		58
Sub-total	$	63,601
Elimination of non-cash items included in net income:		
Depreciation and amortization		60,794
Add back non-cash provision for impairments on real estate properties		3,040
Funds from operations available to common stockholders	$	127,435
Weighted-average common shares outstanding, basic		187,188
Restricted stock and PRSUs		1,416
OP units		8,956
Weighted-average common shares outstanding, diluted		197,560
Funds from operations per share available to common stockholders	$	0.6450
Adjusted funds from operations:		
Funds from operations available to common stockholders	$	127,435
Deduct YTD in-place lease amortization catch-up (1)		(5,400)
Add back non-cash provision for uncollectible mortgages, notes and accounts receivable		7,579
Add back one-time interest refinancing expense		20,476
Add back interest carry to retire bonds (2)		2,803
Add back acquisition and merger related costs		2,018
Add back stock-based compensation expense		4,451
Adjusted funds from operations available to common stockholders	$	159,362
Adjusted funds from operations per share available to common stockholders	$	0.8067

(1) During the fourth quarter of 2015, the Company updated its purchase accounting analysis for the Aviv REIT, Inc. ("Aviv") acquisition via merger. Accounting rules require purchase accounting allocations to be completed within one year of the acquisition date. It also allows adjustments to preliminary purchase accounting allocations to be recorded currently, not retrospectively, and requires disclosure of the adjustments. The Company expects to complete the purchase accounting analysis during the first quarter of 2016. As a result of updated information, the Company increased the net in-place lease liabilities assumed in the Aviv merger (which required the Company to update amortization associated with the assumed Aviv in-place leases). During the fourth quarter of 2015, the Company recorded $5.4 million of additional amortization associated with the updated valuation of the assumed in-place leases that would have been recorded in second and third quarter of 2015 had the updated information been known (the "Catch-up Adjustment"). No full year adjustment is required since the fourth quarter Catch-up Adjustment is related to "timing of amortization" of the assumed in-place leases. Fourth quarter AFFO excluded (deducted) the $5.4 million Catch-up Adjustment from Non-cash revenues for the quarter.

(2) On October 26, 2015, the Company redeemed all of its $575 million 6.75% Notes due 2022. The Company has adjusted (or added back) $2.8 million of interest at 6.75% for 26 days for October.

Funds From Operations ("FFO"), Adjusted FFO and Adjusted Funds Available for Distribution ("FAD") are non-GA 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 f that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the r directly comparable financial measure calculated and presented in accordance with GAAP in the statement of operatic balance sheet or statement of cash flows (or equivalent statements) of the company, or includes amounts, or is subject 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 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 value of real estate assets diminishes predictably over time, while real estate values instead have historically risen or f 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 busi The Company further believes that by excluding the effect of depreciation, amortization, impairments on real estate as 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 perioc and between other REITs. The Company offers these measures to assist the users of its financial statements in analyz its operating performance and not as measures of liquidity or cash flow. FFO, Adjusted FFO and FAD are not measur financial performance under GAAP and should not be considered as measures of liquidity, alternatives to net income indicators of any other performance measure determined in accordance with GAAP. Investors and potential investors 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-c 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 Adj 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, adjusted total debt to adjusted pro forma annualized EBITDA and net total debt to adjusted pro forma annualized EBITDA as of December 31, 2015 were 4.8x, 4.4x, 4.4x and 4.4x, 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 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, 2015
Net income	$ 63,543
Depreciation and amortization	60,794
Interest	61,035
Income taxes	266
EBITDA	$ 185,638
Add back loss on assets sold - net	58
Add back non-cash provision for impairments on real estate properties	3,040
Add back non-cash provision for uncollectible mortgages, notes and accounts receivable	7,579
Add back acquisition and merger related costs	2,018
Add back stock-based compensation expense	4,451
Adjusted EBITDA	$ 202,784
Add incremental proforma EBITDA from new investments in 4th Quarter	86
Adjusted proforma EBITDA	$ 202,870
DEBT	
Revolving line of credit	$ 230,000
Term loan	750,000
Secured borrowings	236,204
Unsecured borrowings	2,370,000
FMV adjustment of assumption of debt	613
Premium/(discount) on unsecured borrowings (net)	(17,731)
Total debt	$ 3,569,086
Deduct balance sheet cash and cash equivalents	(5,424)
Net total debt	$ 3,563,662
Deduct FMV adjustment of assumption of debt	(613)
Add back discount (deduct premium) on unsecured borrowings (net)	17,731
Adjusted total debt (aka Funded Debt)	$ 3,580,780
Adjusted total debt / annualized EBITDA ratio	**4.8 x**
Adjusted total debt / adjusted annualized EBITDA ratio	**4.4 x**
Adjusted total debt / adjusted pro forma annualized EBITDA ratio	**4.4 x**
Net total debt / adjusted pro forma annualized EBITDA ratio	**4.4 x**

Our EBITDA to total interest expense ratio, adjusted EBITDA to total interest expense ratio and adjusted EBITDA to fixed charges as of December 31, 2015 were 3.0x, 3.3x and 4.8x, 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.

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

	Three Months Ended December 31, 2015	
Net income	$	63,543
Depreciation and amortization		60,794
Interest		61,035
Income taxes		266
EBITDA	$	185,638
Add back loss on assets sold - net		58
Add back non-cash provision for impairments on real estate properties		3,040
Add back non-cash provision for uncollectible mortgages, notes and accounts receivable		7,579
Add back acquisition and merger related costs		2,018
Add back stock-based compensation expense		4,451
Adjusted EBITDA	$	202,784
FIXED CHARGES		
Interest expense	$	38,605
Amortization of non-cash deferred financing charges		1,954
Refinancing costs		20,476
Total interest expense	$	61,035
Add: capitalized interest		1,757
Less: refinancing charges		(20,476)
Total fixed charges	$	42,316
EBITDA / total interest expense ratio		**3.0 x**
Adjusted EBITDA / total interest expense ratio		**3.3 x**
Adjusted EBITDA / fixed charge coverage ratio		**4.8 x**

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

	Three Months Ended December 31, 2015
Net income	$ 63,543
Add back loss on assets sold - net	58
Sub-total	$ 63,601
Elimination of non-cash items included in net income:	
Depreciation and Amortization	60,794
Add back non-cash provision for impairments on real estate properties	3,040
Funds from operations available to common stockholders	$ 127,435
Adjustments:	
Deduct in-place lease amortization catch-up from Q2 & Q3	(5,400)
Add back non-cash provision for uncollectible mortgages, notes and accounts receivable.	7,579
Add back one-time interest refinancing expense	20,476
Add back interest carry to retire bonds	2,803
Add back acquisition and merger related costs	2,018
Add back stock-based compensation expense	4,451
Adjusted funds from operations available to common stockholders	$ 159,362
Adjustments:	
Non-cash interest expense	1,991
Capitalized interest	(1,757)
Non-cash revenues	(16,626)
Funds available for distribution (FAD)	$ 142,970
Weighted-average common shares outstanding, basic	187,188
Restricted stock and PRSUs	1,416
OP units	8,956
Weighted-average common shares outstanding, diluted	197,560
FAD per share, diluted	$ 0.7237

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, 2015 were 46.5%, 46.7% and 34.3%, 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, 2015 plus adjusted total debt.

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

Unaudited
(In thousands)

	At December 31, 2015
Revolving line of credit	$ 230,000
Term loan	750,000
Secured borrowings	236,204
Unsecured borrowings	2,370,000
FMV adjustment of assumption of debt	613
Premium/(discount) unsecured borrowings (net)	(17,731)
Total debt	$ 3,569,086
Deduct FMV adjustment of assumption of debt	(613)
Add back discount (deduct premium) on unsecured borrowings (net)	17,731
Adjusted total debt	$ 3,586,204
BOOK CAPITALIZATION	
Total debt	$ 3,569,086
Omega Stockholders' equity	3,737,567
Noncontrolling interest	363,298
Book capitalization	$ 7,669,951
Deduct FMV adjustment of assumption of debt	(613)
Add back discount (deduct premium) on unsecured borrowings (net)	17,731
Adjusted book capitalization	$ 7,687,069
MARKET CAPITALIZATION	
Omega common shares and OP units outstanding at 12/31/2015	196,355
Market price of common stock at 12/31/2015	$ 34.98
Market capitalization of common stock at 12/31/2015	6,868,498
Market capitalization of publicly traded securities	6,868,498
Add adjusted total debt	3,586,204
Total market capitalization	$ 10,454,702
Total debt / book capitalization	**46.5%**
Adjusted total debt / adjusted book capitalization	**46.7%**
Adjusted total debt / total market capitalization	**34.3%**