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

		Three Months Ended March 31, 2019
Net income	$	72,182
Deduct gain from real estate dispositions		(3)
Sub-total	$	72,179
Elimination of non-cash items included in net income:		
Depreciation and amortization		70,852
Depreciation - unconsolidated joint venture		1,372
Deduct unrealized gain on warrants		(284)
Funds from operations	$	144,119
Weighted-average common shares outstanding, basic		204,558
Restricted stock and PRSUs		1,688
OP units		7,277
Weighted-average common shares outstanding, diluted		213,523
Funds from operations per share		0.6750
Adjusted funds from operations:		
Funds from operations	$	144,119
Deduct one-time revenue		(972)
Add back acquisition costs		2,949
Add back one-time termination payment		1,118
Add back straightline revenue write-off		1,229
Add back non-cash impairment on direct financing leases		7,700
Add back restructuring costs		1,040
Add back stock-based compensation expense		4,070
Adjusted funds from operations	$	161,253
Adjusted funds from operations per share	$	0.7552

Funds From Operations ("FFO"), Adjusted FFO and 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 income statement, 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. 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 and changes in the fair value of warrants. 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 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. 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.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, gain or loss on asset sales-net, provisions for impairment and certain non-recurring revenues and expenses.

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. These materials should be read in conjunction with our most recent earnings release.

Our ratios of Funded Debt to annualized EBITDA, adjusted annualized EBITDA and Funded Debt to adjusted pro forma annualized EBITDA as of March 31, 2019 were 5.67x, 5.22x and 5.07x, respectively. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as acquisition 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 (i) new investments and divestitures made during the 1st quarter assuming a January 1st purchase or sale date and (ii) inception to date funding of construction in progress multiplied by the estimated contractual quarterly yield assuming an January 1st in-service 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
FUNDED DEBT COVERAGE RATIO CALCULATION
Unaudited

(000's)		Three Months Ended March 31, 2019	
Net income	$	72,182	
Depreciation and amortization		70,852	
Depreciation - unconsolidated joint venture		1,372	
Interest - net		50,285	
Income taxes		675	
EBITDA	$	195,366	
Deduct gain on assets sold - net		(3)	
Deduct foreign currency gain		(26)	
Deduct one-time revenue		(972)	
Deduct unrealized gain on warrants		(284)	
Add back one-time termination payment		1,118	
Add back straightline revenue write-off		1,229	
Add back restructuring costs		1,040	
Add back non-cash impairment on direct financing leases		7,700	
Add back acquisition costs		2,949	
Add back stock-based compensation expense		4,070	
Adjusted EBITDA	$	212,187	
Add incremental pro forma EBITDA from new investments in Q1		688	(1)
Add incremental pro forma EBITDA from construction in progress through Q1		5,714	(1)
Deduct incremental pro forma revenue from Q1 asset divestitures		-	(1)
Adjusted pro forma EBITDA	$	218,589	
DEBT			
Revolving line of credit	$	195,000	
Term loans		905,310	
Secured borrowings		2,275	
Unsecured borrowings		3,370,000	
FMV adjustment of assumption of debt		245	
Premium/(discount) on unsecured borrowings - net		(18,129)	
Deferred financing costs - net		(25,681)	
Total debt	$	4,429,020	
Deduct balance sheet cash and cash equivalents		(40,028)	
Net total debt	$	4,388,992	
Deduct FMV adjustment for assumption of debt		(245)	
Add back discount (deduct premium) on unsecured borrowings - net		18,129	
Add back deferred financing costs - net		25,681	
Adjusted total debt (a/k/a Funded Debt)	$	4,432,557	
Funded Debt / annualized EBITDA		**5.67 x**	
Funded Debt / adjusted annualized EBITDA		**5.22 x**	
Funded Debt / adjusted pro forma annualized EBITDA		**5.07 x**	

(1) Used to calculate leverage only.

NOTE: The forebearance agreement with Daybreak allows for $2.5 million of rent deferrals in each of the first and second quarters of 2019. If the $2.5 million of rent were included in the proforma revenue, the Funded Debt to adjusted pro forma annualized EBITDA would have been 5.0x.

Our adjusted EBITDA to total interest expense ratio and adjusted EBITDA to fixed charges as of March 31, 2019 were 4.2x and 3.9x, 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 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

(000's)		Three Months Ended March 31, 2019
Net income	$	72,182
Depreciation and amortization		70,852
Depreciation - unconsolidated joint venture		1,372
Interest - net		50,285
Income taxes		675
EBITDA	$	195,366
Deduct gain on assets sold - net		(3)
Deduct foreign currency gain		(26)
Deduct one-time revenue		(972)
Deduct unrealized gain on warrants		(284)
Add back one-time termination payment		1,118
Add back straightline revenue write-off		1,229
Add back restructuring costs		1,040
Add back non-cash impairment on direct financing leases		7,700
Add back acquisition costs		2,949
Add back stock-based compensation expense		4,070
Adjusted EBITDA	$	212,187
FIXED CHARGES		
Interest expense	$	48,047
Amortization of non-cash deferred financing charges		2,238
Total interest expense	$	50,285
Add back: capitalized interest		3,453
Total fixed charges	$	53,738
Adjusted EBITDA / total interest expense ratio		**4.2 x**
Adjusted EBITDA / fixed charge coverage ratio		**3.9 x**

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

		Three Months Ended March 31, 2019
Net income	$	72,182
Deduct gain on assets sold - net		(3)
Sub-total	$	72,179
Elimination of non-cash items included in net income:		
Depreciation and Amortization		70,852
Depreciation - unconsolidated joint venture		1,372
Deduct unrealized gain on warrants		(284)
Funds from operations	$	144,119
Adjustments:		
Deduct one-time revenue		(972)
Add back acquisition costs		2,949
Add back one-time termination payment		1,118
Add back straightline revenue write-off		1,229
Add back non-cash impairment on direct financing leases		7,700
Add back restructuring costs		1,040
Add back stock-based compensation expense		4,070
Adjusted funds from operations	$	161,253
Adjustments:		
Non-cash interest expense		2,213
Capitalized interest		(3,453)
Non-cash revenues		(14,773)
Funds available for distribution (FAD)	$	145,240
Weighted-average common shares outstanding, basic		204,558
Restricted stock and PRSUs		1,688
OP units		7,277
Weighted-average common shares outstanding, diluted		213,523
FAD per share, diluted	$	0.6802

Percentages of adjusted total debt to adjusted book capitalization and adjusted total debt to total market capitalization at March 31, 2019 were 54.0% and 35.4%, 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, 2019 plus adjusted total debt.

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

Unaudited
(In thousands)

		At March 31, 2019
Revolving line of credit	$	195,000
Term loans		905,310
Secured borrowing		2,275
Unsecured borrowings		3,370,000
FMV adjustment of assumption of debt		245
Discount on unsecured borrowings - net		(18,129)
Deferred financing costs - net		(25,681)
Total debt	$	4,429,020
Deduct FMV adjustment of assumption of debt		(245)
Add back discount on unsecured borrowings - net		18,129
Add back deferred financing costs - net		25,681
Adjusted total debt	**$**	**4,472,585**
BOOK CAPITALIZATION		
Adjusted total debt	$	4,472,585
Omega stockholders' equity		3,545,802
Noncontrolling interest		259,840
Adjusted book capitalization	**$**	**8,278,227**
MARKET CAPITALIZATION		
Omega common shares and OP units outstanding at 3/31/2019		214,278
Market price of common stock at 3/31/2019	$	38.15
Market capitalization of common stock at 3/31/2019		8,174,706
Market capitalization of publicly traded securities		8,174,706
Add adjusted total debt		4,472,585
Total market capitalization	**$**	**12,647,291**
Adjusted total debt / adjusted book capitalization		**54.0%**
Adjusted total debt / total market capitalization		**35.4%**

2019 ADJUSTED FFO GUIDANCE

The Company affirmed its 2019 Adjusted FFO guidance to be between $3.00 and $3.12 per diluted share.

Bob Stephenson, Omega's CFO commented, "Our 2019 guidance assumes that the MedEquities merger will be completed in mid-May. We expect to redeploy most of the cash proceeds received in the first quarter from the Orianna transaction throughout the remainder of 2019; however, the timing is unpredictable." Mr. Stephenson continued, "As I stated in February, we may continue to issue equity under our ATM to further de-lever, which may significantly impact our guidance. To clarify our longer-term expected operating performance, we have reiterated our fourth quarter 2019 estimated guidance to be between $0.78 and $0.81 per share along with our annual guidance."

The following table presents a reconciliation of Omega's guidance regarding Adjusted FFO to projected GAAP earnings.

Adjusted FFO Guidance Range (per diluted common share)

	2019 Q4	**Full Year**
Net Income	$0.42- $0.45	$1.49- $1.61
Depreciation	0.34	1.37
Depreciation – unconsolidated joint venture	0.00	0.02
Unrealized gain on warrants	0.00	(0.00)
Gain on assets sold - net	0.00	(0.00)
FFO	**$0.76 - $0.79**	**$2.88 - $3.00**
Adjustments:		
One-time revenue items	0.00	0.00
One-time termination payment	0.00	0.00
Interest – refinancing costs	0.00	0.00
Restructuring expenses	0.00	0.01
Impairment on direct financing leases	0.00	0.03
Stock-based compensation expense	0.02	0.08
Adjusted FFO	**$0.78 - $0.81**	**$3.00 - $3.12**

Note: All per share numbers rounded to 2 decimals.

The Company's Adjusted FFO guidance for 2019 assumes the MedEquities merger is completed in the second quarter, $125 million of planned capital renovation projects with 2019 estimated in-service dates, and proceeds from potential asset disposition opportunities will be redeployed with cash yields between 9% – 9.5%. It also excludes the impact of gains and losses from the sale of assets, certain revenue and expense items, interest refinancing expense, capital transactions, acquisition costs, and additional provisions for uncollectible accounts, if any.

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 of collection of rental obligations from operators on a cash basis, 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. The Company may, from time to time, update its publicly announced Adjusted FFO guidance, but it is not obligated to do so.

Forward-Looking Statements

This press release 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, facility transitions, 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'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)the impact of healthcare reform and regulation, including cost containment measures and changes in reimbursement policies, procedures and rates; (iii) the ability of operators and borrowers to maintain the financial strength and liquidity necessary to satisfy their respective rent and debt obligations; (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 Omega to collect unpaid rent or interest during the pendency of a bankruptcy proceeding and retain security deposits for the debtor's obligations, and other costs and uncertainties associated with operator bankruptcies; (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 and the impact of changes in tax laws and regulations affecting REITs; (ix) Omega's ability to sell assets held for sale or complete potential asset sales on a timely basis and on terms that allow Omega to realize the carrying value of these assets; (x) Omega's ability to re-lease, otherwise transition or sell underperforming 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; (xiii) changes in interest rates; and (xiv) other factors identified in Omega's filings with the SEC. 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.

In addition, the proposed acquisition of MedEquities presents additional factors that could cause Omega's results to differ materially from those reflected in the forward-looking statements. Important risk factors related to the MedEquities transaction that may cause such a difference include, without limitation, risks and uncertainties related to (i) the risk that the conditions to closing of the Merger may not be satisfied including, without limitation, the MedEquities stockholder approval; (ii) the ability of Omega to integrate the acquired business successfully and to achieve anticipated cost savings and other synergies; (iii) the possibility that other anticipated benefits of the proposed Merger will not be realized, including, without limitation, anticipated revenues, expenses, earnings and other financial results; (iv) potential litigation relating to the proposed Merger that could be instituted; (v) the ability to meet expectations regarding the timing and closing of the Merger; and (vi) possible disruptions from the proposed Merger that could harm the businesses of Omega and/or MedEquities. These risks, as well as other risks associated with the proposed acquisition of MedEquities, are more fully discussed in the registration statement on Form S-4 that Omega has filed with the SEC in connection with the proposed transaction, as may be amended and supplemented. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. Accordingly, readers should not place undue reliance on those statements. All forward-looking statements are based upon information available to us on the date of this release. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.