

Omega Announces Second Quarter 2013 Financial Results; Adjusted FFO of \$0.62 Per Share for the Second Quarter

HUNT VALLEY, Md.--(BUSINESS WIRE)-- Omega Healthcare Investors, Inc. (NYSE:OHI) (the "Company" or "Omega") today announced its results of operations for the three- and six-month period ended June 30, 2013. The Company also reported Funds From Operations ("FFO") available to common stockholders for the three-month period ended June 30, 2013 of \$82.4 million or \$0.70 per common share. The \$82.4 million of FFO available to common stockholders for the second quarter of 2013 includes an \$11.1 million gain related to the early extinguishment of debt, \$1.5 million of non-cash stock-based compensation expense and a \$65 thousand provision for uncollectible straight-line accounts receivable. The \$11.1 million interest refinancing adjustment (gain) is related to the write-off of the remaining fair market value debt adjustment on 11 mortgage loans the Company paid off in May 2013. FFO is presented in accordance with the guidelines for the calculation and reporting of FFO issued by the National Association of Real Estate Investment Trusts ("NAREIT"). Normalized or Adjusted FFO was \$0.62 per common share for the three-month period ended June 30, 2013. FFO and Adjusted FFO are non-GAAP financial measures. Normalized or Adjusted FFO is calculated as FFO available to common stockholders excluding the impact of certain non-cash items and certain items of revenue or expense, including, but not limited to: acquisitions, refinancing interest expenses, provisions for uncollectible accounts receivable and stock-based compensation expense. For more information regarding FFO and Adjusted FFO, see the "Second Quarter 2013 Results – Funds From Operations" section below.

GAAP NET INCOME

For the three-month period ended June 30, 2013, the Company reported net income available to common stockholders of \$49.1 million, or \$0.42 per diluted common share, on operating revenues of \$102.5 million. This compares to net income available to common stockholders of \$30.6 million, or \$0.29 per diluted common share, on operating revenues of \$83.8 million, for the same period in 2012.

For the six-month period ended June 30, 2013, the Company reported net income available to common stockholders of \$87.2 million, or \$0.76 per diluted common share, on operating revenues of \$204.3 million. This compares to net income available to common stockholders of \$56.7 million, or \$0.54 per diluted common share, on operating revenues of \$168.3 million, for the same period in 2012.

The year-to-date increase in net income was primarily due to: (i) additional rental income and mortgage interest income associated with approximately \$510 million of new investments made since the second quarter of 2012 and (ii) an \$11.1 million interest refinancing adjustment (gain) recorded in the second quarter of 2013. These increases to net income were partially offset by (i) increased expenses associated with new investments made throughout 2012 and 2013, including: (a) \$9.8 million in increased depreciation

expense and (b) \$3.6 million in increased interest expense and (ii) \$5.4 million in interest refinancing costs relating to 2012 refinancing activities.

SECOND QUARTER 2013 HIGHLIGHTS AND OTHER RECENT DEVELOPMENTS

- In July 2013, the Company increased its quarterly common stock dividend to \$0.47 per share.
- In Q2 2013, the Company paid off \$51 million of long-term debt.
- In Q2 2013, the Company completed \$25 million of new investments.
- In Q2 2013, the Company completed \$10 million of capital renovation projects.
- In April 2013, the Company increased its quarterly common stock dividend to \$0.46 per share.

SECOND QUARTER 2013 RESULTS

Operating Revenues and Expenses – Operating revenues for the three-month period ended June 30, 2013 were \$102.5 million. Operating expenses for the three-month period ended June 30, 2013 totaled \$37.8 million and were comprised of \$32.2 million of depreciation and amortization expense, \$4.0 million of general and administrative expense, \$1.5 million of stock-based compensation expense and a \$65 thousand provision for uncollectible straight-line accounts receivable.

Other Income and Expense – Other income and expense for the three-month period ended June 30, 2013 was a net expense of \$14.5 million, which was comprised of \$25.0 million of interest expense and \$0.7 million of amortized deferred financing costs. The Company also recorded an \$11.1 million interest refinancing adjustment (gain) related to the write-off of the remaining fair market value debt adjustment on 11 mortgage loans that the Company paid off in May 2013.

Funds From Operations – For the three-month period ended June 30, 2013, reportable FFO available to common stockholders was \$82.4 million, or \$0.70 per common share on 117 million weighted-average common shares outstanding, compared to \$55.8 million, or \$0.53 per common share on 106 million weighted-average common shares outstanding, for the same period in 2012.

The \$82.4 million of FFO for the three-month period ended June 30, 2013 includes the impact of the \$11.1 million interest refinancing adjustment (gain), \$1.5 million of stock-based compensation expense and the \$65 thousand provision for uncollectible straight-line accounts receivable.

The \$55.8 million of FFO for the three-month period ended June 30, 2012 includes the impact of the \$1.7 million interest refinancing adjustment (gain), \$1.5 million of stock-based compensation expense and \$0.1 million of expense associated with recently completed acquisitions.

Adjusted FFO was \$72.9 million, or \$0.62 per common share, for the three months ended June 30, 2013, compared to \$55.7 million, or \$0.53 per common share, for the same period in 2012. The Company had 11.0 million additional weighted-average shares outstanding for

the three months ended June 30, 2013 compared to the same period in 2012. For further information see “Funds From Operations” below.

FINANCING ACTIVITIES

\$51 Million HUD Mortgage Payoffs – On May 31, 2013, the Company paid approximately \$51 million to retire 11 mortgage loans guaranteed by the Department of Housing and Urban Development (“HUD”). The loans were assumed as part of the June 2010 purchase of 40 skilled nursing facilities (“SNFs”) from affiliates of CapitalSource, Inc. and had a blended interest rate of 6.61% per annum with maturities between January 2036 and May 2040. The payoff resulted in an \$11.1 million gain on the extinguishment of the debt due to the write-off of the remaining fair market value adjustment offset by a prepayment fee of \$0.2 million.

Equity Shelf Program and Dividend Reinvestment and Common Stock Purchase Plan – During the six-month period ended June 30, 2013, the Company sold the following shares of its common stock under its Equity Shelf Programs and its Dividend Reinvestment and Common Stock Purchase Plan:

Equity Shelf (At-The-Market) Program for 2013

(in thousands, except price per share)

	Q1 Total	Q2 Total	Year To Date
Number of shares	2,440	839	3,279
Average price per share	\$ 28.95	\$ 35.74	\$ 30.69
Gross proceeds	\$70,643	\$29,999	\$100,642

Dividend Reinvestment and Common Stock Purchase Program for 2013

(in thousands, except price per share)

	Q1 Total	Q2 Total	Year To Date
Number of shares	1,315	147	1,462
Average price per share	\$ 27.63	\$ 35.89	\$ 28.46
Gross proceeds	\$ 36,343	\$ 5,280	\$ 41,623

2013 PORTFOLIO AND RECENT DEVELOPMENTS

\$25 Million Mezzanine Loan – On May 2, 2013, the Company invested \$24.9 million in a mezzanine loan with a third party. The loan bears interest at 12% per annum and matures in

December 2017.

\$10 Million of Capital Renovation Projects in Q2 2013– For the three-month period ending June 30, 2013, the Company invested approximately \$10 million under its capital renovation programs.

Facility Sales – For the three-month period ended June 30, 2013, the Company sold one facility in Texas for total cash proceeds of \$2.2 million, resulting in a loss on sale of \$1.2 million.

DIVIDENDS

On July 17, 2013, the Company's Board of Directors announced a common stock dividend of \$0.47 per share, increasing the quarterly common dividend by \$0.01 per share over the prior quarter, to be paid August 15, 2013 to common stockholders of record on July 31, 2013.

2013 ADJUSTED FFO AND ADJUSTED FAD GUIDANCE

The Company revised its 2013 Adjusted FFO available to common stockholders to be between \$2.48 and \$2.51 per diluted share and its 2013 Adjusted Funds Available For Distribution ("FAD") available to common stockholders to be between \$2.23 and \$2.26 per diluted share.

The Company's Adjusted FFO and Adjusted FAD guidance for 2013 includes approximately \$200 million of new investments (including capital renovation projects); however, it excludes the impact of gains and losses from the sale of assets, additional divestitures, certain revenue and expense items, interest refinancing expense, capital transactions and stock-based compensation expense. A reconciliation of the Adjusted FFO and FAD guidance to the Company's projected GAAP earnings is provided on schedules attached to this press release. The Company may, from time to time, update its publicly announced Adjusted FFO and FAD guidance, but it is not obligated to do so.

The Company's Adjusted FFO and FAD 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 and completion of acquisitions, divestitures, capital and financing transactions, and variations in restricted stock amortization 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.

CONFERENCE CALL

The Company will be conducting a conference call on Thursday, August 1, 2013, at 10 a.m. Eastern to review the Company's 2013 second quarter results and current developments. Analysts and investors within the United States interested in participating are invited to call (888) 317-6016. The Canadian toll-free dial-in number is (855) 669-9657. All other international participants can use the dial-in number (412) 317-6016. Ask the operator to be connected to the "Omega Healthcare's Second Quarter 2013 Earnings Call."

To listen to the conference call via webcast, log on to www.omegahealthcare.com and click the "earnings call" icon on the Company's home page. Webcast replays of the call will be

available on the Company's website for two weeks following the call.

The Company is a real estate investment trust investing in and providing financing to the long-term care industry. At June 30, 2013, the Company owned or held mortgages on 477 skilled nursing facilities, assisted living facilities and other specialty hospitals with approximately 55,075 licensed beds (52,890 available beds) located in 33 states and operated by 47 third-party healthcare operating companies.

This announcement includes forward-looking statements, including without limitation the information under the heading "2013 Adjusted FFO and Adjusted FAD Guidance Confirmed." 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 the Company's properties, including those relating to reimbursement by third-party payors, regulatory matters and occupancy levels; (ii) regulatory and other changes in the healthcare sector; (iii) changes in the financial position of the Company's operators; (iv) the ability of any of the Company's operators in bankruptcy to reject unexpired lease obligations, modify the terms of the Company's mortgages and impede the ability of the Company to collect unpaid rent or interest during the pendency of a bankruptcy proceeding and retain security deposits for the debtor's obligations; (v) the availability and cost of capital; (vi) changes in the Company's credit ratings and the ratings of its debt securities; (vii) competition in the financing of healthcare facilities; (viii) the Company's ability to maintain its status as a real estate investment trust; (ix) the Company's ability to manage, re-lease or sell any owned and operated facilities; (x) the Company's ability to sell closed or foreclosed assets on a timely basis and on terms that allow the Company to realize the carrying value of these assets; (xi) the effect of economic and market conditions generally, and particularly in the healthcare industry; and (xii) other factors identified in the Company's filings with the Securities and Exchange Commission. Statements regarding future events and developments and the Company's future performance, as well as management's expectations, beliefs, plans, estimates or projections relating to the future, are forward-looking statements. The Company undertakes no obligation to update any forward-looking statements contained in this announcement.

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	June 30,	December
	2013	31,
	2013	2012
	(Unaudited)	
ASSETS		
Real estate properties		
Land and buildings	\$ 3,051,363	\$ 3,038,553
Less accumulated depreciation	(643,514)	(580,373)
Real estate properties – net	2,407,849	2,458,180
Mortgage notes receivable – net	241,254	238,621

	2,649,103	2,696,801
Other investments – net	74,646	47,339
	<u>2,723,749</u>	<u>2,744,140</u>
Assets held for sale – net	1,020	1,020
Total investments	<u>2,724,769</u>	<u>2,745,160</u>
Cash and cash equivalents	7,039	1,711
Restricted cash	40,127	36,660
Accounts receivable – net	138,059	125,180
Other assets	69,802	73,294
Total assets	<u>\$ 2,979,796</u>	<u>\$ 2,982,005</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Revolving line of credit	\$ 5,000	\$ 158,000
Term loan	200,000	100,000
Secured borrowings	301,526	366,538
Unsecured borrowings – net	1,200,139	1,200,394
Accrued expenses and other liabilities	135,835	145,744
Total liabilities	<u>1,842,500</u>	<u>1,970,676</u>

Stockholders' equity:

Common stock \$.10 par value authorized – 200,000 shares issued and outstanding 117,152 shares as of June 30, 2013 and 112,393 as of December 31, 2012	11,715	11,239
Common stock – additional paid-in capital	1,807,201	1,664,855
Cumulative net earnings	841,306	754,128
Cumulative dividends paid	(1,522,926)	(1,418,893)
Total stockholders' equity	<u>1,137,296</u>	<u>1,011,329</u>
Total liabilities and stockholders' equity	<u>\$ 2,979,796</u>	<u>\$ 2,982,005</u>

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
Unaudited
(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Revenue				
Rental income	\$ 93,069	\$ 75,228	\$186,178	\$151,203
Mortgage interest income	7,435	7,404	14,781	14,740
Other investment income – net	1,860	1,165	3,166	2,295

Miscellaneous	151	28	151	102
Total operating revenues	<u>102,515</u>	<u>83,825</u>	<u>204,276</u>	<u>168,340</u>
Expenses				
Depreciation and amortization	32,225	27,199	64,184	54,346
General and administrative	4,011	3,468	7,756	7,509
Stock-based compensation expense	1,472	1,486	2,924	2,971
Acquisition costs	9	98	143	203
Impairment loss on real estate properties	-	-	-	272
Provisions for uncollectible mortgages, notes and accounts receivable	65	-	65	-
Total operating expenses	<u>37,782</u>	<u>32,251</u>	<u>75,072</u>	<u>65,301</u>
Income before other income and expense	64,733	51,574	129,204	103,039
Other income (expense)				
Interest income	14	9	17	16
Interest expense	(24,952)	(24,009)	(50,624)	(46,976)
Interest – amortization of deferred financing costs	(698)	(668)	(1,380)	(1,297)
Interest – refinancing gain (costs)	11,112	1,698	11,112	(5,410)
Total other expense	<u>(14,524)</u>	<u>(22,970)</u>	<u>(40,875)</u>	<u>(53,667)</u>
Income before (loss) gain on assets sold	50,209	28,604	88,329	49,372
(Loss) gain on assets sold – net	<u>(1,151)</u>	<u>1,968</u>	<u>(1,151)</u>	<u>7,284</u>
Net income available to common stockholders	<u>\$ 49,058</u>	<u>\$ 30,572</u>	<u>\$ 87,178</u>	<u>\$ 56,656</u>
Income per common share available to common shareholders:				
Basic:				
Net income	<u>\$ 0.42</u>	<u>\$ 0.29</u>	<u>\$ 0.76</u>	<u>\$ 0.54</u>
Diluted:				
Net income	<u>\$ 0.42</u>	<u>\$ 0.29</u>	<u>\$ 0.76</u>	<u>\$ 0.54</u>
Dividends declared and paid per common share	<u>\$ 0.46</u>	<u>\$ 0.42</u>	<u>\$ 0.91</u>	<u>\$ 0.83</u>
Weighted-average shares outstanding, basic	<u>116,199</u>	<u>105,717</u>	<u>114,491</u>	<u>104,736</u>
Weighted-average shares outstanding, diluted	<u>117,022</u>	<u>106,033</u>	<u>115,273</u>	<u>105,023</u>

OMEGA HEALTHCARE INVESTORS, INC.
FUNDS FROM OPERATIONS
Unaudited

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Net income available to common stockholders	\$ 49,058	\$ 30,572	\$ 87,178	\$ 56,656
Add back loss (deduct gain) from real estate dispositions	1,151	(1,968)	1,151	(7,284)
Sub – total	50,209	28,604	88,329	49,372
Elimination of non-cash items included in net income:				
Depreciation and amortization	32,225	27,199	64,184	54,346
Add back non-cash provision for impairments on real estate properties	—	—	—	272
Funds from operations available to common stockholders	<u>\$ 82,434</u>	<u>\$ 55,803</u>	<u>\$152,513</u>	<u>\$103,990</u>
Weighted-average common shares outstanding, basic	116,199	105,717	114,491	104,736
Restricted stock and PRSUs	786	299	750	270
Deferred stock	37	17	32	17
Weighted-average common shares outstanding, diluted	<u>117,022</u>	<u>106,033</u>	<u>115,273</u>	<u>105,023</u>
Funds from operations per share available to common stockholders	<u>\$ 0.70</u>	<u>\$ 0.53</u>	<u>\$ 1.32</u>	<u>\$ 0.99</u>
Adjusted funds from operations:				
Funds from operations available to common stockholders	\$ 82,434	\$ 55,803	\$152,513	\$103,990
Add back non-cash provision for uncollectible accounts receivable	65	—	65	—
(Deduct)/add back interest refinancing expense	(11,112)	(1,698)	(11,112)	5,410
Add back acquisition costs	9	98	143	203
Add back non-cash stock-based compensation expense	1,472	1,486	2,924	2,971
Adjusted funds from operations available to common stockholders	<u>\$ 72,868</u>	<u>\$ 55,689</u>	<u>\$144,533</u>	<u>\$112,574</u>

This press release includes Funds From Operations, or FFO, which is a non-GAAP financial

measure. 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 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 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 as one of several 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 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 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. The Company believes that Adjusted FFO provides an enhanced measure of the operating performance of the Company's core portfolio as a REIT. The Company's computation of Adjusted FFO is not comparable to the NAREIT definition of FFO or to similar measures reported by other REITs, but the Company believes it is an appropriate measure for this Company.

The Company currently expects its 2013 Adjusted FFO available to common stockholders to be between \$2.48 and \$2.51 per diluted share. The Company also expects its 2013 Adjusted

FAD available to common stockholders to be between \$2.23 and \$2.26 per diluted share. The following table presents a reconciliation of our guidance regarding 2013 FFO and Adjusted FFO and FAD and Adjusted FAD to net income available to common stockholders:

	2013 Projected Adjusted FFO and FAD	
Per diluted share:		
Net income available to common stockholders	\$ 1.42	– \$ 1.44
Add back loss from real estate dispositions	0.01	– 0.01
Sub total	1.43	1.45
Elimination of non-cash items included in net income:		
Depreciation and amortization	1.10	– 1.11
Provision for impairment on real estate assets	0.00	– 0.00
Funds from operations available to common stockholders	\$ 2.53	– \$ 2.56
Adjustments:		
Acquisition costs	0.00	– 0.00
Provision for uncollectible accounts receivable	0.00	– 0.00
Interest expense – refinancing costs	(0.10)	– (0.10)
Stock-based compensation expense	0.05	– 0.05
Adjusted funds from operations available to common stockholders	\$ 2.48	– \$ 2.51
Adjustments:		
Non-cash interest expense	0.01	– 0.01
Non-cash revenue	(0.26)	– (0.26)
Funds available for distributions	\$ 2.23	– \$ 2.26

The following tables present selected portfolio information, including operator and geographic concentrations, and revenue maturities for the period ended June 30, 2013:

	As of June 30, 2013				
	# of Properties	# of Operating Beds	Investment (\$000's)	% Investment	
Balance Sheet Data					
Real Property ⁽¹⁾	444	49,194	\$ 3,069,177	93%	
Loans Receivable	33	3,696	241,254	7%	
Total Investments	477	52,890	\$ 3,310,431	100%	
Investment Data	# of Properties	# of Operating Beds	Investment (\$000's)	% Investment	Investment per Bed

Skilled Nursing Facilities (1)	450	51,273	\$ 3,155,891	95%	\$ 62
Assisted Living Facilities	16	1,074	91,504	3%	85
Specialty Hospitals and Other	11	543	63,036	2%	116
	477	52,890	\$ 3,310,431	100%	\$ 63

Note: table above excludes two facilities classified as held-for-sale and one closed facility.
(1) Includes a \$19.2 million lease inducement.

Revenue Composition (\$000's)

Revenue by Investment Type

	Three Months Ended June 30, 2013		Six Months Ended June 30, 2013	
Rental Property ⁽¹⁾	\$ 93,069	91%	\$ 186,178	91%
Mortgage Notes	7,435	7%	14,781	7%
Other Investment Income	1,860	2%	3,166	2%
	\$ 102,364	100%	\$ 204,125	100%

Revenue by Facility Type

	Three Months Ended June 30, 2013		Six Months Ended June 30, 2013	
Skilled Nursing Facilities ⁽¹⁾	\$ 96,073	94%	\$ 192,103	94%
Assisted Living Facilities	2,418	2%	4,835	2%
Specialty Hospitals	2,013	2%	4,021	2%
Other	1,860	2%	3,166	2%
	\$ 102,364	100%	\$ 204,125	100%

(1) 2nd quarter revenue includes \$0.9 million reduction for lease inducement and \$1.9 million year-to-date.

Operator Concentration by Investment (\$000's)

	As of June 30, 2013		
	# of Properties	Investment	% Investment
Genesis Healthcare	52	\$ 350,489	11%
CommuniCare Health Services, Inc.	36	340,964	10%
Health & Hospital Corporation	40	279,475	9%
Airamid Health Management	37	255,125	8%
Signature Holdings II, LLC	32	236,101	7%
S&F Management Company, LLC	14	212,373	6%

Advocat Inc.	36	150,582	5%
Gulf Coast Master Tenant I, LLC	17	146,636	4%
Guardian LTC Management Inc. ⁽¹⁾	23	145,171	4%
Affiliates of Capital Funding Group, Inc.	17	129,697	4%
Remaining 37 Operators	173	1,063,818	32%
	477	\$3,310,431	100%

Note: table above excludes two facilities classified as held-for-sale and one closed facility.

(1) Investment amount includes a \$19.2 million lease inducement.

Concentration by State	# of Properties	Investment	% Investment
Florida	85	\$ 606,219	18%
Ohio	50	370,800	11%
Indiana	50	318,570	10%
California	22	187,032	6%
Pennsylvania	25	178,817	5%
Maryland	16	174,077	5%
Texas	31	170,225	5%
Michigan	21	154,666	5%
Arkansas	23	125,912	4%
Tennessee	16	118,922	4%
Arizona	10	98,014	3%
West Virginia ⁽¹⁾	11	94,996	3%
Colorado	12	79,659	2%
Kentucky	15	67,500	2%
North Carolina	10	59,296	2%
Massachusetts	8	57,347	2%
Remaining 17 States	72	448,379	13%
	477	\$ 3,310,431	100%

Note: table above excludes two facilities classified as held-for-sale and one closed facility.

(1) Investment amount includes a \$19.2 million lease inducement.

Revenue Maturities (\$000's)	As of June 30, 2013			
	Current Lease Revenue	Current Interest Revenue	Lease and Interest Revenue	%
Operating Lease Expirations & Loan Maturities	Year	Revenue ⁽¹⁾	Revenue ⁽¹⁾	Revenue %
	2013	268	550	818 0.2%
	2014	1,054	-	1,054 0.3%
	2015	3,237	-	3,237 0.9%
	2016	29,446	-	29,446 7.9%

2017 7,527 - 7,527 2.0%

(1) Based on 2013 contractual rents and interest (without giving effect to annual escalators).

The following tables present operator revenue mix, census and coverage data based on information provided by our operators:

Operator Revenue Mix	% Revenue Mix		
	Medicaid	Medicare / Insurance	Private / Other
Three-months ended March 31, 2013	51.9%	40.2%	7.9%
Three-months ended December 31, 2012	53.2%	38.0%	8.8%
Three-months ended September 30, 2012	53.3%	38.3%	8.4%
Three-months ended June 30, 2012	52.6%	39.1%	8.3%
Three-months ended March 31, 2012	52.2%	39.6%	8.2%

Operator Census and Coverage	Coverage Data		
	Census (1)	Before Management Fees	After Management Fees
Twelve-months ended March 31, 2013	83.9%	2.0x	1.5x
Twelve-months ended December 31, 2012	83.4%	2.0x	1.5x
Twelve-months ended September 30, 2012	83.6%	2.0x	1.5x
Twelve-months ended June 30, 2012	83.7%	2.0x	1.6x
Twelve-months ended March 31, 2012	83.7%	2.1x	1.7x

(1) Based on available beds.

The following table presents a debt maturity schedule as of June 30, 2013:

Debt Maturities (\$000's)	Secured Debt		Unsecured Debt			Total Debt
	HUD Mortgages (1)	Line of Credit (2)(3)	Senior Notes (4)	Sub Notes (5)		
Year						
2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-

2016	-	500,000	-	-	500,000
2017	-	200,000	-	-	200,000
Thereafter	282,858	-	1,175,000	20,000	1,477,858
	<u>\$ 282,858</u>	<u>\$ 700,000</u>	<u>\$ 1,175,000</u>	<u>\$ 20,000</u>	<u>\$2,177,858</u>

(1) Excludes \$18.7 million of fair market valuation (adjustments).

(2) Reflected at 100% borrowing capacity.

(3) Comprised of a \$500 million revolver due 2016 and a \$200 million term loan due 2017.

(4) Excludes net premium of \$4.2 million

(5) Excludes \$1.0 million of fair market valuation (adjustments).

The following table presents investment activity for the three- and six - month period ended June 30, 2013:

Investment Activity (\$000's)	Three Months Ended		Six Months Ended	
	June 30, 2013		June 30, 2013	
Funding by Investment Type:	\$ Amount	%	\$ Amount	%
Real Property	\$ -	0%	\$ -	0%
Mortgages	821	2%	2,870	6%
Other	33,921	98%	42,249	94%
Total	\$ 34,742	100%	\$ 45,119	100%

Omega Healthcare Investors, Inc.
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Source: Omega Healthcare Investors, Inc.