April 13, 2010

Omega Announces New $320 Million Credit Facility

HUNT VALLEY, Md.--(BUSINESS WIRE)-- Omega Healthcare Investors, Inc. (NYSE:OHI) today announced that it has entered into a new $320 million revolving senior secured credit facility (the "New Credit Facility") effective April 13, 2010.

The New Credit Facility replaces Omega's previous senior secured credit facility (the "Prior Credit Facility"). The New Credit Facility matures in four years, on April 13, 2014; provided, the Company has refinanced or repaid its $310 million, 7% Senior Notes due April 2014 (the "Senior Notes"), prior to December 31, 2013. In the event the Senior Notes have not been refinanced or repaid on or prior to December 31, 2013, the maturity date of the New Credit Facility will become December 31, 2013. The New Credit Facility includes an "accordion feature" that permits the Company to expand its borrowing capacity to $420 million during its first three years.

The New Credit Facility is priced at LIBOR plus an applicable percentage (ranging from 325 basis points to 425 basis points) based on the Company's consolidated leverage and is not subject to a LIBOR floor. The Company's applicable percentage above LIBOR is currently 350 basis points. The New Credit Facility will be used for acquisitions and general corporate purposes. At April 13, 2010, the Company had no borrowings outstanding under the New Credit Facility.

The New Credit Facility was made up of a syndication of eight financial institutions. Banc of America Securities LLC was Joint Lead Arranger and Sole Book Manager. Deutsche Bank Trust Company Americas was Joint Lead Arranger and Co-Syndication Agent. UBS Securities LLC was Co-Syndication Agent and Bank of America, N.A. was the Administrative Agent. General Electric Capital Corporation, Credit Agricole Corporate and Investment Bank, Jefferies Group, Inc., RBS Citizens, N.A., and Stifel Bank & Trust participated in the New Credit Facility as Managing Agents.

The Company is a real estate investment trust investing in and providing financing to the long-term care industry. At December 31, 2009, the Company owned or held mortgages on 293 skilled nursing facilities, assisted living facilities and other specialty hospitals with approximately 34,312 licensed beds (32,825 available beds) located in 32 states and operated by 35 third-party healthcare operating companies, in addition the Company has two closed facilities currently held for sale.

This announcement includes forward-looking statements. 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, including without limitation, changes in Medicare reimbursement; (iii) changes in the financial position of the Company's operators; (iv) the ability of 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) the Company's ability to maintain its credit ratings; (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 finance industry; (xii) the potential impact of a general economic slowdown on governmental budgets and healthcare reimbursement expenditures; and (xiii) other factors identified in the Company's filings with the Securities and Exchange Commission. With respect to expectations regarding the closing of the remaining transactions under the Company's purchase agreement with CapitalSource Inc., actual results may differ materially due to a variety of factors, including among other things: (i) the ability of the parties to satisfy the various conditions to the completion of the remaining transactions; (ii) potential adjustments to the form and amount of consideration payable in connection with the remaining transactions; (iii) potential unforeseen costs associated with the transactions. 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 material.

Source: Omega Healthcare Investors, Inc.