

October 16, 2007



Omega Announces Increase in Common Stock Dividend and Declares Regular Quarterly Dividend on Preferred Stock; Optional Cash Purchase Component of Common Stock Purchase Plan Reinstated

TIMONIUM, Md.--(BUSINESS WIRE)--

Omega Healthcare Investors, Inc. (NYSE:OHI) today announced the Company's Board of Directors declared a common stock dividend of \$0.28 per share, increasing the quarterly common dividend by \$0.01 per share over the prior quarter, and declared its regular quarterly dividend for the Company's Series D preferred stock. The Company's Board of Directors also announced the reinstatement of the optional cash purchase component of the Company's Dividend Reinvestment and Common Stock Purchase Plan (the "Plan").

Common Dividend

The Company's Board of Directors announced today a common stock dividend of \$0.28 per share, to be paid November 15, 2007 to common stockholders of record on October 31, 2007. At the date of this release the Company had approximately 68 million outstanding common shares.

Preferred Dividend

The Company's Board of Directors also declared its regular quarterly dividend for the Series D preferred stock, payable November 15, 2007 to preferred stockholders of record on October 31, 2007. Series D preferred stockholders of record on October 31, 2007 will be paid dividends in the approximate amount of \$0.52344, per preferred share, on November 15, 2007. The liquidation preference for the Company's Series D preferred stock is \$25.00 per share. Regular quarterly preferred dividends represent dividends for the period August 1, 2007 through October 31, 2007.

Reinstatement of Optional Cash Purchases Under the Plan

The Company also announced today the reinstatement of the optional cash purchase component of its Dividend Reinvestment and Common Stock Purchase Plan, effective immediately for investments beginning November 15, 2007. Please note that the per share purchase discount for both optional cash purchases and dividend reinvestments has been reset to 1%. All participants at the date of the Plan's suspension on August 1, 2007 will be receiving a letter from the Company discussing enrollment status and procedures within the next few days. All questions and requests in connection with the Plan should be directed to the Plan's administrator, Computershare, at (800) 519-3111.

The Company is a real estate investment trust investing in and providing financing to the long-term care industry. At June 30, 2007, the Company owned or held mortgages on 233 SNFs and assisted living facilities with approximately 26,820 beds located in 27 states and operated by 30 third-party healthcare operating companies.

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) competition in the financing of healthcare facilities; (vii) the Company's ability to maintain its status as a real estate investment trust and to reach a closing agreement with the Internal Revenue Service with respect to the related party tenant issues described in our Form 10-K filed with the Securities and Exchange Commission on February 23, 2007 ("Form 10-K"); (viii) the impact of the material weakness identified in the management's report on internal control over financial reporting included in our Form 10-K, including expenses that may be incurred in efforts to remediate such weakness and potential additional costs in preparing and finalizing financial statements in view of such material weakness; and (ix) 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.

Source: Omega Healthcare Investors, Inc.