

December 21, 2007



Omega Healthcare Resolves Previously Reported REIT Tax Issues

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

Omega Healthcare Investors, Inc. (NYSE:OHI) today announced that it has entered into a closing agreement with the Internal Revenue Service ("IRS") resolving the previously reported related party tenant issues associated with preferred stock issued to Omega by Advocat, Inc. in 2000. Based on this closing agreement, the Company has paid approximately \$5.6 million in penalty taxes and interest to the IRS relating to tax years 2002 through 2006. The Company had previously accrued the \$5.6 million of income tax liabilities as of December 31, 2006.

As a result of entering into the closing agreement and the Company's previously announced Advocat restructuring agreement, the Company has been advised by tax counsel that it will not receive any non-qualified related party tenant income from Advocat in future fiscal years. Accordingly, the Company does not expect to incur tax expense associated with related party tenant income in periods commencing January 1, 2007.

The Company is a real estate investment trust investing in and providing financing to the long-term care industry. At September 30, 2007, the Company owned or held mortgages on 238 SNFs and assisted living facilities with approximately 27,465 beds located in 27 states and operated by 29 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; (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.