

Omega Healthcare Clarifies Status of Haven Healthcare Portfolio

TIMONIUM, Md., Apr 03, 2008 (BUSINESS WIRE) -- Omega Healthcare Investors, Inc. (NYSE:OHI) commented today on an equity analyst report issued on April 2, 2008 that contained statements regarding OHI's Haven Eldercare portfolio that OHI's management believes were inaccurate or were taken out of context from excerpts of certain of Haven's recent filings in its ongoing bankruptcy proceedings. The statements speculated that providers of the debtor-in-possession financing were reluctant to fund Haven through its restructuring and that Haven may not renew its master lease with OHI in June. The report also noted that Haven was proposing that potential bidders for its properties begin with an opening offer of just \$8 million to \$15 million which is below OHI's outstanding \$61.8 million mortgages which are secured by a first lien on seven Haven facilities.

Taylor Pickett, Omega's chief executive officer, commenting on the statements in the report said, "Apparently Haven's reply to the Unsecured Creditors' Committee's Objection to Haven's motion to extend the exclusivity period has generated some confusion and while Omega does not normally comment on analyst reports, in this instance I think it is critical that the facts regarding our portfolio be accurate. Specifically, Page 3 of that motion states that '...the stalking-horse bid the Debtors propose to accept does provide substantial benefit to the unsecured creditors in the form of an opening offer of \$8 million to \$15 million.' The motion also states that '...the proposed stalking-horse bid creates a floor recovery of \$8 million to \$15 million for unsecured creditors.' I believe that contrary to facing a risk of charge-off, if in fact the unsecured creditors recover \$8 million to \$15 million, then the secured creditors will recover 100% of their indebtedness," Mr. Pickett explained. (Emphasis added.)

"Although no one can predict whether Haven will ultimately assume or reject OHI's master lease, throughout these proceedings Haven has consistently indicated that the OHI master lease is a valuable asset to the estate that will be assumed as part of the sale process. I am not aware of any facts that would indicate that there has been a change in Haven's position on this," Mr. Pickett added.

Finally, Mr. Pickett noted that "Omega is a participant in Haven's debtor-in-possession financing, and I am also not aware of any instance where there has been any reluctance to fund in accordance with the terms and conditions of the loan."

The Company is a real estate investment trust investing in and providing financing to the long-term care industry. At December 31, 2007, the Company owned or held mortgages on 236 SNFs and assisted living facilities with approximately 27,247 beds located in 27 states and operated by 28 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) uncertainties relating to Haven's bankruptcy process, including the ability of the debtors to accept or reject leases and the sufficiency of proceeds to be received in the sale of Haven; 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.

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