UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 22, 2009

OMEGA HEALTHCARE INVESTORS, INC.
(Exact name of registrant as specified in charter)

Maryland	**1-11316**	**38-3041398**
(State of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

200 International Circle
Suite 3500
Hunt Valley, Maryland 21030
(Address of principal executive offices / Zip Code)

(410) 427-1700
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act.

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act.

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act.

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act.

Item 8.01 Other Events.

Acquisition from CapitalSource

As previously reported, on December 22, 2009 Omega Healthcare Investors, Inc. ("Omega") acquired certain subsidiaries of CapitalSource Inc. ("CapitalSource") owning 40 long term care facilities (the "Acquired Facilities"), and an option to purchase other CapitalSource subsidiaries owning 63 additional facilities for an aggregate purchase price of approximately $294 million, consisting of: (i) $184 million in cash; (ii) 2,714,959 shares of common stock of Omega, valued at $51 million under the Purchase Agreement; and (iii) assumption of $59 million of mortgage debt.

This Form 8-K/A amends the Form 8-K filed by Omega on December 29, 2009 in order to provide the financial and pro forma information required under Item 9.01 of Form 8-K and to provide certain other information regarding the 40 Acquired Facilities acquired on December 22, 2009 as set forth below.

The Acquired Facilities consist of the following:

Investment Structure	Operator	No. of Available Beds	No. of Facilities
Purchase/Leaseback			
1.	Airamid Health Management	998	9
2.	Community Eldercare Services	120	1
3.	Conifer Care Communities, Inc.	120	1
4.	Elite Senior Living	105	1
5.	Gulf Coast	815	6
6.	HMS Holdings	123	1
7.	Prestige Care	90	1
8.	Sava Senior Care	640	4
9.	Southwest LTC	260	2
10.	TenInOne / Delanco Healthcare	1,516	10
11.	Trans Healthcare, Inc.	381	3
12.	The Waters	96	1
		5,264	**40**

Omega's consolidated portfolio at December 31, 2009, including the Acquired Facilities, consists of the following:

Investment Structure	Operator	No. of Available Beds	No. of Facilities
Purchase/Leaseback			
1.	CommuniCare Health Services	3,599	28
2.	Sun Healthcare Group, Inc.	4,574	40
3.	Signature Holdings II, LLC	2,087	18
4.	Advocat, Inc.	3,933	36
5.	Guardian LTC Management, Inc.	1,676	23
6.	Formation Capital, LLC	1,619	14
7.	Nexion Health	2,072	19
8.	Essex Healthcare Corporation	1,273	13
9.	Alpha Health Care Properties, LLC	954	8
10.	Mark Ide Limited Liability Company	1,029	10
11.	StoneGate Senior Care LP	646	6
12.	Infinia Properties of Arizona, LLC	281	4
13.	Conifer Care Communities, Inc.	319	4
14.	TC Healthcare	275	2
15.	Rest Haven Nursing Center (Chestnut Hill), Inc.	166	1
16.	Washington N&R, LLC	239	2
17.	Triad Health Management of Georgia II, LLC	300	2
18.	Ensign Group, Inc.	271	3
19.	Lakeland Investors, LLC	240	1
20.	Hickory Creek Healthcare Foundation, Inc.	138	2
21.	Longwood Management Corporation	185	2
22.	Emeritus Corporation	52	1
23.	Generations Healthcare, Inc.	60	1
24.	Airamid Health Management	998	9
25.	Community Eldercare Services	120	1
26.	Elite Senior Living	105	1
27.	Gulf Coast	815	6
28.	HMS Holdings	123	1
29.	Prestige Care	90	1
30.	Sava Senior Care	640	4
31.	Southwest LTC	260	2
32.	TenInOne / Delanco Healthcare	1,516	10
33.	Trans Healthcare, Inc.	381	3
34.	The Waters	96	1
		31,132	**279**
Assets Held for Sale			
1.	Closed Facility	0	2
		0	**2**
Fixed Rate Mortgages			
1.	CommuniCare Health Services	1,059	8
2.	Advocat, Inc.	383	4
3.	Parthenon Healthcare, Inc.	251	2
		1,693	**14**
		32,825	**295**

Subject to the terms and conditions of the previously reported Purchase Agreement dated as of November 17, 2009 (the "Purchase Agreement"), at a second closing (the "HUD Portfolio Closing"), Omega will purchase certain CapitalSource subsidiaries owning 40 additional facilities (the "HUD Portfolio") that are encumbered by long-term mortgage financing guaranteed by the U.S. Department of Housing and Urban Development ("HUD"). CapitalSource has recently obtained approximately $130 million of additional HUD financing (the "New HUD Debt") on certain of the facilities comprising the HUD Portfolio. As a result of the New HUD Debt, the aggregate purchase price to be paid by Omega for the HUD Portfolio of approximately $270 million will consist of approximately:

- $67 million in cash, and
- $203 million of assumed debt, which includes $20 million of 9.0% subordinated debt maturing in December 2021, $54 million of HUD debt at a 6.41% weighted average annual interest rate maturing between January 2036 and May 2040, and $130 million of New HUD Debt at a 4.85% annual interest rate and maturing in 2040.

The HUD Portfolio Closing is expected to occur on or about April 1, 2010, subject to the terms and conditions of the Purchase Agreement. The purchase price payable for the HUD Portfolio is subject to certain adjustments, including but not limited to a dollar-for-dollar increase or decrease of the cash consideration to the extent the assumed debt as of the HUD Portfolio Closing is less than or greater than the amount set forth in the Purchase Agreement, and an upward or downward adjustment to prorate certain items of accrued and prepaid income and expense of the companies to be acquired at the HUD Portfolio Closing.

On January 7, 2010, LCT SE Texas Holdings, L.L.C. ("LCT"), an affiliate of Mariner Health Care and the operator of four Acquired Facilities located in the Houston area (the "LCT Facilities"), filed a complaint in the District Court of Harris County, Texas (No. 2010-01120) relating to a right of first refusal under the master lease relating to the LCT facilities. The complaint alleges, among other things, that (i) the notice of the proposed acquisition and of plaintiff's right of first refusal provided to plaintiff by CapitalSource was not proper notice under the applicable master lease, (ii) the $35,598,058 purchase price allocated to the LCT Facilities pursuant to the Purchase Agreement and specified in the notice of plaintiff's right of first refusal was not a bona fide offer, (iii) plaintiff has a right of first refusal under the applicable master lease to acquire the LCT Facilities, and (iv) Omega tortiously interfered with plaintiff's ability to exercise its right of first refusal under the master lease. The complaint seeks damages and specific performance of the master lease to allow plaintiff to exercise its right of first refusal. Omega believes that the litigation is without merit. Under the transaction documents, CapitalSource has agreed to indemnify Omega for any losses, including reasonable legal expenses, incurred by Omega in connection with this litigation.

Other Portfolio Developments

Commencing in February 2008, the assets of the Haven Healthcare (“Haven”) facilities were marketed for sale via an auction process conducted through proceedings established by the bankruptcy court. The auction process failed to produce a qualified buyer. As a result, and pursuant to Omega’s rights as ordered by the bankruptcy court, Omega credit bid certain of the indebtedness that Haven owed to Omega in exchange for taking ownership of and transitioning certain of Haven’s assets to a new entity in which Omega has a substantial ownership interest, all of which was approved by the bankruptcy court on July 4, 2008. Effective July 7, 2008, Omega took ownership and/or possession of 15 facilities previously operated by Haven. On August 6, 2008, Omega entered into a Master Transaction Agreement (“MTA”) with affiliates of Formation Capital (“Formation”) whereby Formation agreed to lease the 15 former Haven facilities under a master lease with Omega. Effective September 1, 2008, Omega completed the operational transfer of 13 of the former Haven facilities to affiliates of Formation, in accordance with the terms of the MTA. The 13 facilities are located in Connecticut (5), Rhode Island (4), New Hampshire (3) and Massachusetts (1) and are part of a master lease. As part of the transaction, Genesis Healthcare (“Genesis”) entered into a long-term management agreement with Formation to oversee the day-to-day operations of each of these facilities and with permission of Omega, closed one of the five Connecticut facilities in 2009. In December 2008, Omega amended the master lease with Formation to include two additional facilities that were purchased in West Virginia.

Although Formation has met its rental payment obligations to Omega under the master lease through December 31, 2009, the four former Haven facilities in Connecticut have not performed as expected. As a result, Omega is currently in negotiations with Formation to possibly remove the four Connecticut facilities from the master lease, thereby allowing Formation to transition the facilities to another operator. At September 30, 2009, these four facilities had a net book value of approximately $24.7 million. If these four facilities are removed from the master lease, some or even all of the associated value of these Connecticut assets may be impaired.

This Report on Form 8-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the purchase of the HUD Portfolio and possible changes to Omega's master lease with Formation, which are subject to numerous conditions, requirements, adjustments, options, assumptions, risks and uncertainties. All statements contained in this release that are not clearly historical in nature are forward-looking, and the words "anticipate," "assume," "intend," "believe," "expect," "estimate," "plan," "goal," "will," "continue," "should," and similar expressions are generally intended to identify forward-looking statements. All forward-looking statements (including statements regarding future transactions) involve risks, uncertainties and contingencies, many of which are beyond our control, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Actual results could differ materially from those contained or implied by such statements for a variety of factors, including without limitation: the remaining proposed transactions may not be completed on the proposed terms and schedule or at all; changes in economic or market conditions; continued or worsening recession in the overall economy or disruptions in credit and other markets; movements in interest rates and lending spreads; continued or worsening credit losses, charge-offs, reserves and delinquencies; our ability to successfully and cost effectively operate our business; competitive and other market pressures on product pricing and services; success and timing of our business strategies; the nature, extent and timing of governmental actions and reforms; changes in tax laws or regulations affecting our business; and other factors described in Omega’s 2008 Annual Report on Form 10-K and documents subsequently filed by Omega with the Securities and Exchange Commission. All forward-looking statements included in this report are based on information available at the time of this report. Omega is under no obligation to (and expressly disclaims any such obligation to) update or alter forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

Filed as Exhibit 99.1 herewith.

(b) Pro Forma Financial Information

Filed as Exhibit 99.2 herewith.

(c) Shell Company Transactions

Not Applicable.

(d) Exhibits:

Exhibit No.	Description of Exhibit
23.1	Consent of Ernst & Young LLP with respect to the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I & II
99.1	Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I & II, Combined Statements of Revenues and Certain Expenses for the nine months ended September 30, 2009 (unaudited) and the year ended December 31, 2008
99.2	Omega Unaudited Pro Forma Condensed Consolidated Financial Statements as of and for the nine months ended September 30, 2009, and for the year ended December 31, 2008

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OMEGA HEALTHCARE INVESTORS, INC.
(Registrant)

Dated: January 15, 2010.

By: /s/ C. Taylor Pickett
C. Taylor Pickett
President and Chief Executive Officer

INDEX TO EXHIBITS

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Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statements (Form S-8 No. 333-69807 and No. 333-3124) related to the 1993 Stock Option and Restricted Stock Plan of Omega Healthcare Investors, Inc., as Amended and Restated;
(2) Registration Statement (Form S-8 No. 333-61354) related to the 2000 Stock Incentive Plan of Omega Healthcare Investors, Inc.;
(3) Registration Statement (Form S-8 No. 333-117656) related to the 2004 Stock Incentive Plan of Omega Healthcare Investors, Inc.;
(4) Registration Statement (Form S-3 No. 333-162083) related to the Dividend Reinvestment and Common Stock Purchase Plan of Omega Healthcare Investors, Inc.; and
(5) Registration Statement (Form S-3 No. 333-150183) of Omega Healthcare Investors, Inc.

of our report dated December 18, 2009, with respect to the combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I and II included in this Current Report on Form 8-K/A.

/s/ Ernst & Young LLP

McLean, Virginia
January 11, 2010

Exhibit 99.1

Combined Statements of Revenues and Certain Expenses

Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I & II
For the Nine Months Ended September 30, 2009 (unaudited) and the Year Ended December 31, 2008
With Report of Independent Auditors

INDEX TO COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES

REPORT OF INDEPENDENT AUDITORS

Management
CapitalSource Inc.

We have audited the accompanying combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I & II (the "Sale Properties") for the year ended December 31, 2008. The combined statement of revenues and certain expenses is the responsibility of the Sale Properties' management. Our responsibility is to express an opinion on the combined statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined statement of revenues and certain expenses is free of material misstatement. We were not engaged to perform an audit of the Sale Properties' internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sale Properties' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined statement of revenues and certain expenses, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the combined statement of revenues and certain expenses. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in a registration statement and/or Form 8-K of Omega Healthcare Investors, Inc. as described in Note 1, and is not intended to be a complete presentation of the Sale Properties' combined revenues and expenses.

In our opinion, the combined statement of revenues and certain expenses referred to above presents fairly, in all material respects, the revenues and certain expenses described in Note 1 of the Sale Properties for the year ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic combined statement of revenues and certain expenses taken as a whole. The combining statement of revenues and certain expenses and other combining information appearing in conjunction with the combined statement of revenues and certain expenses are presented for purposes of additional analysis and are not a required part of the basic combined statement of revenues and certain expenses. Such information has been subjected to the auditing procedures applied in our audit of the basic combined statement of revenues and certain expenses and, in our opinion, is fairly stated in all material respects in relation to the basic combined statement of revenues and certain expenses taken as whole.

/s/ Ernst & Young LLP

McLean, Virginia
December 18, 2009

Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I & II

Combined Statements of Revenues and Certain Expenses

	Nine Months Ended September 30, 2009 (unaudited)	Year Ended December 31, 2008
	($ in thousands)	
Revenues:		
Operating lease income	$ 44,519	$ 59,467
Certain expenses:		
Interest	7,010	14,342
Depreciation	14,911	20,008
General and administrative	3,799	4,766
Total expenses	25,720	39,116
Revenues in excess of certain expenses	$ 18,799	$ 20,351

See accompanying notes.

NOTES TO THE COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES

Note 1. Basis of Presentation

Presented herein are the combined statements of revenues and certain expenses of a significant portion of the healthcare-related assets and liabilities of CapitalSource Inc.'s ("CapitalSource") direct real estate business owned by subsidiaries of CapitalSource Healthcare REIT (''CHR'') and CSE Mortgage LLC ("CSE Mortgage"), (collectively, the "Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I & II" or the "Sale Properties") to be sold to Omega Healthcare Investors, Inc. ("OHI"), a publicly traded company, in consideration for shares of OHI, one or more notes receivable, assumption of debt and cash. The specific properties and terms of the sale are outlined in the Securities Purchase Agreement between CapitalSource and OHI. The Sale Properties will be sold to OHI in two closings, Closing I and Closing II, as outlined in the Securities Purchase Agreement. The composition of each closing is defined below.

These combined statements have been prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission and are not intended to be a complete presentation of the actual operations of the Sale Properties. Accordingly, the combined financial statements exclude certain expenses because they may not be comparable to those expected to be incurred in the future operations of the Sale Properties. Items excluded consist primarily of allocated income tax charges and asset impairment charges, which may not be comparable to future operations.

The following table describes the composition of the Sale Properties:

Closing I

Operating Property	***Location***	***Number of Licensed Beds***
9100 Centennial Drive	Anchorage, AK	90
6060 East Iliff Avenue	Denver, CO	120
7723 Jasper Avenue	Jacksonville, FL	100
1620 East Helvenston Street	Live Oak, FL	180
1700 Monroe Avenue	Maitland, FL	180
4294 3rd Avenue	Marianna, FL	136
1415 South Hickory Street	Melbourne, FL	138
1735 North Treasure Drive	North Bay Village, FL	176
924 West 13th Street	Panama City, FL	120
2202 West Oak Avenue	Plant City, FL	120
3456 21st Avenue South	St. Petersburg, FL	57
321 13th Avenue North	St. Petersburg, FL	39
718 Lakeview Avenue South	St. Petersburg, FL	74
3479 54th Avenue North	St. Petersburg, FL	- (*)
1430 Pasadena Avenue South	St. Petersburg, FL	126
202 Avenue O NE	Winter Haven, FL	144
200 Short Street	Williamsport, IN	96
184 Main Street	Fairhaven, MA	100
340 Desoto Avenue	Clarksdale, MS	66
1122 North Eshman Avenue	West Point, MS	120
660 Desert Lane	Las Vegas, NV	138
640 Desert Lane	Las Vegas, NV	61
3215 East Cheyenne Avenue	N. Las Vegas, NV	182
11239 Waterville Street	Whitehouse, OH	90
905 Tower Road	Bristol, PA	174
4400 West Girard Avenue	Philadelphia, PA	180
181 Dunlap Road	Blountville, TN	170
700 Nuckolls Road	Bolivar, TN	134

NOTES TO THE COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES

Operating Property	***Location***	***Number of Licensed Beds***
197 Hospital Drive	Camden, TN	150
635 High Street	Huntingdon, TN	150
283 West Broadway Boulevard	Jefferson City, TN	170
3909 Covington Pike	Memphis, TN	233
118 Halliburton Road	Ripley, TN	144
2322 Morgan Avenue	Corpus Christi, TX	175
100 West Campus Drive	Crane, TX	110
1405 Holland Avenue	Houston, TX	148
8955 Long Point Road	Houston, TX	106
1341 Blalock Road	Houston, TX	240
2090 Bandera Highway	Kerrville, TX	150
1008 Citizens Trail	Texarkana, TX	123
50 Wolverton Avenue	Ripon, WI	105

Closing II

Operating Property	***Location***	***Number of Licensed Beds***
2055 Georgia St. East	Bartow, FL	120
755 Meadows Road	Boca Raton, FL	120
1902 59th Street West	Bradenton, FL	240
4411 North Habana Avenue	Tampa, FL	174
1111 South Highland Avenue	Clearwater, FL	120
1111 South Highland Avenue	Clearwater, FL	70
1270 Turner Street	Clearwater, FL	120
991 East New York Avenue	Deland, FL	60
545 West Euclid Avenue	Deland, FL	60
3250 Winkler Avenue	Ft. Myers, FL	120
114 3rd Street	Fort Walton Beach, FL	120
1414 59th Street	Gulfport, FL	120
13719 Dallas Drive	Hudson, FL	103
512 South 11th Street	Lake Wales, FL	120
610 East Bella Vista Drive	Lakeland, FL	120
1336 St. Andrews	Panama City, FL	160
401 East Sample Road	Pompano Beach, FL	194
51 West Sample Road	Pompano Beach, FL	127
950 Mellonville Avenue	Sanford, FL	114
1524 East Avenue South	Sarasota, FL	169
7045 Evergreen Woods Trail	Spring Hill, FL	120
7101 31st Street South	St. Petersburg, FL	152
4201 31st Street South	St. Petersburg, FL	120
550 62nd. Street	St. Petersburg, FL	120
15002 Hutchinson Road	Tampa, FL	120
300 15th Street	West Palm Beach, FL	99
515 Chesapeake Drive	Tarpon Springs, FL	120
1705 Jess Parrish Court	Titusville, FL	157
2629 Del Prado Boulevard	Cape Coral, FL	120
3387 Gulf Breeze Parkway	Gulf Breeze, FL	180
4343 Langley Avenue	Pensacola, FL	120
138 Sandestine Lane	Destin, FL	113
5951 Colonial Drive	Margate, FL	170

Operating Property	*Location*	*Number of Licensed Beds*
3107 North H Street	Pensacola, FL	155
103 Ruby Lane	Crestview, FL	60
6894 Pine Forest Road	Pensacola, FL	120
538 Menge Avenue	Pass Christian, MS	60
1199 Ocean Springs Road	Ocean Springs, MS	115
1304 Walnut Street	Waynesboro, MS	93
1530 Broad Avenue	Gulfport, MS	180

(*) The facility at this location is not currently in operation and, as such, there are no licensed beds associated with this facility.

In these combined financial statements, unless the context otherwise requires or indicates, references to "we," "our," and "us" refer to the Sale Properties.

Note 2. Summary of Significant Accounting Policies

Our financial reporting and accounting policies conform to U.S. generally accepted accounting principles ("GAAP").

We have conducted our subsequent events review through December 18, 2009.

Use of Estimates

The preparation of the combined statements of revenues and certain expenses in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure of revenues and certain expenses of the Sale Properties during the reporting period. Actual results could differ from those estimates.

Principles of Combination

The accompanying financial statements reflect our combined accounts of the Sale Properties. All significant intercompany accounts and transactions have been eliminated.

Unaudited Interim Combined Financial Statement

The combined statement of revenues and certain expenses for the nine months ended September 30, 2009 is unaudited. In the opinion of management, all adjustments and eliminations, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim period, have been included. The current period's revenues in excess of certain expenses are not necessarily indicative of the results that ultimately may be achieved for the year.

Real Estate Investments

Depreciation is computed on a straight-line basis over the estimated useful life of the asset, which ranges from 10 to 40 years for buildings and improvements. Furniture and equipment related to our real estate investments are depreciated over seven and five year periods, respectively.

In assessing lease intangibles, we recognize above-market and below-market in-place lease values for acquired operating leases based on the present value of the difference between: (1) the contractual amounts to be received pursuant to the leases negotiated and in-place at the time of acquisition of the facilities; and (2) management's estimate of fair market lease rates for the facility or equivalent facility, measured over a period equal to the remaining non-cancelable term of the lease. Factors to be considered for lease intangibles also include estimates of carrying costs during hypothetical lease-up periods, market conditions, and costs to execute similar leases. The capitalized above-market or below-market lease values are classified as intangible lease assets, net and lease obligations, net, respectively, and are amortized into operating lease income over the remaining non-cancelable term of each lease.

Operating Lease Income Recognition

Our real estate investments are leased to unrelated third parties through long-term, triple-net operating leases that typically include fixed rental payments, subject to escalation over the life of the lease. We recognize operating lease income on a straight-line basis over the non-cancelable term of the lease when collectability is reasonably assured. For the nine months ended September 30, 2009 and the year ended December 31, 2008, straight-line rental revenues for Closing I totaling $1.8 million (unaudited) and $2.7 million, respectively, and for Closing II totaling $1.5 million (unaudited) and $2.7 million, respectively, were recognized as a component of operating lease income in our combined statements of revenues and certain expenses.

We do not recognize any revenue on contingent rents until payments are received and all contingencies have been met.

Income Taxes

We expect that the Sale Properties will reside in a real estate investment trust under the Internal Revenue Code of 1986, and generally will not be subject to corporate income taxes to the extent it distributes at least 90% of its taxable income to its shareholders and complies with certain other requirements. Accordingly, no provision has been made for federal income taxes in the accompanying statements of revenues and certain expenses.

Note 3. Combining Statements of Revenue and Certain Expenses

The following represents the supplemental combining statements of revenue and certain expenses for the Sale Properties, which includes properties to be sold to OHI in two closings, Closing I and Closing II for the nine months ended September 30, 2009 and the year ended December 31, 2008 ($ in thousands):

	Nine Months Ended September 30, 2009 (unaudited)		
	Closing I	**Closing II**	**Total**
Revenues:			
Operating lease income	$ 22,665	$ 21,854	$ 44,519
Certain expenses:			
Interest	3,026	3,984	7,010
Depreciation	7,791	7,120	14,911
General and administrative	2,042	1,757	3,799
Total expenses	12,859	12,861	25,720
Revenues in excess of certain expenses	$ 9,806	$ 8,993	$ 18,799

	Year Ended December 31, 2008		
	Closing I	Closing II	Total
Revenues:			
Operating lease income	$ 30,280	$ 29,187	$ 59,467
Certain expenses:			
Interest	4,929	9,413	14,342
Depreciation	10,516	9,492	20,008
General and administrative	2,372	2,394	4,766
Total expenses	17,817	21,299	39,116
Revenues in excess of certain expenses	$ 12,463	$ 7,888	$ 20,351

Note 4. Lease Commitments

The leases on our real estate investments expire at various dates through 2024 and typically include fixed rental payments that are subject to escalation over the life of the lease. As of December 31, 2008, we expected to receive future minimum rental payments from our non-cancelable operating leases as follows ($ in thousands):

	Closing I	Closing II	Total
2009	$ 34,657	$ 20,168	$ 54,825
2010	35,488	20,749	56,237
2011	36,146	21,347	57,493
2012	36,696	21,962	58,658
2013	37,491	22,595	60,086
Thereafter	202,497	67,727	270,224
Total	$ 382,975	$ 174,548	$ 557,523

Note 5. Commitments and Contingencies

We had identified conditional asset retirement obligations primarily related to the future removal and disposal of asbestos that is contained within certain of our real estate investment properties. The asbestos is appropriately contained, and we believe we are compliant with current environmental regulations. If these properties undergo major renovations or are demolished, certain environmental regulations are in place, which specify the manner in which asbestos must be handled and disposed.

From time to time we are party to legal proceedings. We do not believe that any currently pending or threatened proceeding, if determined adversely to us, would have a material adverse effect on our combined statement of revenues and certain expenses.

Note 6. Borrowings

Mortgage Debt

In connection with the property acquisition from REIT Solutions, Inc. , we assumed mortgage debt with a total carrying value of $57.2 million as of the date of acquisition. The assumed debt agreements, which bear interest at a weighted average rate of 6.41%, are with Highland Mortgage Company (‘‘Highland’’) and are guaranteed by HUD. As of September 30, 2009 and December 31, 2008, the carrying amounts of this mortgage debt were $55.5 million and $56.0 million, including net premium balances of $1.7 million and $1.8 million, respectively. Interest expense on this debt for the nine months ended September 30, 2009 and the year ended December 31, 2008 was $2.6 million and $3.6 million, respectively for Closing II. There is no mortgage debt associated with Closing I.

Subordinated Debt

In November 2006, in connection with the property acquisition from REIT Solutions, Inc., we entered into an aggregate of $20 million junior subordinated unsecured seller notes. The term of the notes is 15 years, and interest is payable quarterly at a fixed rate of 9.0%. The interest on these notes is due and payable only to the extent that there is rent being received from the tenants of the acquired properties to cover the interest expense related to this debt. Principal is due at the end of the 15-year period only to the extent that all rent has been paid for the 15-year term of the debt. Interest expense on this debt for the nine months ended September 30, 2009 and the year ended December 31, 2008 was $1.4 million and $1.8 million, respectively for Closing II. There is no subordinated debt associated with Closing I.

Related Party Debt

In July 2006, we entered into promissory notes totaling $106.7 million with CSE Mortgage, $18.2 million related to Closing I and $88.5 million related to Closing II. Interest was payable quarterly at a variable rate of one-month LIBOR plus 3.00%, and principal was payable upon CSE Mortgage's demand. In October 2008, we repaid all amounts outstanding under these notes.

In November 2007, we entered into 10-year mortgage loans totaling $59.4 million with CSE Mortgage. Interest is payable monthly at a variable rate of one-month LIBOR plus 2.30%. The one-month LIBOR is subject to a floor of 4.50%. Principal is payable at maturity in November 2017 and the loans are prepayable at our option and without penalty. This debt is related to the Closing I Sale Properties and remained outstanding as of September 30, 2009.

Note 7. Related Party Transactions

For all periods presented, certain management, administrative and operational services of CapitalSource were shared between the Sale Properties and other CapitalSource operations. For purposes of financial statement presentation, the costs for these shared services have been allocated to the Sale Properties based on actual direct costs incurred and an allocation of indirect costs. CapitalSource's management believes that the allocations are reasonable. However, actual expenses may be materially different from the allocated expenses if the Sale Properties had operated as an unaffiliated stand-alone entity.

Our combined statements of revenues and certain expenses for the nine months ended September 30, 2009 and the year ended December 31, 2008 include the following related party income and expenses for Closing I and Closing II ($ in thousands):

NOTES TO THE COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES

	Nine Months Ended September 30, 2009 (unaudited)		
	Closing I	Closing II	Total
Allocated interest income(1)	$ 47	$ 27	$ 74
Related party interest expense(2)	3,026	—	3,026
Allocated general and administrative expenses(3)	1,561	1,423	2,984

(1) Represents an allocation of interest income earned on cash held and managed by CapitalSource on our behalf.

(2) Includes interest expense on related party debt issued by CSE Mortgage.

(3) To facilitate operating efficiency, CapitalSource provides office space, equipment, certain administrative support, and other assistance to the Sale Properties. As a result, overhead expenses (including compensation and benefits) have been allocated to the Sale Properties at cost based on the relative value of its real estate assets to CapitalSource's portfolio.

	Year Ended December 31, 2008		
	Closing I	Closing II	Total
Allocated interest income(1)	$ 117	$ 56	$ 173
Related party interest expense(2)	4,929	4,033	8,962
Allocated general and administrative expenses(3)	2,229	2,018	4,247

(1) Represents an allocation of interest income earned on cash held and managed by CapitalSource on our behalf.

(2) Includes interest expense on related party debt issued by CSE Mortgage.

(3) To facilitate operating efficiency, CapitalSource provides office space, equipment, certain administrative support, and other assistance to the Sale Properties. As a result, overhead expenses (including compensation and benefits) have been allocated to the Sale Properties at cost based on the relative value of its real estate assets to CapitalSource's portfolio.

Exhibit 99.2

OMEGA HEALTHCARE INVESTORS, INC.

Unaudited Pro Forma Condensed Consolidated Financial Statements

On December 22, 2009, Omega Healthcare Investors, Inc. (the “Company”) acquired certain subsidiaries of CapitalSource Inc. (“CapitalSource”) owning 40 long-term care facilities (Closing 1) and acquired a purchase option to acquire entities owning an additional 63 facilities. The Company expects to acquire other subsidiaries of CapitalSource owning 40 additional facilities during on or about April 1, 2010 (Closing 2) pursuant to an existing securities purchase agreement. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the acquired properties and the related in-place leases, but is awaiting additional information to complete the process. Accordingly, the purchase price allocations are preliminary and subject to change.

The following unaudited pro forma condensed consolidated financial statements are based on the historical consolidated financial statements of the Company and the combined statements of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closings I & II (the “Carve-out Financial Information”) included as Exhibit 99.1 to the accompanying Form 8-K/A. The unaudited pro forma condensed consolidated balance sheet as of September 30, 2009 and condensed consolidated statements of operations for the nine-months ended September 30, 2009 and for the year-ended December 31, 2008 give effect to Closing 1 and Closing 2 and the related financings and debt assumption as if each of these transactions had occurred on September 30, 2009 for the unaudited pro forma condensed consolidated balance sheet and on January 1, 2008 for the unaudited pro forma condensed consolidated statements of operations.

The information included in the “Company Historical” column of the unaudited pro forma condensed consolidated balance sheet and statement of operations as of and for the nine-months ended September 30, 2009 is derived from the Company’s unaudited consolidated financial statements included in the Company’s Quarterly Report on Form 10-Q filed with the SEC for the quarterly period ended September 30, 2009. The information included in the “Company Historical” column of the unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2008 is derived from the Company’s audited consolidated financial statements included in the Company’s Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2008. The information included in the “Closing 1 Acquisition Properties Historical” and the “Closing 2 Acquisition Properties Historical” columns of the following unaudited pro forma condensed consolidated statements of operations is derived from the Carve-Out Financial Information.

The unaudited pro forma adjustments are prepared for informational purposes only and are based on available information and certain assumptions that the Company believes are appropriate. The unaudited pro forma condensed consolidated financial statements do not purport to represent the Company’s financial position or the results of operations that would have actually occurred assuming such transactions along with their related financing transactions had been completed as set forth above nor do they purport to represent the Company’s financial position or results of operations of the Company as of any future date or for any future period. All pro forma adjustments are based on preliminary estimates and assumptions and are subject to revision upon completion of the purchase price allocations in connection with Closing 1 and Closing 2.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 and in the Company’s Form 10-Q for the quarterly period ended September 30, 2009, and the Carve-out Financial Information included in Exhibit 99.1 to the accompanying Form 8-K/A.

Omega Pro Forma Financial Statements
Unaudited Pro Forma Balance Sheet
CapitalSource Transaction

	As of September 30, 2009 ($ in thousands)						
	Company Historical	Closing 1 Acquisition Properties Historical		**Company Pro Forma after Closing 1 Acquisition**	Closing 2 Acquisition Properties Historical		**Company Pro Forma after Closing 1 & 2 Acquisition**
	a	b			m		
ASSETS							
Real estate properties							
Land and buildings at cost	$ 1,385,625	$ 269,392	c	$ 1,655,017	$ 281,131	n	$ 1,936,148
Less accumulated depreciation	(284,782)	-		(284,782)	-		(284,782)
Real estate properties - net	**1,100,843**	269,392		**1,370,235**	281,131		**1,651,366**
Mortgage notes receivable - net	100,531	-		100,531	-		100,531
	1,201,374	269,392		**1,470,766**	281,131		**1,751,897**
Other investments - net	29,440	-		29,440	-		29,440
	1,230,814	269,392		**1,500,206**	281,131		**1,781,337**
Assets held for sale - net	887	-		887	-		887
Total investments	**1,231,701**	269,392		**1,501,093**	281,131		**1,782,224**
Cash and cash equivalents	646	4,520	d	5,166	-		5,166
Restricted cash	6,678	2,619	e	9,297	2,170	o	11,467
Accounts receivable - net	81,274	-		81,274	-		81,274
Other assets	12,145	27,580	f,g	39,725	-		39,725
Operating assets for owned properties	3,949	-		3,949	-		3,949
Total assets	**$ 1,336,393**	$ 304,111		**$ 1,640,504**	$ 283,301		**$ 1,923,805**
LIABILITIES AND STOCKHOLDERS' EQUITY							
Revolving line of credit	$ 9,000	88,359	g,h,s	97,359	68,034	p,s	165,393
Unsecured borrowings	485,000	-		485,000	-		485,000
Premium/Discount on unsecured borrowings (net)	(315)	-		(315)	-		(315)
Other long-term borrowings	-	59,354	i	59,354	214,147	q	273,501
New Term Loan	-	100,000	j	100,000	-		100,000
Accrued expenses and other liabilities	27,106	7,398	k	34,504	2,170	r	36,674
Accrued income tax liabilities	-	-		-	-		-
Operating liabilities for owned properties	1,449	-		1,449	-		1,449
Total liabilities	**522,240**	255,111		**777,351**	284,351		**1,061,702**
Stockholders' equity:							
Preferred stock	108,488	-		108,488	-		108,488
Common stock	8,490	271	l	8,761	-		8,761
Additional paid-in capital	1,095,578	50,290	l	1,145,868	-		1,145,868
Cumulative net earnings	506,149	(1,561)	s	504,588	(1,050)	s	503,538
Cumulative dividends paid	(904,552)	-		(904,552)	-		(904,552)
Total stockholders' equity	**814,153**	49,000		**863,153**	(1,050)		**862,103**
Total liabilities and stockholders' equity	**$ 1,336,393**	$ 304,111		**$ 1,640,504**	$ 283,301		**$ 1,923,805**

Balance Sheet Pro Forma Adjustments:

a Reflects the Company's historical balance sheet for the period ended September 30, 2009.

b The aggregate consideration for the entities owning the 40 facilities acquired at Closing 1 and the purchase options to acquire an additional 63 facilities was approximately $294.1 million and consists of the following:

	$ in millions
Preliminary estimated fair value of land, building and FF&E	$ 269.4
Payment of deposit for purchase option	25.0
Adjustment to the closing consideration for assumed prepaid and accrued rents paid or in arrears as of December 22, 2009	(0.3)
Total Consideration paid at closing	$ 294.1
Funding of Consideration:	
Assumption of 6.8% debt	$ 59.4
Issuance of new term loan	100.0
Issuance of shares of common stock	50.6
Funds drawn from the Company's revolving credit facility	84.1
Total Funding of consideration at Closing 1	$ 294.1

c Reflects the acquisition of entities owning 40 facilities from CapitalSource Inc. (Closing 1), which closed on December 22, 2009. The aggregate consideration for the entities owning the 40 facilities acquired at Closing 1 was approximately $269.4 million, offset by $0.3 million in adjustments relating to prepaid and accrued rent as of December 22, 2009. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the acquired properties and the related in-place leases. The Company estimates that the value of the above and below market lease intangibles approximates one another and as a result no value has been assigned to in-place leases and no adjustment has been reflected for the amortization of the acquired lease intangibles. The purchase price allocations are preliminary and subject to change. Our preliminary allocation of the purchase price is as follows:

	$ in millions
Land	$ 20.5
Building and FF&E	248.9
Total	$ 269.4

d Reflects cash received from CapitalSource that relates to escrow deposits held for several leases.

e Reflects cash received from CapitalSource that relates to liquidity deposits held for leases.

f Reflects a $25.0 million payment for an option to purchase entities owning 63 additional facilities.

g Reflects deferred finance costs of $2.6 million associated with issuing the $100.0 million term loan. The Company assumed that the deferred finance costs were paid with funds from the Company's revolving credit facility.

h Reflects $84.1 million of funds from the Company's revolving credit facility used to fund the purchase price for Closing 1. At September 30, 2009, borrowings under the credit facility bear interest at a variable rate of LIBOR plus 400 basis points, with a LIBOR floor of 2%, and currently bears interest at approximately 6.0%.

i Reflects approximately $59.4 million in debt assumed as part of Closing 1. The assumed debt bears interest at a weighted average of 6.8% and matures in December 2011 and has a one year extension right. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the assumed debt. The Company has currently estimated that the carrying amount of the assumed debt approximates fair value based on current borrowings rates of similar instruments and therefore, no adjustment has been reflected to the carrying value of the assumed debt. The purchase price allocations are preliminary and subject to change.

j Reflects the $100 million term loan that was issued on December 20, 2009, which matures on December 31, 2014 and bears interest at LIBOR plus 550 basis points with a LIBOR floor of 1%. The proceeds of the term loan were used to fund the purchase price paid at Closing 1.

k Reflects the liabilities associated with escrow and liquidity deposits noted above in footnotes (d) and (e) in the amount of approximately $7.1 million and adjustment to the closing consideration for assumed prepaid and accrued rents paid or in arrears as of December 22, 2009 of approximately $0.3 million.

l Reflects the value of the approximately 2.7 million shares of common stock issued as part of the consideration for Closing 1 at the closing stock price of $18.62.

m The aggregate consideration for the entities owning the additional 40 facilities to be acquired at Closing 2 is estimated to be approximately $270.4 million, to consist of the following:

		$ in millions
Preliminary estimated fair value of land, building and FF&E	$	281.1
Estimated market adjustment for assumed HUD debt		(10.7)
Total Consideration paid at closing	$	270.4
Funding of Consideration:		
Assumption of 9.0% subordinated debt	$	20.0
Assumption of 6.41% HUD debt		53.8
Assumption of 4.85% HUD debt		129.6
Funds drawn from the Company's revolving credit facility		67.0
Total Funding of consideration at Closing 2	$	270.4

n Reflects the pending acquisition of entities owning an additional 40 facilities from CapitalSource Inc. (Closing 2), which is expected to be completed on or about April 1, 2010. The aggregate consideration for the additional 40 facilities is estimated to be $270.4 million. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the acquired properties and the related in-place leases. The Company estimates that the value of the above and below market lease intangibles approximates one another and as a result no value has been assigned to in-place leases and no adjustment has been reflected for the amortization of the acquired lease intangibles. The purchase price allocations are preliminary and subject to change. Our preliminary allocation of the purchase price to real estate assets is as follows:

		$ in millions
Land	$	34.3
Building and FF&E		246.8
Total	$	281.1

o Reflects the estimated liquidity deposits held by CapitalSource for several leases that are expected to be transferred to the Company as part of Closing 2 during the second quarter of 2010.

p Reflects $67.0 million of funds used from the Company's revolving credit facility for Closing 2.

q Reflects debt that the Company expects to assume as part of Closing 2. The $203.4 million in assumed debt includes: $20.0 million in 9% subordinated debt that matures in December 2021, $53.8 million in Housing and Urban Development ("HUD") Mortgage debt at a weighted average of 6.41% that matures between January 2036 and May 2040, and $129.6 million of new HUD debt at 4.85% that matures in 2039. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the assumed debt. The Company estimates that the current fair market value of the $53.8 million HUD debt at current market rates is approximately $64.5 million. No other adjustments have been made regarding fair market value adjustments for any of the other assumed debt as the Company has estimated that the carrying amount of such debt approximates fair value based on current borrowing rates of similar instruments. The purchase price allocations are preliminary and subject to change. Closing 2 is expected to occur on or about April 1, 2010.

r Reflects the liabilities associated with liquidity deposits noted above in footnote (o).

s Reflects the Company's estimate of acquisition related costs associated with Closing 1 and Closing 2. The Company assumed that the costs were paid with funds drawn from the Company's revolving credit facility.

Omega Pro Forma Financial Statements
Unaudited Pro Forma Statement of Operations
CapitalSource Transaction

	For the Year-end December 31, 2008 ($ in thousands, except per share data)						
	Company Historical	Closing 1 Acquisition Properties Historical	Closing 1 Acquisition Properties Pro Forma Adjustments	**Company Pro Forma after Closing 1 Acquisition**	Closing 2 Acquisition Properties Historical	Closing 2 Acquisition Properties Pro Forma Adjustments	**Company Pro Forma after Closing 1 & 2 Acquisition**
	a	b			c		
Revenues							
Rental income	$ 155,765	$ 30,280	$ (97) **d**	$ 185,948	$ 29,187	$ 968 **d**	$ 216,103
Mortgage interest income	9,562	-	-	9,562	-	-	9,562
Other investment income - net	2,031	-	-	2,031	-	-	2,031
Miscellaneous	2,234	-	-	2,234	-	-	2,234
Nursing home revenues of owned and operated assets	24,170	-	-	24,170	-	-	24,170
Total operating revenues	**193,762**	**30,280**	**(97)**	**223,945**	**29,187**	**968**	**254,100**
Expenses							
Depreciation and amortization	39,890	10,516	1,816 **e**	52,222	9,492	2,740 **e**	64,454
General and administrative	11,701	2,372	(1,822) **f**	12,251	2,394	(1,744) **f**	12,901
Provisions for impairment on real estate properties	5,584	-	-	5,584	-	-	5,584
Provisions for uncollectible mortgages, notes and accounts receivable	4,248	-	-	4,248	-	-	4,248
Nursing home revenues and expenses of owned and operated assets	27,601	-	-	27,601	-	-	27,601
Total operating expenses	**89,024**	**12,888**	**(6)**	**101,906**	**11,886**	**996**	**114,788**
Income before other income and expense	**104,738**	**17,392**	**(91)**	**122,039**	**17,301**	**(28)**	**139,312**
Other income (expense):							
Interest and other investment income	240	-	-	240	-	-	240
Interest	(37,745)	(4,929)	(10,909) **g**	(53,583)	(9,413)	(5,365) **g**	(68,361)
Interest - amortization of deferred financing costs	(2,001)	-	(516) **h**	(2,517)	-	-	(2,517)
Interest - refinancing costs	-	-	-	-	-	-	-
Litigation settlements	526	-	-	526	-	-	526
Total other (expense) income	**(38,980)**	**(4,929)**	**(11,425)**	**(55,334)**	**(9,413)**	**(5,365)**	**(70,112)**
Income before gain on assets sold	**65,758**	**12,463**	**(11,516)**	**66,705**	**7,888**	**(5,393)**	**69,200**
Gain (loss) on assets sold - net	11,861	-	-	11,861	-	-	11,861
Income from continuing operations before income taxes	**77,619**	**12,463**	**(11,516)**	**78,566**	**7,888**	**(5,393)**	**81,061**
Income taxes	72	-	-	72	-	-	72
Income from continuing operations	**77,691**	**12,463**	**(11,516)**	**78,638**	**7,888**	**(5,393)**	**81,133**
Discontinued operations	446	-	-	446	-	-	446
Net income	**78,137**	**12,463**	**(11,516)**	**79,084**	**7,888**	**(5,393)**	**81,579**
Preferred stock dividends	(9,714)	-	-	(9,714)	-	-	(9,714)
Series C preferred stock conversion charges	2,128	-	-	2,128	-	-	2,128
Net income available to common	**$ 70,551**	**$ 12,463**	**$ (11,516)**	**$ 71,498**	**$ 7,888**	**$ (5,393)**	**$ 73,993**
Income per common share:							
Basic:							
Income from continuing operations	$ 0.93			$ 0.91			$ 0.94
Net income	$ 0.94			$ 0.92			$ 0.95
Diluted:							
Income from continuing operations	$ 0.93			$ 0.91			$ 0.94
Net income	$ 0.94			$ 0.92			$ 0.95
Dividends declared and paid per common share	$ 1.19			$ 1.19			$ 1.19
Weighted-average shares outstanding, basic	75,127	-	2,714 **i**	77,841	-	-	77,841

Weighted-average shares outstanding, diluted	75,213	-	2,714	i	77,927	-	-	77,927

Omega Pro Forma Financial Statements
Unaudited Pro Forma Statement of Operations
CapitalSource Transaction

	For the Nine Months Ended September 30, 2009 ($ in thousands, except per share data)						
	Company Historical	Closing 1 Acquisition Properties Historical	Closing 1 Acquisition Properties Pro Forma Adjustments	**Company Pro Forma after Closing 1 Acquisition**	Closing 2 Acquisition Properties Historical	Closing 2 Acquisition Properties Pro Forma Adjustments	**Company Pro Forma after Closing 1 & 2 Acquisition**
	a	b			c		
Revenues							
Rental income	$ 123,626	$ 22,665	$ (28) **d**	$ 146,263	$ 21,854	$ 762 **d**	$ 168,879
Mortgage interest income	8,686	-	-	8,686	-	-	8,686
Other investment income - net	1,844	-	-	1,844	-	-	1,844
Miscellaneous	364	-	-	364	-	-	364
Nursing home revenues of owned and operated assets	13,545	-	-	13,545	-	-	13,545
Total operating revenues	**148,065**	**22,665**	**(28)**	**170,702**	**21,854**	**762**	**193,318**
Expenses							
Depreciation and amortization	33,014	7,791	1,458 **e**	42,263	7,120	2,054 **e**	51,437
General and administrative	8,920	2,042	(1,630) **f**	9,332	1,757	(1,270) **f**	9,819
Provisions for impairment on real estate properties	159	-	-	159	-	-	159
Provisions for uncollectible mortgages, notes and accounts receivable	-	-	-	-	-	-	-
Nursing home revenues and expenses of owned and operated assets	15,750	-	-	15,750	-	-	15,750
Total operating expenses	**57,843**	**9,833**	**(172)**	**67,504**	**8,877**	**784**	**77,165**
Income before other income and expense	**90,222**	**12,832**	**144**	**103,198**	**12,977**	**(22)**	**116,153**
Other income (expense):							
Interest and other investment income	19	-	-	19	-	-	19
Interest	(26,656)	(3,026)	(8,852) **g**	(38,534)	(3,984)	(7,099) **g**	(49,617)
Interest - amortization of deferred financing costs	(2,216)	-	(387) **h**	(2,603)	-	-	(2,603)
Interest - refinancing costs	-	-	-	-	-	-	-
Litigation settlements	4,527	-	-	4,527	-	-	4,527
Total other (expense) income	**(24,326)**	**(3,026)**	**(9,239)**	**(36,591)**	**(3,984)**	**(7,099)**	**(47,674)**
Income before gain on assets sold	**65,896**	**9,806**	**(9,095)**	**66,607**	**8,993**	**(7,121)**	**68,479**
Gain (loss) on assets sold - net	(24)	-	-	(24)	-	-	(24)
Income from continuing operations before income taxes	**65,872**	**9,806**	**(9,095)**	**66,583**	**8,993**	**(7,121)**	**68,455**
Income taxes	-	-	-	-	-	-	-
Income from continuing operations	**65,872**	**9,806**	**(9,095)**	**66,583**	**8,993**	**(7,121)**	**68,455**
Discontinued operations	-	-	-	-	-	-	-
Net income	**65,872**	**9,806**	**(9,095)**	**66,583**	**8,993**	**(7,121)**	**68,455**
Preferred stock dividends	(6,814)	-	-	(6,814)	-	-	(6,814)
Series C preferred stock conversion charges	-	-	-	-	-	-	-
Net income available to common	**$ 59,058**	**$ 9,806**	**$ (9,095)**	**$ 59,769**	**$ 8,993**	**$ (7,121)**	**$ 61,641**
Income per common share:							
Basic:							
Income from continuing operations	$ 0.71			$ 0.70			$ 0.72
Net income	$ 0.71			$ 0.70			$ 0.72
Diluted:							
Income from continuing operations	$ 0.71			$ 0.70			$ 0.72
Net income	$ 0.71			$ 0.70			$ 0.72
Dividends declared and paid per common share	$ 0.90			$ 0.90			$ 0.90
Weighted-average shares outstanding, basic	82,903	-	2,714 **i**	85,617			85,617

Weighted-average shares outstanding, diluted	83,004	-	2,714 **i**	85,718	85,718

Omega Pro Forma Financial Statements
Unaudited Pro Forma Statement of Operation Adjustments
CapitalSource Transaction

Statement of Operations Pro Forma Adjustments:

a Reflects the Company's historical statements of operation for the year-ended December 31, 2008 and for the nine months ended September 30, 2009.

b Reflects the historical financial results of operations for the 40 facilities acquired from CapitalSource Inc. (Closing 1) on December 22, 2009 for the year-end December 31, 2008 and the nine months ended September 30, 2009. The aggregate consideration for the 40 facilities was approximately $269.4 million. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the acquired properties and the related in-place leases. The Company estimates that the value of the above and below market lease intangibles approximates one another and as a result no value has been assigned to in-place leases and no adjustment has been reflected for the amortization of the acquired lease intangibles. The purchase price allocations are preliminary and subject to change.

c Reflects the historical financial results of operations for an additional 40 facilities to be acquired from CapitalSource Inc. (Closing 2), which the Company expects to acquire during the second quarter of 2010, for the year-end December 31, 2008 and the nine months ended September 30, 2009. The aggregate consideration for the additional 40 facilities to be acquired at Closing 2 is estimated to be $270.4 million. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the acquired properties and the related in-place leases. The Company estimates that the value of the above and below market lease intangibles approximates one another and as a result no value has been assigned to in-place leases and no adjustment has been reflected for the amortization of the acquired lease intangibles. The purchase price allocations are preliminary and subject to change.

d Reflects increased straight-line rents as if the lease start dates were January 1, 2008.

	$ in thousands	
	Year-end December 31, 2008	Nine-months Ended September 30, 2009
Closing 1, 40 Facilities acquired on December 22, 2009:		
Rental income recorded by CapitalSource	$ 30,280	$ 22,665
Revenue income assuming the acquisition occurred on January 1, 2008	30,183	22,637
Pro Forma adjustment to rental income	$ (97)	$ (28)
Closing 2, 40 Facilities expected to be acquired in early 2010:		
Rental income recorded by CapitalSource	$ 29,187	$ 21,854
Revenue income assuming the acquisition occurred on January 1, 2008	30,155	22,616
Pro Forma adjustment to rental income	$ 968	$ 762

e Reflects an adjustment to depreciation and amortization as if the facilities were purchased on January 1, 2008. The estimate is based on our preliminary estimate of the purchase price allocation for the 40 facilities acquired at Closing 1 on December 22, 2009 and the 40 additional facilities that are expected to be acquired on or about April 1, 2010. The aggregate consideration for the facilities that we acquired on December 22, 2009 was approximately $269.4 million and the aggregate consideration for the additional facilities that we expect to acquire during at Closing 2 is expected to be approximately $270.4 million. The Company intends to account for both of these acquisitions in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of these facilities and the related in-place leases. The Company estimates that the value of the above and below market lease intangibles approximates one another and as a result no value has been assigned to in-place leases and no adjustment has been reflected for the amortization of the acquired lease intangibles. The purchase price allocations are preliminary and subject to change.

	$ in thousands	
	Year-end December 31, 2008	Nine-months Ended September 30, 2009
Closing 1, 40 Facilities acquired on December 22, 2009:		
Depreciation & amortization recorded by CapitalSource	$ 10,516	$ 7,791
	12,332	9,249
Depreciation & amortization assuming the acquisition occurred on January 1, 2008		
Pro Forma adjustment to depreciation & amortization	$ 1,816	$ 1,458
Closing 2, 40 Facilities expected to be acquired in early 2010:		
Depreciation & amortization recorded by CapitalSource	$ 9,492	$ 7,120
Depreciation & amortization assuming the acquisition occurred on January 1, 2008	12,232	9,174
Pro Forma adjustment to depreciation & amortization	$ 2,740	$ 2,054

f Reflects the estimated reduction in general and administrative costs relating to allocations of corporate costs of CapitalSource that are not recurring direct cost of the acquired facilities.

g Represents interest expense on the assumed debt, issuance of a new term loan and use of the Company's revolving credit facility.

	$ in thousands	
	Year-end December 31, 2008	Nine-months Ended September 30, 2009
Closing 1, 40 Facilities acquired on December 22, 2009:		
Interest Expense Recorded by CapitalSource	$ (4,929)	$ (3,026)
Interest expense assuming the acquisition occurred on January 1, 2008	(15,838)	(11,878)
Pro Forma adjustment to interest expense	$ (10,909)	$ (8,852)
Closing 2, 40 Facilities expected to be acquired in early 2010:		
Interest Expense Recorded by CapitalSource	$ (9,413)	$ (3,984)
Interest expense assuming the acquisition occurred on January 1, 2008	(14,778)	(11,083)
Pro Forma adjustment to interest expense	$ (5,365)	$ (7,099)

h Represents amortization of deferred financing costs associated with issuing the new term loan and the cost incurred to transfer the HUD debt from CapitalSource to the Company.

	$ in thousands	
	Year-end December 31, 2008	Nine-months ended September 30, 2009
Closing 1, 40 Facilities acquired on December 22, 2009:		
Interest Expense Recorded by CapitalSource	$ -	$ -
Interest expense assuming the acquisition occurred on January 1, 2008	(516)	(387)
Pro Forma adjustment to interest expense	$ (516)	$ (387)
Closing 2, 40 Facilities expected to be acquired in early 2010:		
Interest Expense Recorded by CapitalSource	$ -	$ -
Interest expense assuming the acquisition occurred on January 1, 2008	-	-
Pro Forma adjustment to interest expense	$ -	$ -

i Represents the number of shares issued to acquire the entities in Closing 1.