Complementary Summary of Q2 2009 Financial Results
July 23, 2009

This complementary financial and statistical information will include forward-looking statements subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied. For a more detailed description of the risks that impact these forward-looking statements, please refer to the information under the heading "Risk Factors" and under the heading "Management's Discussion and analysis of financial condition and results of operations" in the Omnicell annual report on Form 10-K filed with the SEC on February 24, 2009. Please be aware that you should not place undue reliance on any forward-looking statements made today.

We are happy to report that second quarter revenue and profit exceeded expectations. Cash flows were positive, margins were up for both product and service, and the organizational changes we implemented during January are working well. While hospital spending remained constrained, we did see some improved consistency in overall order rates. Our backlog position continues to be in the targeted range of 6-9 months of forward revenue. Backlog represents the time between when we receive a firm order from a customer and when the order is fully installed, which is the point where we recognize the revenue. We maintain backlog levels consistent with our customers' desires for installation timing, and our backlog levels give us good visibility into the revenue volume for the next two quarters. We are on track to achieve our backlog guidance for the end of 2009. And consistent with our guidance, we have maintained our headcount at a level similar to those we reported in Q1, with 752 regular employees on board.

The new product announcements we made over the last year, and our on-going focus on customer satisfaction, have kept our competitive positioning strong. In the second quarter, 36% of our orders came from New Customers, which are comprised of a combination of competitive conversions and "Greenfield" accounts, or accounts installing automation for the first time. About two-thirds of these orders were competitive conversions. We also remain on track for international bookings to grow to be as high as 5% of our orders in 2009. Consistent with last quarter, we were able to obtain financing for any credit worthy customers that needed credit and were ready to place an order with us in the second quarter. Although we've been able to obtain credit to complete orders, we have seen continued growth in our receivables balance, and Days Sales Outstanding increased to 118 days. One of the main drivers of the receivables growth is a longer collection cycle from our new leasing partners compared to what we experienced in 2008. Some of this is administrative in nature and some of it is driven by more stringent requirements as a result of current economic conditions. Our leasing partners are being more cautious in their requirements for more complete up-to-date financial information from our customers and more extensive documentation, both of which are lengthening the processing time before we receive payment. We have also experienced some distractions during the implementation of new accounting software that have taken time away from our collection efforts. We still expect our receivables to return to historic levels during 2009. We now expect that DSOs will be in the 80-90 day range by year end.

Financial Performance

Following this paragraph we discuss our financial performance in accordance with Generally Accepted Accounting Principles with year to year comparisons. We then discuss our performance excluding stock compensation expense. Stock compensation expense includes the estimated future value of employee stock options, restricted stock, and our employee stock purchase plan. Since stock compensation expense is a non-cash expense, we use financial statements internally that exclude stock-based compensation expense in order to measure some of our operating results. We use these statements in addition to GAAP financial statements, and we feel it is useful to investors to understand the non-cash stock compensation expenses that are a component of our reported results. In covering our results for the quarter, we will first discuss our GAAP performance, and then we will discuss our non-GAAP financial performance without stock compensation expenses. A full reconciliation of our GAAP to non-GAAP results is included in our press release and will be posted to our web site.

GAAP

Revenue for the second quarter of fiscal 2009 was $52.6 million, down $10.7 million or 17% year-over-year, but up 1% from the first quarter of 2009. The reduction year to year is consistent with the guidance we gave in January and we believe is a result of general economic conditions affecting hospital capital purchasing. We further believe our continued new account wins demonstrate that our solutions are very competitively positioned.

Net profit after taxes was $0.9 million, or $0.03 per share which compares to net earnings of $2.8 million, or $0.08 per share in Q2 2008. Our Net profit this quarter includes a charge of $0.07 per share for stock compensation.

Non-GAAP

Our Q2 2009 non-GAAP net income was $3.3 million, or $0.10 per share, which exceeded analyst consensus by two cents per share. Our Q2 2009 non-GAAP net income was down $2.4 million, or $0.07 per share year to year from Q2 2008 non-GAAP income of $5.7 million, or $0.17 per share, which was driven primarily by a reduction in revenue.

EBITDA, or earnings before Interest, Taxes, Depreciation and Amortization, was $6.1 million for the second quarter of 2009, which is down $3.7 million from the second quarter of 2008.

For comparison purposes, here is our EBITDA history as conformed to the definition above and complete EBITDA table:

Q4 2007, $ 9.9 million
Q1 2008, $ 10.0 million
Q2 2008, $ 9.8 million
Q3 2008, $ 9.2 million
Q4 2008, $ 7.9 million
Q1 2009, $ 4.5 million
Q2 2009, $ 6.1 million

Our balance sheet remains strong despite the increase in Accounts Receivable I mentioned earlier. Our cash and short term investments grew to $126 million at the end of Q2 2009, an increase of $7 million from last quarter. Our Inventories were $10 million, down $1 million from Q1 2009.

Business Discussion

I'm pleased this quarter with how the market has reacted to our steady expansion of patient safety and workflow management solutions. From the introduction of SinglePointe last year, which allows automated management of up to 100% of the drug flow in hospitals, to enhancements of our operating room solutions, to our new integrated tissue tracking system, Omnicell has brought a stream of innovations to the market that customers are embracing.

At the American Society of Health Care Pharmacists show in June, we demonstrated two of our newest innovations. AnywhereRN, which is a significant labor saving product that allows our systems to be managed from any workstation in the hospital, was very positively received. We also launched WorkflowRx version 6 with enhanced Intelligent Order Routing which optimizes order processing in the central pharmacy.

I'd also like to welcome Vanderbilt University to our customer base. Vanderbilt is one of *US News and World Reports* top ranked honor roll hospitals. We now count 15 of the top 21 hospitals on the honor role as customers.

Looking forward, I'm optimistic about our opportunities to partner with new and existing customers. We continue to see a cautious economic environment but I've been encouraged to see several larger sales moving forward. We believe the healthcare portion of the federal stimulus package and the pending healthcare reform will increase the need for efficient workflows and improved safety, which we believe will drive greater adoption of our solutions. We continue to maintain high levels of customer satisfaction and we believe our solutions are important components of safety in healthcare today. Regulatory agencies continue to impose increased safety requirements that drive broader adoption of medication management technology.
We still believe that full recovery in the hospital market will slowly emerge as economic conditions improve and there is clarity about health care reform measures,

but I’m confident that our solutions will remain important elements of hospital safety and efficiency management.

2009 Revenue and Profit Guidance

The second quarter results support some improvement in our expectations for the full year of 2009. We had previously expected 2009 revenue to be between $200 and $210 million. We now expect revenue to be at the higher end of that guidance, between $208 and $213 million. We previously expected $0.30 to $0.35 non-GAAP EPS, excluding stock compensation expense and excluding the one time restructuring charge we booked in Q1. We now expect non-GAAP earnings per share between $0.34 and $0.38. These profit expectations assume an effective tax rate of 40% on GAAP earnings and no material change in interest rates. We continue to expect backlog to be at $110 million at the end of 2009 and we expect to operate through the year with backlog within our stated objective of six to nine months of forward revenue.

Summary

I’d like to summarize the call by reiterating we believe our continued innovation and focus on customer satisfaction is a differentiation for us over the long run. We remain optimistic about our solutions and the need for medication and workflow management in the hospital. Thanks for joining us on the call today.