

**Complementary Summary of Q1 2009 Financial Results  
April 30, 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 9, 2009 as well as our more recent filings with the SEC. Please be aware that you should not place undue reliance on any forward-looking statements made today.

First quarter revenue met objectives and profit exceeded expectations. Order volume met our expectations and was anchored by the two large contract wins we reported earlier in the year with the Duke University Health System and with Emory Healthcare. In addition to these orders, our competitive position remained strong.

In the first quarter, 48% 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. This quarter was more heavily weighted with competitive conversions which were driven by the Duke and Emory orders as well as other conversions. The overall number of new customer wins we saw in Q1 was consistent with the volume we have seen over the past year.

The development of our international business continued as expected with orders from Europe and Asia, including the second order from the National University Health System in Singapore, which we recently announced. While international is still a small part of our business, we are on track for international bookings to grow to be up to 5% of our orders in 2009.

Consistent with last quarter, we were able to obtain financing for any credit worthy customers that were ready to place an order with us in the first quarter that needed credit. We continued to shift to new leasing partners during the quarter and the paperwork issues that kept us from collecting from some of these leasing partners in Q4 were resolved.

During the quarter we made two important operational changes to our business. First we installed a new corporate manufacturing and finance software system to run the company records. During the transition we experienced a delay in invoicing that resulted in an increase in our accounts receivables by \$3 million. That delay is behind us now and we expect the receivables balance to decrease. Second, we completed a staff reduction previously announced, which reduced our regular headcount from 844 in December to 756 in March. We also reduced a number of temporary positions for a total staff reduction of 125 positions. The one time costs associated with these reductions were \$2.5 million and are fully reflected in our GAAP results for Q1.

**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.

Revenue for the first quarter of fiscal 2009 was \$52.2 million, down \$9.9 million or 16% year-over-year and down the same amounts from the fourth quarter of 2008. The reduction year to year and sequentially 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 wins of new accounts demonstrates that our solutions are very competitively positioned.

Net loss after taxes was \$1.9 million, or \$0.06 per share which compares to net earnings of \$3.7 million, or \$0.10 per share in Q1 2008. Our Net loss in Q1 includes a charge of \$0.05 per share for the restructuring and a charge of \$0.08 per share for stock compensation.

### **GAAP**

Our annual tax rate projection remains at 40%. Our GAAP loss in Q1 generated a tax benefit in the quarter. We expect to be profitable in subsequent quarters during 2009 and for the full year, and for our tax provision to be an expense in those quarters and an expense for the full year. We do have some discrete tax charges this quarter which had the effect of lowering the tax benefit in Q1.

### **Non-GAAP**

The only adjustments to GAAP results are the exclusion of stock compensation expense, and the exclusion of one time restructuring charges taken in Q1 2009. 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 also review our measurements excluding the one time restructuring charge to understand our on-going financial performance. We use these adjusted statements in addition to GAAP financial statements, and we feel it is useful for investors to understand the non-cash stock compensation expenses that are a component of our reported results. A full reconciliation of our GAAP to non-GAAP results is included in our press release and will be posted to our web site.

Our Q109 non-GAAP net income was \$2.1 million, or \$0.07 per share, which exceeded analyst consensus by one cent per share. Our Q1 2009 non-GAAP net income was down \$4.7 million, or \$0.12 per share year to year from Q1 2008 non-GAAP income of \$6.8 million, or \$0.19 per share, driven primarily by a reduction in revenue.

EBITDA, or earnings before Interest, Taxes, Depreciation and Amortization, was \$4.5 million for the first quarter of 2009, down \$5.6 million, from the first 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

Our balance sheet remains strong. Our cash and short term investments were \$119 million at the end of Q1 2009, a decrease of \$2M from last quarter. Our Days Sales Outstanding were 107 days, an increase of 21 days, driven by delayed invoicing during the transition to new IT systems I mentioned earlier. Our receivables are very current and we view our ability to return to DSOs in the 60 to 75 day range as achievable during 2009. I'd like to reiterate that the problem we had transitioning to new leasing partners that caused DSOs to increase in Q4 was not an issue for Q1. Our Inventories were \$11 million, down \$2

million from Q4 2008. Our deferred gross profit, which is the value of goods that have been shipped to customers but are awaiting installation, decreased consistent with the reduction of revenue. Deferred gross profit is roughly the same percentage of revenue that it has been in the past, and is a component of our backlog that is consistent with our guidance.

### **Business Discussion**

I'm very pleased this quarter with our continued performance at new accounts. The first quarter started strong with large orders from the Duke University Health System, which ordered a full suite of medication automation products including our SinglePointe solution and operating room systems, and an order from Emory Healthcare for a system-wide installation of a wide range of products from central pharmacy to automated dispensing systems. I'm particularly happy that, despite challenging economic conditions, we continued our new account momentum throughout the quarter in addition to the wins at Duke and Emory. This includes a new placement of our systems in Singapore, where the NUHS hospital system is in the process of bringing one hospital live and is scheduled to begin installations of Omnicell medication control solutions at a second facility. We also experienced continued momentum with orders in Europe and Canada.

In March, we announced an integrated tissue tracking system. Today, there are 1600 hospitals in the U.S. where 7 million bone and tissue replacement procedures are done annually with a growth rate of nearly 10% a year. The FDA, The Joint Commission and the Association of Operating Room Nurses have created regulatory standards to help increase safety for donor tissue recipients by reducing the instances of tissue-borne infections. All hospitals with operating rooms must adhere to these standards. Our Omnicell Tissue Center is a unique, sophisticated tissue tracking software system that interfaces with our market leading operating room solution. This Tissue Center enables surgical personnel to keep tissue specimens secure and maintains detailed records, including the procurement, processing and preserving of the tissue.

Looking forward, we continue to see a pipeline that is robust, including excellent opportunities at large multi-hospital organizations and new opportunities in the international market. We see ourselves positioned well competitively in a market where differentiation is based on products and services. As always, we face intense competition for large accounts. We continue to see a cautious economic environment and our larger sales moving very slowly, but we still see customers continuing their acquisition process. 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. While economic conditions will remain challenging in 2009, I'm very confident in the long range prospects for Omnicell.

### **2009 Revenue and Profit Guidance**

The first quarter results support that we are on track to deliver the guidance we established at the beginning of the year. We expect 2009 revenue to be between \$200 and \$210 million. We expect \$0.30 to \$0.35 non-GAAP EPS, excluding stock compensation expense and excluding the one time charge we booked in Q1 of \$2.5 million. We saw only a partial benefit from the staff reduction in Q1 and expect profit to increase from Q1 levels in subsequent quarters. We see a strong order pipeline with several larger purchases in process, but we do not yet know how the current economic conditions may affect the timing of those and other orders. At this point, we expect this revenue level to maintain backlog at \$110 million at the end of 2009. We expect to operate through the year with backlog within our stated objective of six to nine months of forward revenue.

### **Summary**

To summarize, we believe demand for our products will eventually return to the levels we have seen previously. We expect our continued product innovation and focus on customer satisfaction to differentiate us over the long run. Thanks for joining us on the call today.

### **Forward-Looking Statements**

To the extent any statements contained in these materials deal with information that is not historical, these statements are necessarily forward-looking. As such, they are subject to the occurrence of many events outside Omnicell's control and are subject to various risk factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statement. The risk factors are described in the Company's Securities and Exchange Commission (SEC) filings and include, without limitation, the unfavorable general economic and market conditions, the tightening in the credit market, the continued growth and acceptance of our products and services and the continued growth of the clinical automation and workflow automation market generally, the potential of increasing competition, the ability of the company to grow product backlog, retain key personnel, cut expenses, develop new products and integrate acquired products or intellectual property in a timely and cost-effective manner, and improve sales productivity. Prospective investors are cautioned not to place undue reliance on forward-looking statements.

### **Use of Non-GAAP Financial Information**

These materials contain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (GAAP). Our management evaluates and makes operating decisions using various performance measures. In addition to Omnicell's GAAP results, we also consider non-GAAP gross profit, non-GAAP operating expenses, non-GAAP net income, and non-GAAP earnings per diluted share. These non-GAAP results should not be considered as an alternative to gross profit, operating expenses, net income, earnings per diluted share, or any other performance measure derived in accordance with GAAP. We present these non-GAAP results because we consider them to be important supplemental measures of Omnicell's performance.

Our non-GAAP gross profit, non-GAAP operating expenses, non-GAAP net income, non-GAAP earnings per diluted share are exclusive of certain items to facilitate management's review of the comparability of Omnicell's core operating results on a period to period basis because such items are not related to Omnicell's ongoing core operating results as viewed by management. We define our "core operating results" as those revenues recorded in a particular period and the expenses incurred within that period that directly drive operating income in that period. Management uses these non-GAAP financial measures in making operating decisions because, in addition to meaningful supplemental information regarding operation performance, the measures give us a better understanding of how we should invest in research and development, fund infrastructure growth and evaluate marketing strategies. In calculating the above non-GAAP results, management specifically adjusted for the following excluded items:

- a) *Stock-based compensation expense impact of SFAS No. 123R.* We recognize equity plan-related compensation expenses, which represent the fair value of all share-based payments to employees, including grants of employee stock options, as required under SFAS No. 123 (revised 2004), "Share-Based Payment" (SFAS No.123R).
- b) *Restructuring charges (net of tax).* We incurred charges for employee severance in connection with a reduction in force in the first quarter of 2009 which aligned our cost structure with current business expectations. These charges are not expected to be recurring and, as a non-recurring event, the financial impact is excluded from our non-GAAP results.
- c) *Income tax adjustments.* To provide transparency into the Company's trends and performance, we consider the tax effect of one-time adjustments to current and deferred research and development tax credits which occurred in the fourth quarter of 2008, to be non-GAAP adjustments.

Management adjusts for the items because management believes that, in general, these items possess one or more of the following characteristics: their magnitude and timing is largely outside of Omnicell's

control; they are unrelated to the ongoing operation of the business in the ordinary course; they are unusual and we do not expect them to occur in the ordinary course of business; or they are non-operational, or non-cash expenses involving stock option grants.

We believe that the presentation of these non-GAAP financial measures is warranted for several reasons:

- 1) Such non-GAAP financial measures provide an additional analytical tool for understanding Omnicell's financial performance by excluding the impact of items which may obscure trends in the core operating results of the business;
- 2) Since we have historically reported non-GAAP results to the investment community, we believe the inclusion of non-GAAP numbers provides consistency and enhances investors' ability to compare our performance across financial reporting periods;
- 3) These non-GAAP financial measures are employed by Omnicell's management in its own evaluation of performance and are utilized in financial and operational decision making processes, such as budget planning and forecasting; and
- 4) These non-GAAP financial measures facilitate comparisons to the operating results of other companies in our industry, which use similar financial measures to supplement their GAAP results, thus enhancing the perspective of investors who wish to utilize such comparisons in their analysis of our performance.

Set forth below are additional reasons why specific items are excluded from our non-GAAP financial measures:

- i) While share-based compensation calculated in accordance with SFAS No.123R constitutes an ongoing and recurring expense of Omnicell, it is not an expense that requires cash settlement by Omnicell. We therefore exclude these charges for purposes of evaluating core operating results. Thus, our non-GAAP measurements are presented exclusive of stock-based compensation expense to assist management and investors in evaluating our core operating results.
- ii) We present our SFAS No.123R reconciliation of non-GAAP financial measures on a pre-tax basis because the exact tax differences related to the timing and deductibility of share-based compensation, pursuant to the adoption of SFAS No.123R, are dependent upon the trading price of Omnicell's common stock and the timing and exercise by employees of their stock options. As a result of these timing and market uncertainties the tax effect related to share-based compensation expense would be inconsistent in amount and frequency and is therefore excluded from our non-GAAP results.

As stated above, we present non-GAAP financial measures because we consider them to be important supplemental measures of performance. However, non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for Omnicell's GAAP results. In the future, we expect to incur expenses similar to certain of the non-GAAP adjustments described above and expect to continue reporting non-GAAP financial measures excluding such items. Some of the limitations in relying on non-GAAP financial measures are:

— Omnicell's stock option and stock purchase plans are important components of incentive compensation arrangements and will be reflected as expenses in Omnicell's GAAP results for the foreseeable future under SFAS No.123R.

— Other companies, including other companies in Omnicell's industry, may calculate non-GAAP financial measures differently than Omnicell, limiting their usefulness as a comparative measure.

Pursuant to the requirements of SEC Regulation G, a detailed reconciliation between Omnicell's non-GAAP and GAAP financial results is set forth in the financial tables at the end of these materials. Investors

are advised to carefully review and consider this information strictly as a supplement to the GAAP results that are contained in these materials and in Omnicell's SEC filings.