

Complementary Summary of Q1 2010 Results

April 26, 2010

This complementary summary of Omnicell financial results includes 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, 2010, as well as more recent reports filed with the SEC. Please be aware that undue reliance should not be placed on any forward-looking statements made here.

Results

The results of the first fiscal quarter of 2010 met the company's expectations and we are on track to our previously stated annual guidance. Our pipeline is strong and we added \$11 million to our cash balance. We've begun many of the large order installations we announced last quarter and those are going smoothly. Orders for Q1 were in line to maintain our year-end 2010 backlog guidance of \$118 to \$125 million. Of our orders in Q1, 26% were from competitive conversions and from Greenfield customers (those who have never installed automation before). About two thirds of those orders were from competitive conversions. The percentage of our business from new and competitive conversion customers fluctuates from quarter to quarter, but we believe new and competitive conversion orders will be within our historical annual range of 33% to 40% of our business for the full year of 2010.

Revenue for the first quarter of fiscal 2010 was \$54.2 million, down 1% from the fourth quarter of 2009, and up 4% from first quarter of a year ago.

Net earnings after taxes were \$1.0 million, or \$0.03 per share for Q1 2010. This compares to a net loss of \$1.9 million, or a loss of \$0.06 per share in Q1 2009, which included one-time restructuring charges totaling \$1.5 million net of tax.

Non-GAAP Results

The only adjustments to GAAP results are the exclusion of the one-time restructuring charges in Q1 2009 and stock compensation expenses. 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 compensation expense in order to measure some of our operating results. 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 Q1 2010 non-GAAP net income was \$3.1 million, or \$0.09 per share, up \$1.0 million, or \$0.02 per share year to year from Q1 2009 non-GAAP income of \$2.1 million, or \$0.07 per share.

EBITDA, or earnings before Interest, Taxes, Depreciation and Amortization, was \$5.8 million for the first quarter of 2010, up \$1.3 million or 30% year to year.

We continue to generate cash from our operations and drive down our receivables balance. Our cash and short-term investments grew to \$181 million at the end of Q1 2010, an increase of \$11 million from Q4 2009. The Q1 cash increase was driven by \$7 million of contributions from operations and \$4 million from stock option exercises and stock purchases under our employee stock purchase plan. Cash generated from operations includes \$1 million of reductions in Accounts Receivable. Days Sales Outstanding were 68, down one day from last quarter, and our Inventories were \$10 million, consistent with the previous quarter.

Business Discussion

We are pleased with our results in the first quarter, as our new solutions continue to be adopted in the marketplace. Since our November launch, we've completed the first installations of our AnywhereRN software that allows management of our remote dispensing systems from virtually any workstation in the hospital. As with

SinglePointe, we are seeing high customer satisfaction and additional orders. SinglePointe is our proprietary software solution that allows up to 100% of patient medications to be securely stored, managed, and tracked, by our automation systems, reducing the inefficiency and safety issues associated with misplaced medications.

Earlier in the quarter we announced that First Health, an integrated health system in North and South Carolina placed orders in Q4 that included our SinglePointe solution. We announced New York Presbyterian, a 2200-bed hospital system in New York City signed a sole source contract with us and is implementing SinglePointe. These marquee institutions are finding the benefits of the enhanced workflows SinglePointe brings to their operations, getting all the drugs close to the patient and reducing the time nurses spend trying to track down missing doses as well as reducing the risk of medication errors.

ROi, a leading supply chain management organization and an operating division of the Sisters of Mercy Health System, signed an exclusive agreement for Omnicell supply systems in January. Sisters of Mercy is a 19-hospital integrated delivery network serving five states with 4000 beds, which has been a long time Omnicell medication dispensing system customer. Their previous experiences with Omnicell medication management systems influenced their choice to also move their nationally recognized supply systems to our solutions.

All three of these health systems are now in their implementation phases and already seeing the benefits of our products including increased efficiency and increased patient safety.

Our solutions continue to gain acceptance worldwide and we are actively expanding our international footprint. CEO Randy Lipps attended a presentation of a study by the Grenoble University Hospital in France at the European Association of Hospital Pharmacists meeting last month showing that our solutions helped them reduce medication errors by 34%, while significantly increasing personnel efficiency by freeing up nursing and pharmacy hours. They reported a significant improvement in nursing satisfaction and decreased annual drug costs by 51% on average per nursing

ward. This message is spreading to other EU nations as we have sold and installed more equipment in the UK and Spain in Q1. It is hard to tell how fast the international market will grow, but we think it could be up to 20% of our business in the next five years.

Another measurement of our success in providing solutions that our customers' value is the continuing recognition by third-party organizations such as KLAS, the prestigious research firm that monitors the performance of healthcare technology manufacturers. This past week we learned that KLAS honored our OmniLinkRx system with an award as Category Leader among Medication Order Management Systems. This follows the recent KLAS Category Leader award won by our OmniRX medication dispensing system—for the fourth year in a row—in the category of Decentralized Medication Dispensing.

These recognitions are especially gratifying because KLAS bases its awards on actual customers' satisfaction and feedback.

Omnicell is also partnering to bring the latest technology to our customers. At the 2010 HIMSS annual conference, we demonstrated emerging partnerships by showing some of our products in the Intel booth and co-marketing our virtual server offering with VMWare. We also previewed the integrated medication workflow benefits of our new mobile medication management systems. We believe technology continues to differentiate our solutions and we continue to be a trusted partner and expert advisor in delivering technology innovation.

In the marketplace, we continue to see a cautious but improving capital spending environment at our hospital customers. We continue to see large customers purchasing more frequently. While the smaller hospitals are still operating under stricter financial constraints we're seeing some improvement in their demand but still not at the levels we have seen in previous years. To ensure that all hospitals know about the patient safety features and cost savings potential of our systems, we have begun a new branding campaign across multiple forms of media to increase awareness of Omnicell among hospital decision makers. You'll see some of our new

look and feel in the trade and business press and on our recently redesigned and more informative web site.

As reported last quarter, we believe the market will return to growth in 2010, and longer term we are confident industry growth will return to historical norms. We believe health care reform will have a positive long-term effect on our industry, as hospitals must focus on improving their efficiency and quality of their outcomes. We believe the timing and pace of this return to growth will depend on many factors, including improvement in unemployment rates, and increased returns on hospital investment portfolios. We're proud of our track record of bringing what we consider the safest and most efficient solutions to hospital institutions of every size and type. We believe that, as economic conditions continue to improve and hospitals begin to expand their capital budgets, we are well positioned to solve their safety and workflow efficiency needs.

2010 Revenue and Profit Guidance

The results of the first quarter of 2010 allow us to reconfirm our guidance for the rest of the year. Overall, we expect our booking rates to grow between 5 and 10% during 2010, but since our customers take one to twelve months to complete installations, we don't expect all of the order growth to become revenue in 2010. Part of the order growth will remain in our ending backlog and we expect backlog at the end of 2010 to be between \$118 and \$125 million, up 4% to 10%. We expect 2010 revenue to be between \$218 and \$225 million, up 2% to 5%. And we expect non-GAAP earnings excluding stock compensation expense between \$0.40 to \$0.45 per share, which is up 5% to 18%. These profit expectations assume an effective tax rate of 40% on GAAP earnings and no material change in interest rates.

Summary

Our customers are enjoying the benefits of our advanced solutions in greater numbers every day. We continue to install a new hospital customer every 2 business days and our pipeline indicates strong demand from new accounts in the future. . We're delivering on our new solutions and on our financial performance.

EBITDA on Web

OMNICELL, INC.
CALCULATION OF EBITDA, as defined (1)
(In thousands)

	Three months ended				
	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
GAAP Net Income	\$ 979	\$ 557	\$ 854	\$ 904	\$ (1,871)
Add back:					
FAS 123R stock compensation expense	2,156	2,454	2,413	2,374	2,484
Restructuring charges					2,524
Interest expense	1	1	8	-	6
Interest income	(73)	(97)	(116)	(177)	(229)
Interest	(72)	(96)	(108)	(177)	(223)
Depreciation	1,396	1,483	1,596	1,742	1,788
Intangible amortization	556	602	572	572	607
Capitalized software amortization	171	172	129	87	78
Depreciation and Amortization Expense	2,123	2,257	2,297	2,401	2,473
Income tax (benefit) expense	604	913	146	607	(918)
Non-GAAP EBITDA, as defined (1)	<u>\$ 5,790</u>	<u>\$ 6,085</u>	<u>\$ 5,602</u>	<u>\$ 6,109</u>	<u>\$ 4,469</u>

(1) Defined as earnings before interest income and expense, taxes, depreciation and amortization,