Complementary Summary of Q4 2009 Financial Results

January 28, 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, 2009, 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.

The fourth quarter was a very good quarter and a strong finish to Omnicell's fiscal 2009. Revenue and profit both exceeded expectations. Order rates, particularly with large customers, came in strong, as expected. The company added $23M to its cash balance and Days Sales Outstanding ended at 71, down 29 and back to our normal level. Omnicell's newest advanced medication and supply management solutions continue to drive increased customer interest.

We are proud to have closed orders with some of the finest healthcare institutions in the United States, and our volume of new orders met our expectations. The strong mix of large orders in the quarter drove Omnicell bookings from new and competitive conversion customers to 45% of total orders in Q4. About three fourths of those new orders are competitive conversions, and one fourth of the orders are from Greenfield customers who have never installed automation before.

We saw our orders from new and competitive conversion customers fluctuate from quarter to quarter during 2009, but for the full year we received 38% of our orders from these new customers. This compares very consistently with 33% from new and competitive conversions in 2008 and forms a very steady trend of orders from new and competitive accounts that has ranged between 33% and 40% for five years in a row. As expected, Omnicell's international business was over 5% of our orders in 2009, with new business in the UK, Singapore, and Sweden helping to drive growth outside the US.

Product backlog, which is the value of firm orders that are not yet fully installed, was $114 million, $4 million higher than our guidance of $110 million. We maintain backlog levels consistent with our customers' desires for installation timing, and our backlog levels give us good visibility into our revenue volume for the next two quarters.

Fourth Quarter and Full Year 2009 Financial Performance

The review of Omnicell fourth quarter and full-year results begins with a discussion of financial performance in accordance with Generally Accepted Accounting Principles, followed by some pro-forma measurements.

GAAP Results

Revenue for the fourth quarter of fiscal 2009 was $54.7 million, down $7.3 million or 12% year-over-year, but up 1% from the third quarter of 2009. For fiscal 2009, revenue was $213.5 million, down $39 million or 15% from 2008. The reduction year-to-year is consistent with the guidance provided a year ago and which we believe is a result of general economic conditions affecting hospital capital purchasing.

Net earnings after taxes were $0.5 million, or $0.02 per share for Q4 2009, which compares to net earnings of $3.3 million, or $0.10 per share in Q4 2008. Net earnings for the full year of 2009, including a one-time charge for restructuring taken in Q1 2009 and stock compensation expense, were $0.4 million, or $0.01 per share. This compares with net earnings of $12.7 million, or $0.38 per share in 2008.

Non-GAAP Results

The only adjustments to GAAP for non-GAAP results are the exclusion of one-time restructuring charges, certain R&D tax credit adjustments, and stock compensation expense. The one-time restructuring expense was incurred in Q1 2009 and totaled $1.5 million net of tax. 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, Omnicell uses 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 find it 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 Q4 2009 non-GAAP net income was $3.4 million, or $0.11 per share, which exceeded analyst consensus by one cent per share. Our Q4 2009 non-GAAP net income was down $2.1 million, or $0.06 per share year to year from Q4 2008 non-GAAP income of $5.5 million, or $0.17 per share, driven primarily by the reduction in revenue. Full year 2009 non-GAAP net income was $12.1 million, or $0.38 per share, consistent with the high end of our guidance range.

EBITDA, or earnings before Interest, Taxes, Depreciation and Amortization, was $6.1 million for the fourth quarter of 2009, and $22.3 million for the full year of 2009.

We continue to generate cash from our operations and drive down our receivables balance. Our cash and short-term investments grew to $169 million at the end of Q4 2009, an increase of $23 million from Q3 2009 and an increase of $49 million for the full year. The Q4 cash increase included $17 million in benefits from operating assets and liabilities improvements and $6 million of contribution from EBITDA in the quarter. As mentioned earlier, Days Sales Outstanding were 71, and we expect DSO to stay in the 70 to 80 day range. Our inventories were $10 million, consistent with the previous quarter.

Business Discussion

Over the past four consecutive years, Omnicell has installed a new customer every two business days, on average, and displaced a competitive installation every four business days. In 2009, we added some of the finest hospitals and healthcare systems in the world to our customer base and in the fourth quarter we received first orders from multiple marquee institutions across the United States.

Early in the quarter we announced that the Carolinas Health System, a 32-hospital organization with 6000 beds in North and South Carolina and the third largest non-profit public system in the nation, signed a contract and placed orders for eleven of their hospitals.

Later we announced that CoxHealth, a top 100 integrated healthcare system in Springfield, Missouri, signed a contract and placed orders during the quarter. Cox plans to install a variety of our proprietary supply and medication management solutions including SinglePointe and Anywhere RN.

NewYork-Presbyterian, a marquee teaching institution that includes the Columbia University Medical Center and the Weill Cornell Medical Center in New York City, placed orders and began installing in the fourth quarter, moving their workflows to our SinglePointe solution. New York Presbyterian is a 2200-bed, five-hospital system that is consistently one of the top rated hospitals on *US News and World Reports* honor roll of hospitals. This month we announced that FirstHealth, an integrated health system in North and South Carolina, also placed orders in Q4 that included our SinglePointe solution.

All of these orders were competitive conversions driven by our proprietary industry-leading technology and reputation for customer partnership. Customers were motivated to switch to a vendor that addresses the challenges of delivering medications and supplies in the complex hospital environment.

Our existing customers also continue to recognize the increasing value that Omnicell solutions bring to their operations. In the fourth quarter, Massachusetts General Hospital, another *US News and World Reports* honor roll hospital and a longtime Omnicell customer, began a migration from first and second generation systems to our third generation SinglePointe system.

Also, the ROi operating division of the Sisters of Mercy Health System – a 19-hospital integrated delivery network serving five states with 4000 beds – signed an exclusive agreement for Omnicell supply systems this month. ROi, which stands for Resource Optimization and Innovation, is the procurement division for Sisters of Mercy. It is one of the healthcare industry's leading supply chain management organizations with more than $670 million in contracted purchasing volume and more than 1,400 members. We are proud that they view Omnicell's supply solutions as integral to advancing their already cutting edge practices in healthcare supply chain management.

In addition to positive customer reaction to our steady expansion of patient safety and workflow management solutions, we've also been recognized consistently by third party organizations for our contributions to healthcare. At the American Society of Health System Pharmacists annual conference in December, Omnicell was awarded the "Best in KLAS" award for automated dispensing systems for the fourth consecutive year by KLAS, the prestigious third-party research firm that monitors the performance of healthcare vendors.

Our successes in the fourth quarter mark the completion of long customer decision processes where our solutions were thoroughly tested against customer needs and competitive solutions. As discussed in our third quarter 2009 call, we expected these large customers to close in Q4 and we think they are key indicators that the marketplace is beginning to emerge from the economic constraints that have caused customers to postpone capital equipment purchases over the last two years.

While large customers have begun to purchase, the smaller hospitals are still operating under stricter financial constraints and we continue to see sales to these customers lower than what we have seen in previous years. We believe the market will return to growth in 2010, and that in the longer term industry growth will return to historical norms. We believe the timing and pace of this return to growth will depend on many factors, including improvement in unemployment rates, clarity on healthcare reform, and increased returns on hospital investment portfolios. We're proud of our track record of bringing what we believe are 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 return to growth discussed earlier includes the large customer wins we saw in Q4 2009 and a healthy pipeline of more new large account business in 2010. We expect our historical trend of new business to continue with good opportunities in the United States and in the emerging international market. We have continuously grown our market share while maintaining the loyalty of existing customers. In fact, we have won over twenty new customers for every customer we've lost over the last two years, and we don't expect a change in this trend. We do expect the larger sales opportunities to continue representing a significant portion of bookings, which will cause the percentage of our orders from new and competitive conversion customers to fluctuate from quarter to quarter.

To a large extent, the rate of Omnicell revenue growth recovery in 2010 will depend on how much caution remains in the buying patterns of existing customers, the US government, and smaller new customers. 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 do not 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%. In addition we expect non-GAAP earnings between $0.40 to $0.45 per share, excluding stock compensation expense, 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. In addition, many of the orders we took in Q4 are not scheduled for installation right away, so we expect Q1 2010 revenue to be between $52 and $54 million.

Summary

We've had some very big wins this quarter that show the value Omnicell brings to hospital workflows and patient safety. Our existing customer base remains loyal to our solutions and our pipeline contains many more opportunities. We exceeded our financial expectations and Omnicell is well positioned for 2010 and beyond.

Omnicell, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended			Year Ended	
	December 31, 2009 (unaudited)	September 30, 2009 (unaudited)	December 31, 2008 (1)(2)	December 31, 2009 (unaudited)	December 31, 2008 (1)(2)
Revenues:					
Product	$ 42,936	$ 42,854	$ 51,316	$ 170,068	$ 211,461
Services and other revenues	11,717	11,103	10,739	43,389	40,404
Total revenue	54,653	53,957	62,055	213,457	251,865
Cost of revenues:					
Cost of product revenues	20,474	20,087	24,202	80,016	97,461
Cost of services and other revenues	6,956	6,621	6,687	27,011	25,770
Restructuring charges	—	—	—	1,209	—
Total cost of revenues	27,430	26,708	30,889	108,236	123,231
Gross profit	27,223	27,249	31,166	105,221	128,634
Operating expenses:					
Research and development	4,037	4,981	4,256	17,569	18,196
Selling, general, and administrative	21,807	21,324	23,152	85,668	93,098
Restructuring charges	—	—	—	1,315	—
Total operating expenses	25,844	26,305	27,408	104,552	111,294
Income from operations	1,379	944	3,758	669	17,340
Other income and expense, net	91	56	578	523	3,382
Income before provision for income taxes	1,470	1,000	4,336	1,192	20,722
Provision for income taxes	913	146	1,013	748	7,998
Net income	$ 557	$ 854	$ 3,323	$ 444	$ 12,724
Net income per share:					
Basic	$ 0.02	$ 0.03	$ 0.11	$ 0.01	$ 0.40
Diluted	$ 0.02	$ 0.03	$ 0.10	$ 0.01	$ 0.38
Weighted average shares outstanding:					
Basic	31,927	31,704	31,265	31,691	32,076
Diluted	32,513	32,380	31,849	32,063	33,108

(1) Information derived from our December 31, 2008 audited Consolidated Financial Statements.
(2) Certain amounts which are not material have been reclassified to conform with our current presentation in both product revenue and service revenue.

Omnicell, Inc.
Condensed Consolidated Balance Sheets
(In thousands)

	December 31, 2009 (unaudited)	December 31, 2008 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 169,230	$ 120,439
Accounts receivable, net	42,511	57,976
Inventories	9,582	12,957
Prepaid expenses	8,779	9,310
Deferred tax assets	15,247	14,871
Other current assets	5,870	9,434
Total current assets	251,219	224,987
Property and equipment, net	13,209	16,180
Non-current net investment in sales-type leases	8,709	10,896
Goodwill	24,982	24,982
Other intangible assets	4,232	6,706
Non-current deferred tax assets	9,666	15,889
Other assets	9,322	8,902
Total assets	$ 321,339	$ 308,542
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 10,313	$ 9,377
Accrued compensation	8,095	8,889
Accrued liabilities	11,997	10,357
Deferred service revenue	14,457	12,084
Deferred gross profit	12,768	16,648
Total current liabilities	57,630	57,355
Long-term deferred service revenue	20,810	16,782
Other long-term liabilities	595	848
Total liabilities	79,035	74,985
Stockholders' equity:		
Total stockholders' equity	242,304	233,557
Total liabilities and stockholders' equity	$ 321,339	$ 308,542

(1) Information derived from our December 31, 2008 audited Consolidated Financial Statements.

Omnicell, Inc.
Reconciliation of GAAP to Non-GAAP
(In thousands, except per share data, unaudited)

	Three months ended					
	December 31, 2009		September 30, 2009		December 31, 2008	
	Net income	Earnings per share-diluted	Net income	Earnings per share-diluted	Net income	Earnings per share-diluted
GAAP	$ 557	$ 0.02	$ 854	$ 0.03	$ 3,323	$ 0.10
Non-GAAP Adjustments:						
ASC 718 adjustment (a)						
Gross Margin	453		360		283	
Operating Expenses	2,001		2,053		2,113	
Non-recurring tax adjustment (c)	422				(246)	
	2,876	0.09	2,413	0.07	2,150	0.07
Non-GAAP	$ 3,433	$ 0.11	$ 3,267	$ 0.10	$ 5,473	$ 0.17

	Year ended			
	December 31, 2009		December 31, 2008	
	Net income	Earnings per share - diluted	Net income	Earnings per share-diluted
GAAP	$ 444	$ 0.01	$ 12,724	$ 0.38
Non-GAAP Adjustments:				
ASC 718 adjustment (a)				
Gross Margin	1,478		1,610	
Operating Expenses	8,247		9,555	
Restructuring cost (net of tax) (b)				
Gross profit	735			
Operating expenses	799			
Non-recurring tax adjustment (c)	422		(246)	
	11,681	0.37	10,919	0.33
Non-GAAP	$ 12,125	$ 0.38	$ 23,643	$ 0.71

(a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense related to the impact of ASC 718 (formerly referred to as SFAS No. 123R) for the periods shown.

(b) This is the net of tax impact of the restructuring activities commenced during the first quarter of 2009.

(c) This adjustment reflects the impact on the Company's income tax provision (benefit) from non-recurring liability adjustments primarily related to research and development tax credits.

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

	Three months ended					
	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008
GAAP Net Income	$ 557	$ 854	$ 904	$ (1,871)	$ 3,323	$ 2,914
Add back:						
FAS 123R stock compensation expense	2,454	2,413	2,374	2,484	2,396	2,768
Restructuring charges				2,524		
Interest expense	1	8	-	6	-	-
Interest income	(97)	(116)	(177)	(229)	(571)	(682)
Interest	(96)	(108)	(177)	(223)	(571)	(682)
Depreciation	1,483	1,596	1,742	1,788	1,535	1,438
Intangible amortization	602	572	572	607	617	626
Capitalized software amortization	172	129	87	78	128	128
Depreciation and Amortization Expense	2,257	2,297	2,401	2,473	2,280	2,192
Income tax (benefit) expense	913	146	607	(918)	1,013	1,974
Non-GAAP EBITDA, as defined (1)	$ 6,085	$ 5,602	$ 6,109	$ 4,469	$ 8,441	$ 9,167

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