

## **Complementary Summary of 2008 Year End Guidance and Company Reorganization Announcement Call**

**January 21, 2009**

This complementary including 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 March 14, 2008, 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.

### **Year End Guidance Discussion**

Today, we are reconfirming that our revenue and profit expectations for the full year ending December 31, 2008 are expected to be in line with our guidance of 18% growth from 2007 and at the higher end of a range of \$0.65 to \$0.70 non-GAAP earnings per share. Non-GAAP EPS excludes costs associated with Stock Options and Employee Stock Purchase Plans.

We did not see the order volume in the fourth quarter of 2008 to support our backlog guidance, however, and we now expect to report backlog of \$110 million as of December 31, 2008. Capital equipment orders are typically skewed towards the end of each quarter and we did not see the order volume in December as expected. At this point we don't see orders being cancelled and we don't see any customers stopping their acquisition decision process. We saw customers postpone their decision making process while they assess the results of economic changes that took place between September 2008 and the end of the quarter. At this point, it is unclear how quickly hospitals will return to normal buying patterns and we are very cautious about when any of the transactions in process will come to a firm order. We do see continued business from existing customers who are expanding their systems, but large orders, which fall under more scrutiny at our customers, are being postponed. Consequently, we are resetting our expectations for revenue in 2009 to be between \$200 and \$210 million, and our expectations for earnings per share to be between \$0.30 and \$0.35 excluding stock compensation expense. As we said in our press release, we will be taking cost cutting measures and many of those are contemplated in our guidance. Long term, we believe our market is far from saturated and there are many new market opportunities that will sustain overall revenue growth rates of 10-15%. We believe we can operate at the higher end of that growth range and at profit margins we have previously attained. Today's economic conditions will not last forever, but until we see more clarity, we expect decisions on large capital acquisitions to take much longer than the historical norm.

### **Organization Realignment**

A little more than a year ago we changed our organizational structure and aligned our Sales, Field Installation, and Customer Support organizations to better support our customers. We found that having sales, installation and service aligned significantly improved the customer satisfaction we were able to deliver, increasing our sales opportunities. The reorganization we announced yesterday extends that structure to our broader organization. In the new organization, longtime Omnicell executive Chris Drew has accepted the position of Senior Vice President of Field Operations, with responsibility for all customer facing organizations. Reporting to Chris are three Division General Managers who are geographically focused. So, while this is a new way of organizing our business, it is one that we have tested with success. One of our primary strengths is to provide complete solutions, not just products, to our

customers' medication management problems. This organizational structure aligns all the customer facing responsibilities in the Company to provide the best customer solution.

We are also pleased to announce two new additions to our executive team. Marga Ortigas-Wedekind joins us as Vice President of Marketing and Nhat Ngo joins us as Vice President of Strategy and Business Development. Marga has more than 18 years of experience at companies such as Guidant and Xoft, Inc., and Nhat brings a background in business development from Covidian and Britesmile. Together, Marga and Nhat will be focused on guiding the strategic direction of Omnicell.

In this reorganization, the position of Vice President of Sales, formerly held by Renee Luhr, will not be filled. Renee announced she was leaving the company effective February 15, 2009. I'd like to thank Renee for her nearly ten years of service to Omnicell and for leading the sales efforts of the company through some of our highest growth periods. She will be sorely missed.

Much of our growth has been fueled by wins in large healthcare organizations. While economic conditions have slowed the rate that these organizations are moving forward with capital purchases, we are still closing deals with these types of customers. We continue to win some of the most prestigious healthcare institutions in the world, and I am confident that with our solutions and new organizational structure, we will continue to win business in the marketplace.

## **Summary**

While we are disappointed with our customers' slowed acquisition decisions in Q4 2008, we are encouraged that customers have not stopped their acquisition process nor cancelled orders. Our market is far from being saturated, so I do expect the deals in our pipeline to move forward, but the rate at which they move through 2009 is unclear.

Since we are still going through our 2008 audit and typically do not take investor questions during January until we make our full earnings announcement, we will be limited to what we can discuss during this call to the topics of our updated 2008 guidance and 2009 guidance and our reorganization as presented in our press release and on this call. Following this call, we will not take any additional questions until our Q4 2008 quarter end call on January 29.

## **Forward-Looking Statements**

To the extent any statements contained in this release 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 markets, 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, 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.

The date of this disclosure is January 21, 2009, and all forward-looking statements made on this call are made based on Omnicell beliefs as of this date only. Future events or simply the passage of time may cause these beliefs to change.