



Omnicell Announces Second Quarter 2002 Financial Results

Revenues Grow 20%, Firm Posts Fourth Straight Profitable Quarter

PALO ALTO, Calif. — July 30, 2002 — Omnicell, Inc. (NASDAQ: OMCL), a leading provider of supply chain and medication management solutions for healthcare, today announced financial results for the quarter ended June 30, 2002.

Total revenues increased 20 percent to \$24.9 million in the three months ended June 30, 2002, from \$20.8 million for the comparable period in 2001. For the six months ended June 30, 2002, total revenues increased 24 percent to \$49.4 million from \$39.8 million in 2001.

Total operating expenses decreased to \$13.2 million in the second quarter of 2002 from \$13.5 million in the second quarter of 2001. For the six months ended June 30, 2002, total operating expenses increased to \$26.9 million from \$26.6 million in 2001.

Operating income for the quarter was \$1.7 million, compared to a loss of \$0.9 million in the second quarter of 2001. For the six months ended June 30, 2002, operating income was \$3.1 million, compared to a loss of \$2.2 million in the same period last year.

Net income for the second quarter of 2002 was \$1.8 million or \$0.08 per diluted share compared to a net loss of \$1.2 million or \$(0.43) per share on a diluted basis in the same quarter a year ago. For the six months ended June 30, 2002, net income was \$3.4 million or \$0.15 per diluted share, compared to a loss of \$3.1 million or \$(1.11) per diluted share.

"We posted our fourth straight quarter of increasing operating profits," said Omnicell President and CEO Shelly Asher. "We continue to watch expenses closely and increase our product offerings to support our sales efforts."

Omnicell Founder and Chairman Randall A. Lipps said the company recently launched a suite of new solutions to help healthcare organizations increase operating efficiency and improve patient care.

"We have launched a number of new products and features that impact every clinical area of a hospital," said Lipps. "We believe our financial results reflect the depth and breadth of the innovative technology we have to offer healthcare facilities."

Omnicell also announced the following recent highlights:

- As of June 30, 2002, 23,149 pharmacy and supply automation systems had been installed or released for customer installation in 1,305 healthcare facilities.
- Omnicell inked a five-year contract with Adventist Health for the 20-hospital system serving California, Oregon, Washington and Hawaii to purchase pharmacy and supply automation systems.
- The company introduced Omnicell® 7000, the largest product launch in its history.
- Omnicell joined the ranks of the Russell 2000® index based on market capitalization.

Investors and analysts may listen to Asher, Lipps and CFO Bob Newell discuss this announcement today by logging on to www.omnicell.com or by dialing 800-218-9073 (domestic) or 303-262-2127 (international) approximately 10 minutes prior to the scheduled start of 5:00 p.m. ET. A replay of the call will be available from 7 p.m. ET on July 30 through 11:59 p.m. ET on Aug. 6. Dialing 800-405-2236 (domestic) or 303-590-3000 (international) and entering the passcode 482363# will access the call replay. The Webcast will be available on Omnicell's Web site until Aug. 6.

About Omnicell

Established in 1992, Omnicell (NASDAQ: OMCL) provides solutions that improve patient care by enhancing the operational efficiency of healthcare organizations. Addressing the medication management and supply chain areas, Omnicell's medication and supply dispensing systems and decision support tools enable healthcare facilities to decrease costs, operate more efficiently, and reduce medication errors. For more information, visit www.omnicell.com.

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 filings and include, without limitation, continued growth and acceptance of our products and services and continued growth of the clinical automation and workflow automation market generally, increasing competition, the ability of the company to achieve break-even by the end of the first half of 2003, grow product backlog, retain key personnel, cut expenses, develop and integrate products in a timely and cost-effective manner, and improve sales productivity. Prospective investors are cautioned not to place undue reliance on forward-looking statements.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues:				
Product revenues	\$21,212	\$18,549	\$42,242	\$35,275
Service and other revenues	3,730	2,291	7,119	4,552
Total revenues	24,942	20,840	49,361	39,827
Costs and expenses:				
Cost of product revenues	8,013	6,592	15,998	12,013
Cost of service and other revenues	2,029	1,649	3,411	3,387
Total cost of revenues	10,042	8,241	19,409	15,400
Gross margin	14,900	12,599	29,952	24,427
Operating expenses:				
Research and development	2,201	2,976	4,879	5,581
Selling, general and administrative	10,983	10,558	21,987	21,015
Total operating expenses	13,184	13,534	26,866	26,596
Operating income (loss)	1,716	(935)	3,086	(2,169)
Other income (expense), net	87	(251)	307	(838)
Income (loss) before provision for income taxes	1,803	(1,186)	3,393	(3,007)
Provision (benefit) for income taxes	25	25	(35)	50
Net income (loss)	\$1,778	(\$1,211)	\$3,428	(\$3,057)
Net income (loss) per share - basic	\$0.08	(\$0.43)	\$0.16	(\$1.11)
Net income (loss) per share - diluted	\$0.08	(\$0.43)	\$0.15	(\$1.11)
Shares used in computing net income (loss) per share - basic	21,705	2,825	21,581	2,749
Shares used in computing net income (loss) per share - diluted	23,203	2,825	23,198	2,749
 SUMMARY BALANCE SHEET			June 30, 2002	December 31, 2001 (Note 1)
Cash, cash equivalents and short-term marketable securities			\$21,296	\$23,839
Trade receivables, net			18,518	18,167
Inventory, net			13,140	12,702
Other current assets			4,345	4,803
Property and equipment, net			5,147	5,384
Other assets			7,022	7,219

Total assets	69,468	72,114
Deferred service revenue	9,844	8,009
Deferred gross profit	19,418	24,790
Other current liabilities	15,902	19,351
Long-term obligations	146	363
Stockholders' equity	24,158	19,601
Total liabilities and stockholders' equity	69,468	72,114

(Note 1 - December 31, 2001 amounts derived from the audited financial statements at that date. Certain amounts have been reclassified to conform to current period presentation.)