



## Omnicell Announces Record Revenue for Second Quarter 2004

**MOUNTAIN VIEW, Calif. – July 22, 2004** - Omnicell, Inc. (NASDAQ: OMCL), a leading provider of patient safety solutions preferred by nurses, today announced results for the quarter ended June 30, 2004.

Financial highlights were as follows:

Net income for the quarter was \$2.4 million or \$0.09 per diluted share, compared to net income of \$1.3 million or \$0.05 per diluted share for the same period of 2003 and net income of \$2.4 million or \$0.08 per diluted share for the first quarter of 2004.

For the second quarter of 2004, total revenue was a record \$29.2 million, compared to \$25.1 million for the same period in 2003 and \$27.8 million for the first quarter of 2004.

Total operating margin was \$2.5 million, compared to \$1.4 million for the same period of 2003 and an operating margin of \$2.4 million for the first quarter of 2004.

Gross margin was 60.5% for the second quarter of 2004, compared to 58.2% for the same period in 2003 and 59.7% for the first quarter of 2004.

Total operating expenses were \$15.2 million for the second quarter of 2004, compared to \$13.3 million for the same period of 2003 and \$14.2 million for the first quarter of 2004.

Cash balances as of June 30, 2004, were up by \$2.8 million to \$36.3 million, compared to \$33.5 million as of December 31, 2003.

Other highlights included:

Total backlog as of June 30, 2004 was \$46.4 million, compared to \$41.7 million as of March 31, 2004, representing an increase of \$4.7 million. Backlog increased 42% from the same period of last year.

As of June 30, 2004, we had completed our installation obligation for 30,477 medication and supply dispensing systems at 1,513 healthcare facilities.

Omnicell Chairman, President and CEO Randall A. Lipps, commenting on the current quarter's business results, said, "We are pleased with the second quarter performance, as we posted record revenues, as well as record bookings. The healthy growth in backlog was driven by several large deals, which reflected continued demand for our wide range of medication-use process solutions, along with renewed demand for our similarly broad range of supply chain management products. During the quarter, we significantly expanded our sales force and we believe that this investment will enable us to grow our business further."

### Conference Call Details

Management will report financial results for the second quarter of 2004 on Thursday, July 22, at 2:00 p.m. PDT via conference call. Investors and analysts interested in joining the conference may access the call by dialing 800-257-1836 -- toll-free (domestic) or 303-262-2143 -- direct-dial (international) approximately 10 minutes prior to the scheduled start. A replay of the call will be available from 4:00 p.m. PDT on July 22 through 11:59 p.m. PDT on July 29. Dialing 800-405-2236 -- toll-free (domestic) or 303-590-3000 -- direct-dial (international) and entering the passcode 11003024# for both numbers will access the call replay. On the conference call, management will be discussing certain additional financial and statistical information. That information can be located on the "Investor Relations" page of Omnicell's Web site at [www.omnicell.com](http://www.omnicell.com).

### About Omnicell

Established in 1992, Omnicell (NASDAQ: OMCL) is a leading provider of patient safety solutions preferred by nurses. Improving patient care by enhancing operational efficiency, Omnicell solutions are used throughout the healthcare facility--in the pharmacy, nursing units, surgical services, cath lab, and all the way to the patient's bedside. The company's MedGuard™ line of solutions for the medication-use process includes systems for physician order management, automated pharmacy retrieval, medication packaging, medication dispensing, and nursing workflow automation with bar code medication administration. For the medical-surgical supply chain, Omnicell's OptiFlex™ product line provides open bar code systems, cabinet-based supply management, integrated open and cabinet-based systems, and Web-based procurement. More than 1,500 healthcare facilities use Omnicell solutions to help reduce medication errors, operate more efficiently, and decrease costs--ultimately contributing to improved clinical and financial outcomes. For more information, visit [www.omnicell.com](http://www.omnicell.com).

## 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 filings and include, without limitation, 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 maintain profitability, 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.

### OMNICELL, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except per share amounts) (Unaudited)

	Three months ended June 30		Change (%)	Six months ended June 30		Change (%)
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>	
Revenues:						
Product revenues	\$ 23,380	\$ 20,447		\$ 45,607	\$ 38,004	
Service and other revenues	5,827	4,694		11,429	9,212	
Total revenues	29,207	25,141	16%	57,036	47,216	21%
Costs of revenues:						
Cost of product revenues	9,340	8,819		18,537	16,525	
Cost of service and other revenues	2,185	1,678		4,206	3,425	
Total cost of revenues	11,525	10,497		22,743	19,950	
Gross profit	17,682	14,644	21%	34,293	27,266	26%
Operating expenses:						
Research and development	1,837	2,106		4,203	4,475	
Selling general and administrative	13,218	10,551		25,094	20,422	
Restructuring and severance charges	171	630		171	630	
Total operating expenses	15,226	13,287	15%	29,468	25,527	15%
Income from operations	2,456	1,357		4,825	1,739	
Interest and other income	77	136		161	260	
Income and other expense	(56)	(32)		(58)	(77)	
Income before provision for income taxes	2,477	1,461		4,928	1,922	
Provision for income taxes	104	170		201	186	
Net income	\$ 2,373	\$ 1,291	84%	\$ 4,727	\$ 1,736	172%
Net income per share - basic	\$ 0.10	\$ 0.06		\$ 0.19	\$ 0.08	
Net income per share - diluted	\$ 0.09	\$ 0.05		\$ 0.17	\$ 0.07	
Weighted average shares outstanding - basic	24,752	22,382	11%	24,527	22,243	10%
Weighted average shares outstanding - diluted	27,709	24,646	12%	27,927	23,601	18%

### OMNICELL, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands)

	March 31,	December	Change	
	2004	31,	(\$)	(%)
	(Unaudited)	2003 (1)		
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 25,196	\$ 24,499	697	3%
Short-term investments	11,015	9,025	1,990	22%
Accounts receivable, net	13,599	14,529	(930)	-6%
Inventories	10,059	8,783	1,276	15%
Receivables subject to a sales agreement	2,737	2,737	-	0%
Other current assets	<u>4,877</u>	<u>3,966</u>	911	23%
Total current assets	67,483	63,539	3,944	6%
Property and equipment, net	5,600	4,833	767	16%
Long-term receivables subject to a sales agreement	4,352	4,985	(633)	-13%
Other assets	<u>13,624</u>	<u>11,110</u>	2,514	23%
Total assets	<u>\$ 91,059</u>	<u>\$ 84,467</u>	6,592	8%
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities:				
Accounts payable	\$ 6,301	\$ 2,921	3,380	116%
Accrued liabilities	13,735	15,403	(1,668)	-11%
Deferred service revenue	13,055	12,650	405	3%
Deferred gross profit	8,450	10,125	(1,675)	-17%
Obligation resulting from sale of receivables	2,737	2,737	-	0%
Current portion of note payable	<u>-</u>	<u>305</u>	(305)	-100%
Total current liabilities	44,278	44,141	137	0%
Long-term obligation resulting from sale of receivables	4,352	4,985	(633)	-13%
Other long-term liabilities	557	583	(26)	-4%
Stockholders' equity	<u>41,872</u>	<u>34,758</u>	7,114	20%
Total liabilities and stockholders' equity	<u>\$ 91,059</u>	<u>\$ 84,467</u>	6,592	8%

(1) Derived from the December 31, 2003 audited consolidated balance sheet.