

Complementary Summary of Omnicell Q1 2015 Results: April 29, 2015

This complementary summary of Omnicell's April 29, 2015 conference call 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 in our press release dated April 29, 2015, in the Omnicell annual report on Form 10-K filed with the SEC on March 30, 2015, and in other more recent reports filed with the SEC. You should not place undue reliance on any forward-looking statements made here. All forward-looking statements made here are made based on the beliefs of Omnicell as of this date only. Future events or simply the passage of time may cause these beliefs to change.

The news release for Omnicell's first quarter 2015 financial results is posted in the Investor Relations section of www.omnicell.com.

On today's call, Omnicell CFO and Executive Vice President of Finance, International and Manufacturing Rob Seim provided a brief overview of the results for Q1; Chairman, CEO and President Randall Lipps then covered an update on the Omnicell business; and Rob Seim followed with more detail on the Q1 financial results and guidance for the remainder of 2015.

Omnicell had an absolutely outstanding quarter in Q1 with new orders, revenues, and profits all exceeding expectations. 52% of the orders in the Automation and Analytics segment of Omnicell during the quarter were from New and Competitive customers around the globe, underscoring the Company's strength in the market. Approximately three-fourths of those orders came from competitive conversions and the rest came from greenfield customers who had never purchased automation before. Omnicell revenue in the quarter was higher than expectations and Non-GAAP EPS was \$0.29, six cents higher than analyst expectations and the Company's guidance for the quarter.

When guidance for Q1 was provided in February, it was thought the mix of products installed would generate lower margins in the quarter. That guidance was based on the mix of products in backlog and scheduled for installation. At any given time there is approximately eight months of forward revenue in Omnicell's backlog and multiple installations in progress. The Company recognizes revenue upon installation and the backlog provides good visibility, but it is not always possible to forecast when an

individual customer's installation will complete because installations are governed by the customer's schedule. In Q1, the mix of customer installations completed resulted in higher revenue and profit than expected. The Company believes the annual guidance provided in February is still correct, but the quarterly timing will be different than originally expected and guided to.

CEO Randall Lipps' update on the business was as follows.

While Omnicell experienced a change in the timing of the expected results, the Company's management is thrilled about the performance in Q1. Omnicell had a great start to the year and the prospects for continued growth consistent with published guidance are strong. The success of Omnicell solutions in the market that was experienced in 2014, which the Company believes is a result of its three-leg growth strategy, continued in Q1.

The first leg of the Omnicell strategy, differentiated products, directly resulted in key customer wins around the globe. Two examples are the Ministry of National Guard Health Affairs system in Saudi Arabia and Erlanger Health System in Tennessee. The Ministry of National Guard Health Affairs is a six-hospital system in Saudi Arabia with over 2000 beds that chose Omnicell based on the workflow merits of the Company's solutions, its reputation in the region, and its ability to integrate Omnicell solutions with other software tools used in the hospital. The implementation is a competitive replacement at one hospital and first time installations at the other five. It will include the Company's OmniRx automated dispensing systems, operating room systems, Pandora Analytics, and Omnicell Central Pharmacy solutions. National Guard chose Omnicell after an extensive three year review of alternative workflows and competitor's products.

Erlanger is a five-hospital, 800-bed integrated delivery network in Tennessee that selected Omnicell's medication management and workflow solutions to help ensure best clinical practices are carried out. Omnicell spent three years collaborating with Erlanger to redesign their medication processes to meet the expectations of a multi-disciplined investigation team involving nursing, pharmacy, and technology groups. Erlanger ordered a full complement of Omnicell solutions and the Company is proud to be their partner in change.

On the product side, Omnicell demonstrated interoperability with the Epic Electronic Health Record system at Hackensack University Medical Center. By eliminating unnecessary redundancies during medication ordering, nurses now have easier and faster access to patient data to help deliver the highest quality of care in the most timely manner.

Also at Hackensack, an important clinical study to quantify the nursing workflow efficiency gained from their investment in Omnicell automated dispensing systems has been completed. In the results of this study presented last week at the New Jersey Society of Hospital Pharmacists, Hackensack researchers documented, among other things, a 40% reduction between scheduled time and administration time for selected first dose antibiotics.

The other two legs of the Omnicell growth strategy are expansion into new markets and growth through acquisition. Omnicell recently completed two acquisitions in Europe that, along with its acquisition of Surgichem in 2014, demonstrate its commitment to the region. In Europe, the Company is augmenting its product lines with region-specific products and go-to-market capabilities through acquisition, building a base of solutions and talent to address medication and supply management across the continuum of care.

Omnicell's acquisition of Surgichem expanded the Company's leading position in U.K. medication adherence. Earlier this month Omnicell completed the acquisition of MACH4 Pharma Systems of Bochum Germany. MACH4 produces robotic dispensing systems used in the hospital central pharmacy and in retail pharmacies to automate the handling of medications in original manufactures' packaging. MACH4 is a technology leader, combining two types of handling systems to optimize speed for high moving medications and storage space for slower moving medications.

Hospitals such as the Isle of Wight in the UK have already integrated MACH4 robotic dispensing systems in the central pharmacy with Omnicell medication dispensing cabinets in the wards to create a complete medication handling process. MACH4 sells directly to customers in Germany, France, and the U.K., and utilizes resellers in other countries. The management team of MACH4 will report to the Omnicell general manager of Europe, Middle East and Africa operations.

Earlier on April 29 Omnicell also announced the acquisition of Avantec Healthcare Ltd, the Company's longstanding distribution partner in the U.K. Avantec has developed the UK market over the past 10 years, gaining a broad installation base in National Health System hospitals for both medication and supply automation. In addition to Omnicell systems, Avantec designs and provides regionally specific products for the UK market. Omnicell previously held a 15% ownership of Avantec. With the acquisition, Omnicell now interacts directly with the customer in the UK on all its product lines including medication adherence, robotic dispensing systems, and automated dispensing cabinets.

As announced in early April, Omnicell recently completed an investigation following a whistleblower claim. The claim alleged, among other things, the existence of a side letter arrangement with a customer that purportedly provided for discounts which were not recorded in the financial results of the Company.

Omnicell takes any claim such as this very seriously and, regardless of when it occurs, the Company's practice is to take the appropriate amount of time to perform a thorough investigation. This claim happened to take place immediately before the filing of the annual report, and so the investigation postponed Omnicell's 10-K filing. It was concluded that the letter referred to in the claim did not promise discounts to the customer that were not included in the Company's financial statements and Omnicell has reaffirmed that its financial controls were operating effectively. However, the Company is committed to continuously improving its internal communications and training processes related to customer communications and commitments.

In summary, Omnicell business is great. The Company believes the continued investment in its three-leg strategy of differentiated products, expansion into new markets, and acquisitions and partnerships is driving profitable growth. Omnicell is executing its growth strategy well, delivering state of the art medication management and workflow efficiency to customers, results for investors, and better healthcare for everyone. The Company believes all the ingredients are in place for continued success.

CFO Rob Seim followed with a detailed summary of Omnicell's financial results in Q1 and guidance for 2015.

Omnicell revenues of \$116.2 million in Q1 were up 14% from the same quarter last year. Earnings Per Share in accordance with GAAP were \$0.17 in Q1 2015, which was flat to Q1 2014. Gross margins were consistent with previous quarters, including service gross margins of 59%.

In addition to GAAP financial results, Omnicell reports its results on a Non-GAAP basis which excludes stock compensation expense and amortization of intangible assets associated with acquisitions. Non-GAAP financial statements are used in addition to GAAP financial statements because they are believed to be useful for investors to understand acquisition related costs and non-cash stock compensation expenses that are a component of Company reported results. A full reconciliation of Omnicell GAAP to Non-GAAP results is included in the first quarter earnings press release and is posted on www.omnicell.com.

On a Non-GAAP basis, Earnings Per Share were \$0.29 in Q1, up \$0.03 from Q1 2014 and, as mentioned earlier, six cents over analyst expectations.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, which also excludes stock compensation amortization and the amortization of acquisition related costs, was \$19.3 million for the first quarter of 2015, up 14% from \$17.0 million a year ago, an increase consistent with the growth in revenue.

The Omnicell business is also reported in segments, consisting of Automation and Analytics and Medication Adherence. Automation and Analytics consists of OmniRX automated dispensing cabinets, Anesthesia Workstations, Central Pharmacy, OmniSupply, and Pandora Analytics products. The MACH4 robotic dispensing systems will also be included in this segment beginning in Q2, as well as all the results of Avantec Healthcare Ltd. The Medication Adherence segment consists of all adherence package consumables, which are now branded SureMed, and equipment used by pharmacists to create adherence packages. Omnicell's acquisitions of MTS Medication technologies and Surgichem Ltd are included in the Medication Adherence segment.

With the addition of the acquisitions, it has been determined that certain corporate expenses cannot be easily applied to either segment. From this quarter forward, those expenses will be separated into a common expense category separate from the two segments. These common expenses are roughly 10-12% of total revenue. For purposes of year-to-year comparisons, the Company has also stated 2014 with the common expense category. Details of the segments are available in the April 29 press release.

On a segment basis, the Automation and Analytics segment contributed \$92.8 million in revenue, up from \$81.5 million in Q1 2014. \$25.3 million GAAP operating income this quarter compares to \$21.5 million GAAP operating income last year. \$26.9 million of Non-GAAP operating income in Q1 2015 compares to \$22.6 million last year.

The Medication Adherence segment contributed \$23.4 million of revenue to the quarter, compared to \$20.3 million in Q1 2014. GAAP operating income of \$1.4 million compared to \$3.3 million a year ago. \$2.8 million of Non-GAAP operating income compares to \$4.3 million of Non-GAAP operating income in Q1 a year ago.

Non-GAAP Common expenses were \$14.4 million, compared to \$13.2 million in Q1 2014.

In Q1 cash increased from \$126 million to \$139 million. During the quarter the Company repurchased no shares. Rounding out the balance sheet, accounts receivable Days Sales Outstanding were 70, up 7 days from last quarter. The quality of receivables is very high and the increase in DSO is more a reflection of the timing of shipments from the factory. The Company expects DSO in the 65-75 day range. Inventories were \$33 million. Omnicell's headcount was 1259.

For 2015, Omnicell is reaffirming the guidance given in February and including the expected results of MACH4 Pharma Systems and Avantec Healthcare Ltd. MACH4 Pharma Systems added \$12-15 million of revenue to guidance and Avantec adds \$3-5 million of additional revenue. Including the acquisitions, revenue is expected to be between \$495 and \$510 million, an increase of 12-16%. It is expected that MACH4 Pharma Systems will be initially dilutive to earnings by approximately \$0.04 in 2015

and Avantec to be break-even, as initial expenses are incurred to integrate both acquisitions. Omnicell expects Non-GAAP earnings to be between \$1.31 and \$1.36 per share including both acquisitions. It expects the two acquisitions to add \$15-20 million in product bookings to 2015, and now expects total product bookings to be between \$400 and \$420 million in 2015.

The cost of integrating the acquisitions will temporarily suppress Non-GAAP operating margins to approximately 14% for the year. The Company expects to return to 15% operating margins in 2016, when both acquisitions become accretive to earnings. Finally, Omnicell is assuming an annual average effective tax rate of 38% on GAAP earnings.

Before opening the conference call to questions, CEO Randall Lipps made a final announcement:

“Our business outside the United States is an important part of our growth strategy and we recently greatly expanded our international presence with three acquisitions and organic growth successes such as the Saudi National Guard order. In January, I asked Rob Seim to take over leadership of our operations outside the U.S. in addition to his other responsibilities, which started a reorganization process that I am now completing.

“Rob has been our CFO for the past nine years, during which time the company has more than quadrupled in size and increased operating margin from 6% to 15%. In addition to being our CFO, Rob also managed our Manufacturing, Quality, HR, Legal, and IT organizations. Rob’s broad background makes him an ideal candidate to lead our international growth strategies. I’m happy to announce now that Rob will transition to focusing entirely on international growth and manufacturing success of the company once we have hired someone to take over as Chief Financial Officer.

We have initiated a search for a new CFO that I expect will take three to six months to complete. Rob will continue as the CFO during that time. Following the hiring of a new CFO, Rob will manage International Operations, Worldwide Manufacturing and Quality full time. Rounding out the management team, Dan Johnston has assumed management of Legal, HR and IT, Chris Drew leads our entire customer-facing

organization in the U.S. and company-wide Marketing, Jorge Taborga leads Engineering, and Nhat Ngo leads Strategy and Business Development. I'd like to thank Rob for his contributions over the past 9 years and we all look forward to his success in the new role."

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

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Revenues:			
Product	\$ 94,109	\$ 100,291	\$ 82,580
Services and other revenues	22,112	21,250	19,184
Total revenues	<u>116,221</u>	<u>121,541</u>	<u>101,764</u>
Cost of revenues:			
Cost of product revenues	45,416	49,005	38,900
Cost of services and other revenues	9,120	8,757	8,369
Total cost of revenues	<u>54,536</u>	<u>57,762</u>	<u>47,269</u>
Gross profit	61,685	63,779	54,495
Operating expenses:			
Research and development	8,019	8,132	6,121
Selling, general and administrative	43,287	42,173	38,420
Total operating expenses	<u>51,306</u>	<u>50,305</u>	<u>44,541</u>
Income from operations	10,379	13,474	9,954
Interest and other income (expense), net	(517)	(77)	(256)
Income before provision for income taxes	9,862	13,397	9,698
Provision for income taxes	3,544	4,162	3,504
Net income	\$ 6,318	\$ 9,235	\$ 6,194
Net income per share:			
Basic	\$ 0.18	\$ 0.26	\$ 0.18
Diluted	\$ 0.17	\$ 0.25	\$ 0.17
Weighted average shares outstanding:			
Basic	36,024	35,697	35,225
Diluted	36,914	36,585	36,305

Omnicell, Inc.
Condensed Consolidated Balance Sheets
(Unaudited, in thousands)

	<u>March 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 139,553	\$ 125,888
Accounts receivable, net	88,107	82,763
Inventories	33,190	31,554
Prepaid expenses	16,811	23,518
Deferred tax assets	12,444	12,446
Other current assets	6,217	7,215
Total current assets	296,322	283,384
Property and equipment, net	34,373	36,178
Long-term net investment in sales-type leases	10,443	10,848
Goodwill	122,216	122,720
Intangible assets, net	81,279	82,667
Long-term deferred tax assets	1,330	1,144
Other long-term assets	24,963	23,273
Total assets	\$ 570,926	\$ 560,214
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 21,812	\$ 19,432
Accrued compensation	17,064	19,874
Accrued liabilities	22,113	19,299
Deferred service revenue	23,301	25,167
Deferred gross profit	24,334	28,558
Total current liabilities	108,624	112,330
Non-current deferred service revenue	19,841	20,308
Non-current deferred tax liabilities	30,999	30,454
Other long-term liabilities	6,012	7,024
Total liabilities	165,476	170,116
Stockholders' equity:		
Total stockholders' equity	405,450	390,098
Total liabilities and stockholders' equity	\$ 570,926	\$ 560,214

Omniceil, Inc.
Reconciliation of GAAP to Non-GAAP
(Unaudited, in thousands, except per share data)

	Three Months Ended					
	March 31, 2015		December 31, 2014		March 31, 2014	
	Net Income	Net Income per Share- Diluted	Net Income	Net Income per Share- Diluted	Net Income	Net Income per Share- Diluted
GAAP	\$ 6,318	\$ 0.17	\$ 9,235	\$ 0.25	\$ 6,194	\$ 0.17
Non-GAAP adjustments:						
Amortization of intangible assets acquired by acquisition	1,231		1,233		1,048	
Income tax effect of non-GAAP adjustments ^(a) :	(443)		(383)		(379)	
Subtotal after-tax adjustments	788		850		669	
ASC 718 share-based compensation adjustment ^(b) :						
Gross profit	517		483		268	
Operating expenses	3,148		3,692		2,461	
Subtotal ASC 718 share-based compensation adjustments	3,665		4,175		2,729	
Total non-GAAP adjustments	4,453	0.12	5,025	0.14	3,398	0.09
Non-GAAP	\$ 10,771	\$ 0.29	\$ 14,260	\$ 0.39	\$ 9,592	\$ 0.26

^(a) Tax effects are calculated using the effective tax rates for the respective periods presented.

^(b) This adjustment reflects the accounting impact of non-cash stock-based compensation expense for the periods presented.

Omniceil, Inc.
Calculation of Adjusted EBITDA⁽¹⁾
(Unaudited, in thousands)

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
GAAP net income	\$ 6,318	\$ 9,235	\$ 6,194
Add back:			
ASC 718 stock compensation expense	3,665	4,175	2,729
Interest expense, net	99	18	(2)
Depreciation and amortization expense	5,711	5,566	4,612
Income tax expense	3,544	4,162	3,504
Non-GAAP adjusted EBITDA⁽¹⁾	\$ 19,337	\$ 23,156	\$ 17,037

⁽¹⁾ Defined as earnings before interest income and expense, taxes, depreciation and amortization, and non-cash expenses, including stock compensation expense, per ASC 718, as well as excluding certain non-GAAP adjustments.

Omniceil, Inc.
Segmented Information - As Recast
(Unaudited, in thousands, except for percentages)

	Three Months Ended March 31, 2014		
	Automation and Analytics	Medication Adherence	Total
Revenues	\$ 81,499	\$ 20,265	\$ 101,764
Cost of revenues	34,940	12,329	47,269
Gross profit	46,559	7,936	54,495
Gross margin %	57.1%	39.2%	53.6%
Operating expenses	25,102	4,651	29,753
Income from segment operations	\$ 21,457	\$ 3,285	\$ 24,742
Operating margin %	26.3%	16.2%	24.3%
Corporate costs			14,788
Income from operations			\$ 9,954

Omnicell, Inc.
Segmented Information - As Recast
(Unaudited, in thousands, except for percentages)

	Three Months Ended June 30, 2014		
	Automation and Analytics	Medication Adherence	Total
Revenues	\$ 84,702	\$ 20,350	\$ 105,052
Cost of revenues	35,992	13,020	49,012
Gross profit	48,710	7,330	56,040
Gross margin %	57.5%	36.0%	53.3%
Operating expenses	26,044	4,800	30,844
Income from segment operations	\$ 22,666	\$ 2,530	25,196
Operating margin %	26.8%	12.4%	24.0%
Corporate costs			12,638
Income from operations			\$ 12,558

Omniceil, Inc.
Segmented Information - As Recast
(Unaudited, in thousands, except for percentages)

	Three Months Ended September 30, 2014		
	Automation and Analytics	Medication Adherence ⁽¹⁾	Total
Revenues	\$ 89,547	\$ 22,996	\$ 112,543
Cost of revenues	38,412	14,585	52,997
Gross profit	51,135	8,411	59,546
Gross margin %	57.1%	36.6%	52.9%
Operating expenses	27,420	4,822	32,242
Income from segment operations	\$ 23,715	\$ 3,589	27,304
Operating margin %	26.5%	15.6%	24.3%
Corporate costs			13,707
Income from operations			<u>\$ 13,597</u>

⁽¹⁾ Includes Surgichem results as of August 2014.

Omniceil, Inc.
Segmented Information - As Recast
(Unaudited, in thousands, except for percentages)

	Three Months Ended December 31, 2014		
	Automation and Analytics	Medication Adherence ⁽¹⁾	Total
Revenues	\$ 98,347	\$ 23,194	\$ 121,541
Cost of revenues	41,983	15,779	57,762
Gross profit	56,364	7,415	63,779
Gross margin %	57.3%	32.0%	52.5%
Operating expenses	27,363	6,313	33,676
Income from segment operations	\$ 29,001	\$ 1,102	30,103
Operating margin %	29.5%	4.8%	24.8%
Corporate costs			16,629
Income from operations			\$ 13,474

⁽¹⁾ Includes Surgichem results as of August 2014.

Omniceil, Inc.
Segmented Information - As Recast
(Unaudited, in thousands, except for percentages)

	Twelve Months Ended December 31, 2014		
	Automation and Analytics	Medication Adherence ⁽¹⁾	Total
Revenues	\$ 354,095	\$ 86,805	\$ 440,900
Cost of revenues	151,327	55,713	207,040
Gross profit	202,768	31,092	233,860
Gross margin %	57.3%	35.8%	53.0%
Operating expenses	105,929	20,586	126,515
Income from segment operations	\$ 96,839	\$ 10,506	107,345
Operating margin %	27.3%	12.1%	24.3%
Corporate costs			57,762
Income from operations			\$ 49,583

⁽¹⁾ Includes Surgichem results as of August 2014.

Omniceil, Inc.
Segmented Information
(Unaudited, in thousands, except for percentages)

	Three Months Ended March 31, 2015		
	Automation and Analytics	Medication Adherence	Total
Revenues	\$ 92,779	\$ 23,442	\$ 116,221
Cost of revenues	38,852	15,684	54,536
Gross profit	53,927	7,758	61,685
Gross margin %	58.1%	33.1%	53.1%
Operating expenses	28,589	6,341	34,930
Income from segment operations	\$ 25,338	\$ 1,417	26,755
Operating margin %	27.3%	6.0%	23.0%
Corporate costs			16,376
Income from operations			\$ 10,379

Omniceil, Inc.
Non-GAAP Gross Margin and Non-GAAP Operating Margin
(Unaudited, in thousands, except for percentages)

	Three Months Ended			
	March 31, 2015		March 31, 2014	
Revenue	\$ 116,221		\$ 101,764	
GAAP Gross profit	\$ 61,685	53.1%	\$ 54,495	53.6%
Plus:				
a) Stock-based compensation expense	517	0.4%	268	0.3%
b) Amortization expense of acquired intangible assets and other acquisition-related expenses	368	0.3%	368	0.3%
Non-GAAP Gross profit	\$ 62,570	53.8%	\$ 55,131	54.2%
GAAP Operating expenses	\$ 51,306	44.1%	\$ 44,541	43.8%
Less:				
a) Stock-based compensation expense	3,148	2.7%	2,461	2.4%
b) Amortization expense of acquired intangible assets and other acquisition-related expenses	863	0.7%	680	0.7%
Non-GAAP Operating expenses	\$ 47,295	40.7%	\$ 41,400	40.7%
GAAP Operating income	\$ 10,379	8.9%	\$ 9,954	9.8%
Plus:				
a) Stock-based compensation expense	3,665	3.1%	2,729	2.7%
b) Amortization expense of acquired intangible assets and other acquisition-related expenses	1,231	1.1%	1,048	1.0%
Non-GAAP Operating income	\$ 15,275	13.1%	\$ 13,731	13.5%

Omniceil, Inc.
Segment Information - Non-GAAP Gross Margin and Non-GAAP Operating Margin
(Unaudited, in thousands, except for percentages)

Three Months Ended March 31, 2015

	Automation and Analytics		Medication Adherence		Total	
Revenues	\$ 92,779		\$ 23,442		\$ 116,221	
GAAP Gross profit	\$ 53,927	58.1%	\$ 7,758	33.1%	\$ 61,685	53.1%
Plus:						
a) Stock-based compensation expense	351	0.4%	166	0.7%	517	0.4%
b) Amortization expense of acquired intangible assets and other acquisition-related expenses	35	0.0%	333	1.4%	368	0.3%
Non-GAAP Gross profit	\$ 54,313	58.5%	\$ 8,257	35.2%	\$ 62,570	53.8%
GAAP Operating income	\$ 25,338	27.3%	\$ 1,417	6.1%	\$ 26,755	23.0%
Plus:						
a) Stock-based compensation expense	1,443	1.5%	256	1.1%	1,699	1.4%
b) Amortization expense of acquired intangible assets and other acquisition-related expenses	147	0.2%	1,084	4.6%	1,231	1.1%
Non-GAAP Operating income	\$ 26,928	29.0%	\$ 2,757	11.8%	\$ 29,685	25.5%
GAAP Corporate costs					\$ 16,376	14.1%
Less: Stock-based compensation expense					1,966	1.7%
Non-GAAP Corporate costs					\$ 14,410	12.4%
Non-GAAP Income from operations					\$ 15,275	13.1%

Omniceil, Inc.
Segment Information - Non-GAAP Gross Margin and Non-GAAP Operating Margin
(Unaudited, in thousands, except for percentages)

	Three Months Ended March 31, 2014					
	Automation and Analytics		Medication Adherence		Total	
Revenues	\$	81,499		\$	20,265	\$ 101,764
GAAP Gross profit	\$	46,559	57.1%	\$	7,936	39.2% \$ 54,495 53.6%
Plus:						
a) Stock-based compensation expense		237	0.3%	31	0.2%	268 0.3%
b) Amortization expense of acquired intangible assets and other acquisition-related expenses		35	0.1%	333	1.6%	368 0.3%
Non-GAAP Gross profit	\$	46,831	57.5%	\$	8,300	41.0% \$ 55,131 54.2%
GAAP Operating income	\$	21,457	26.3%	\$	3,285	16.2% \$ 24,742 24.3%
Plus:						
a) Stock-based compensation expense		1,029	1.3%	156	0.8%	1,185 1.2%
b) Amortization expense of acquired intangible assets and other acquisition-related expenses		147	0.2%	901	4.4%	1,048 1.0%
Non-GAAP Operating income	\$	22,633	27.8%	\$	4,342	21.4% \$ 26,975 26.5%
GAAP Corporate costs						\$ 14,788 14.5%
Less: Stock-based compensation expense						1,544 1.5%
Non-GAAP Corporate costs						\$ 13,244 13.0%
Non-GAAP Income from operations						\$ 13,731 13.5%