Complementary Summary of Omnicell Q4 and Full Year 2011 Results:
January 26, 2012

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 March 11, 2011, 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 herein.

All forward-looking statements made on this call 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.

Results

Omnicell's 2011 financial performance was strong, with revenues of $245.5 million and Non-GAAP net income of $0.60 per share, both above the guidance range set at the beginning of the year. The company ended the year with $200 million of cash in the bank, DSOs at record lows, no debt and with Non-GAAP operating margins stepping towards our goal of 15%. Our order rates were strong and we actually had the highest orders in the second half of 2011 that we have ever had in a six month period.

While orders were strong, they were below the levels we forecast for the fourth quarter, and we ended the year with backlog at $134 million, $4 million below the lower end of our forecast range. We had a high quantity of large deals we were forecasting for the fourth quarter. The close date of larger deals such as these are inherently more difficult to forecast, and we found we over-forecasted for Q4.

Despite backlog being below our expectations, the composition of the orders in Q4 was encouraging. 41% of Q4 orders came from new greenfield customers or competitive conversions, with the orders fairly evenly split between the two categories. Greenfield customers are those customers buying automation for the first time. We also took our first orders in Q4 for Mandarin-based products from China Resources Group, our new distributor in China. We continue to view China as a significant underpenetrated market opportunity for us, and while it is still early, initial uptake is meeting our expectations. For the full year of 2011, orders from new and competitive conversion customers were 35% of total orders, consistent with the range we have experienced for seven years in a row.

Revenue for Q4 2011 of $62.9 million was in line with our expectations and up 10% from Q4 2010. Q4 2011 profit on a GAAP basis was $0.12 per share, up from $0.02 per share one year ago. We also look at Omnicell profits on a Non-GAAP basis, excluding stock compensation expense, which is the non-cash expense representing the estimated future value of employee stock options, restricted stock, and our employee stock purchase plan. We use Non-GAAP financial statements in addition to GAAP financial statements, and we feel it is 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 fourth quarter earnings press release and is posted to our web site. On a Non-GAAP basis, EPS was $0.19 in Q4, three cents above analyst expectations. Non-GAAP EPS was up sequentially from $0.16 in Q3 2011 and up from $0.11 in Q4 of 2010.

Our profits in Q4 reflect the rebound of gross margins after a dip in Q3. Following the introduction of our G4 platform earlier this year we absorbed the cost of early production done in the United States. Gross margins rebounded in Q4 as we transitioned production to our normal supply base.

Our profit also benefited from less variable compensation expense than usual. We provide variable compensation to senior and middle management based on various company-wide and individual performance measures. In Q4 we did not pay this variable compensation because backlog was below our expectations. The variable compensation not paid drove $0.02 of earnings per share, and is distributed in all cost and expense lines of the P&L, but is primarily in SG&A. We have a long history of meeting our performance expectations so we do not expect this P&L benefit to repeat. Finally our profit also benefited from a lower provision for income taxes, driven mostly by more favorable mix of sales between states, driving the average state income tax rate down for the year. We believe the tax rate to expect in the future is 38% on GAAP income.

For the full year of 2011 our revenues of $245.5 million increased over 10% from 2010, and our Non-GAAP profits increased 40% from 2010 to $0.60 per share. Non-GAAP Gross margin was up 210 basis points and Non-GAAP operating income was up 290 basis points to 11% of revenues. Our improvements in profitability were driven primarily by maintaining consistent levels of headcount while growing the business. Regular headcount was up just 3% to 773 employees at the end of the year. We expect to grow headcount slower than the rate of revenue growth until we achieve our goal of 15% Non-GAAP operating margins.

Adjusted earnings before Interest, Taxes, Depreciation and Amortization, which also excludes stock compensation amortization, were $10.5 million for the fourth quarter of 2011, up from $6.3 million a year ago. For the full year of 2011, adjusted EBITDA was $34.4 million, an increase of 30% from $26.4 million in 2010.

The Omnicell balance sheet ended very strong. Cash was $200 million, up $16 million from 2010. During the quarter we continued a program to repurchase our stock that we began in Q1 of 2011. With the addition of $2.0 million of stock repurchased in Q4 2011, we have repurchased $12.6 million YTD at an average share price of $14.10. We have $12.4 million in stock repurchase authorization remaining. We continue to believe that our organic growth can be augmented by complementary acquisitions, and our strong cash balance ensures that we are well positioned to act should the right opportunity present itself.

Accounts Receivable days sales outstanding were 54, down 12 days from last quarter. There was a higher percentage of installations that were leases in Q4. We sell our lease payment streams to third party leasing companies and have a very short collection cycle on this part of our business. We expect DSOs to go back up during 2012, but to remain in the range of 60 to 70 days.

Overall, 2011 was a very good year for Omnicell. Revenue was up 10%, Non-GAAP net income was up 42%, and although year-ending backlog was lower than expectations, backlog grew 6% from 2010. We completely refreshed our product lines with our G4 announcement in early May. That refresh brought eleven new products to market including a new computer console for our medication and supply management systems, a new version of our open platform supply system, a new operating room medication management system for anesthesiologists, a new controlled substance management system for the central pharmacy, and a new version of our analytics software.

Our customers have the ability to upgrade their installed systems to get the very latest in technological capabilities while protecting 70-80% of their investment. We believe these updated product lines give us a substantial upgrade opportunity with each of the over 30,000 Omnicell systems currently installed. Our unique industry-leading products, such as SinglePointe, which allows up to 100% of the medications used in a hospital facility to be managed with our systems, and AnywhereRN, which allows for management of our systems from virtually any computer in a healthcare facility, continue to distinguish us. Towards the end of 2011, we launched another industry first product. We began shipping medication labeling capability, integrated into our medication systems as an addition to our G4 line, which allows nurses to apply patient-specific labels in their medication workflow, and supports compliance with the Joint Commission National Patient Safety Goal.

In the summer of 2011 we achieved modular certification for meaningful use of an Electronic Healthcare Record, which gives CIOs satisfaction that our systems are compatible with the investments they are making in their clinical systems to meet new regulations and take advantage of government incentives.

Early in 2011 we expanded our sales team by 30% and we saw the benefits in our reach to new customers. During 2011 we added 200 new customers to our installed base that now totals over 1600 customers of our main medication and supply systems and over 2500 customers in total. Added to our installed base during 2011 were leading healthcare providers such as the University of Chicago, the Saint Francis Health System of Oklahoma, and Royal Victoria Hospital in Ontario Canada. Our reputation in the industry for innovation and service is underscored by several awards from the KLAS Institute, a prestigious third party rating organization.

In Q4 we announced our entry into the Chinese market after an extensive trial of our Mandarin-language system in Peking Union Medical Center Hospital in Beijing. We are excited about the prospects of this market, where the top tier hospitals represent an opportunity as large as the market in the US. As indicated earlier, we took our first orders for our Mandarin-language system during Q4.

In Q4 2011 we expected an unprecedented number of large orders to close. We are disappointed that we were not able to close enough of those deals to meet our backlog guidance. We hold ourselves accountable when we miss an objective. Our sales pipeline grew substantially after we expanded the sales force and announced G4 in the first half of 2011. We were a little overoptimistic on how fast that pipeline would flow through the sales cycle. In today's constrained environment, everything can take longer than expected. This does not diminish our enthusiasm for our business. Our market in the US is not fully penetrated yet and the international market is less than 1% penetrated. Our steady track record of innovation continues to bring valuable new solutions to market that help improve healthcare for everyone. We help improve clinical outcomes by increasing patient safety, and we improve business outcomes for healthcare facilities by decreasing costs.

In 2012 we expect to continue to manage toward our growth strategies. We are pushing hard on these strategies, but we will be a little more cautious in our expectations. Our growth strategies are threefold: First, we will continue to provide our customers with an innovative suite of solutions to improve their operations that we believe they cannot find from anyone else. Second, we intend to continue to augment our internal development with acquired product lines that expand our ability to provide value to our customers. And third, we will continue a focus on international markets that are growing. We intend to stay keenly aware of our customers' evolving operations and needs as the healthcare market changes.

2012 Revenue and Profit Guidance

Our hospital customers will be facing unprecedented change over the upcoming years. We are optimistic about how we can help them meet regulatory and cost challenges, but we are realistic about the constraints all healthcare organizations will experience. We believe our solutions are a key part of the technology that makes any healthcare organization more efficient.

Based on our opening backlog and the pipeline for new business that we have now, we expect 2012 revenue to be between $263 and $267 million, up 7-8%. We expect Non-GAAP earnings to be between $0.67 and $0.72 per share, up 14-22%. We expect there to be steady growth through the year but we expect Q1 2012 to be $63 to 64 million of revenue and approximately 0.13 Non-GAAP EPS. We typically experience higher expense levels in Q1 due to several seasonality factors in our business and we do not expect the benefits from variable compensation or the tax rate to repeat in Q1.

Consistent with our strategy, we expect orders to shift towards existing customers as the G4 upgrade cycle becomes a greater percentage of our business. Of the new customers, we expect greenfield customers to be a higher mix of our business because most international accounts are first time buyers of medication or supply automation. Consistent with being a little more cautious about the market, we expect 2012 year-end product backlog to be between $138 and $142 million, an increase of up to six percent from 2011.

We are keeping our sights on our goal of 15% non-GAAP operating margins and expect to make significant progress towards this goal through 2012. By the end of the year, we expect to be very close to achieving 15%.

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

	Three Months Ended			Year Ended	
	December 31, 2011 (unaudited)	September 30, 2011 (unaudited)	December 31, 2010 (unaudited)	December 31, 2011 (unaudited)	December 31, 2010 (1)
Revenues:					
Product	$ 47,281	$ 49,790	$ 43,541	$ 185,864	$ 171,100
Services and other revenues	15,650	14,649	13,727	59,671	51,307
Total revenue	62,931	64,439	57,268	245,535	222,407
Cost of revenues:					
Cost of product revenues	19,572	22,429	18,649	79,567	76,372
Cost of services and other revenues	7,480	7,562	7,256	30,184	28,079
Restructuring charges	—	—	—	—	39
Total cost of revenues	27,052	29,991	25,905	109,751	104,490
Gross profit	35,879	34,448	31,363	135,784	117,917
Operating expenses:					
Research and development	5,903	6,019	5,403	22,042	21,007
Selling, general, and administrative	23,807	23,635	24,438	97,520	86,227
Restructuring charges	—	—	—	—	1,157
Total operating expenses	29,710	29,654	29,841	119,562	108,391
Income from operations	6,169	4,794	1,522	16,222	9,526
Other income (expense), net	(67)	(191)	145	(133)	431
Income before provision for income taxes	6,102	4,603	1,667	16,089	9,957
Provision for income taxes	1,964	1,609	995	5,700	5,065
Net income	$ 4,138	$ 2,994	$ 672	$ 10,389	$ 4,892
Net income per share:					
Basic	$ 0.13	$ 0.09	$ 0.02	$ 0.31	$ 0.15
Diluted	$ 0.12	$ 0.09	$ 0.02	$ 0.30	$ 0.15
Weighted average shares outstanding:					
Basic	33,097	33,209	32,997	33,123	32,651
Diluted	34,114	34,219	33,900	34,103	33,513

(1) Information derived from our December 31, 2010 audited Consolidated Financial Statements.

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

	December 31, 2011 (unaudited)	December 31, 2010 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 191,762	$ 175,635
Short-term investments	8,107	8,074
Accounts receivable, net	36,902	42,732
Inventories	18,107	9,785
Prepaid expenses	10,495	11,959
Deferred tax assets	7,914	13,052
Other current assets	6,107	7,266
Total current assets	279,394	268,503
Property and equipment, net	17,307	14,351
Non-current net investment in sales-type leases	8,785	9,224
Goodwill	28,543	28,543
Other intangible assets	4,231	4,672
Non-current deferred tax assets	13,992	9,566
Other assets	9,716	8,365
Total assets	$ 361,968	$ 343,224
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 11,000	$ 13,242
Accrued compensation	7,328	7,731
Accrued liabilities	7,020	8,684
Deferred service revenue	19,191	16,788
Deferred gross profit	14,210	11,719
Total current liabilities	58,749	58,164
Long-term deferred service revenue	18,966	19,171
Other long-term liabilities	1,339	675
Total liabilities	79,054	78,010
Stockholders' equity:		
Total stockholders' equity	282,914	265,214
Total liabilities and stockholders' equity	$ 361,968	$ 343,224

(1) Information derived from our December 31, 2010 audited Consolidated Financial Statements.

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

	Three months ended					
	December 31, 2011		September 30, 2011		December 31, 2010	
	Net income	Net income per share-diluted	Net income	Net income per share-diluted	Net income	Net income per share-diluted
GAAP	$ 4,138	$ 0.12	$ 2,994	$ 0.09	$ 672	$ 0.02
Non-GAAP adjustments:						
Taxes on repatriated foreign earnings	—		—		383	
ASC 718 share-based compensation adjustment (a)						
Gross profit	290		358		356	
Operating expenses	1,955		2,053		2,208	
Total after tax adjustments	2,245	0.07	2,411	0.07	2,947	0.09
Non-GAAP	$ 6,383	$ 0.19	$ 5,405	$ 0.16	$ 3,619	$ 0.11

(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.

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

	Year ended			
	December 31, 2011		December 31, 2010	
	Net income	Net income per share-diluted	Net income	Net income per share-diluted
GAAP	$ 10,389	$ 0.30	$ 4,892	$ 0.15
Non-GAAP adjustments:				
Restructuring cost				
Gross profit	—		39	
Operating expenses	—		1,157	
Reduction-in-force, other exit-related charges				
Gross profit	—		285	
Operating expenses	—		219	
Litigation settlement (a)	1,000		(2,439)	
Subtotal pretax adjustments	1,000		(739)	
Income tax effect of non-GAAP adjustments	(380)		326	
Taxes on repatriated foreign earnings	—		957	
ASC 718 share-based compensation adjustment (b)				
Gross profit	1,398		1,350	
Operating expenses	8,101		7,665	
Total after tax adjustments	10,119	0.30	9,559	0.28
Non-GAAP	$ 20,508	$ 0.60	$ 14,451	$ 0.43

(a) The 2011 adjustment is for the accrual of a $1.0 million pre-tax litigation settlement in operating expenses ($0.6 million, net of tax effect of $0.4 million) in the first quarter of 2011. The 2010 adjustment reflects the reversal in operating expenses for the settlement of litigation in the third quarter of 2010 for amounts less than accrued.

(b) 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.

Omnicell, Inc.
Calculation of Adjusted EBITDA (1)
(In thousands, unaudited)

	Three Months Ended			Year Ended	
	December 31, 2011	**September 30, 2011**	**December 31, 2010**	**December 31, 2011**	**December 31, 2010**
GAAP net income	$ 4,138	$ 2,994	$ 672	$ 10,389	$ 4,892
Add back:					
ASC 718 stock compensation expense	2,245	2,411	2,564	9,499	9,015
Restructuring charges	—	—	—	—	1,196
Reduction-in-force, other exit-related charges	—	—	—	—	504
Litigation settlement	—	—	—	1,000	(2,439)
Interest	(21)	(34)	(79)	(205)	(420)
Depreciation and amortization expense	2,163	2,027	2,130	7,984	8,619
Income tax expense	1,964	1,609	995	5,700	5,065
Non-GAAP adjusted EBITDA (1)	$ 10,489	$ 9,007	$ 6,282	$ 34,367	$ 26,432

(1) Defined as earnings before interest income and expense, taxes, depreciation and amortization, and non-cash expenses, including stock compensation expense, per ASC 718, formerly FAS 123R. Also excludes non-GAAP adjustments for restructuring, reduction-in-force and other exit-related charges, and litigation settlement.