



Owens & Minor Reports Record Quarterly Revenue and Net Income for 3rd Quarter 2008

O&M Completes Acquisition of The Burrows Company, Effective October 1, 2008

RICHMOND, Va., Oct 27, 2008 (BUSINESS WIRE) -- Owens & Minor (NYSE:OMI) today reported financial results for the third quarter ended September 30, 2008. Revenue for the third quarter was a record \$1.81 billion, improved 7.3% from revenue of \$1.69 billion in the third quarter of 2007. Net income for the third quarter was a record \$25.3 million, increased 19.4% when compared to net income of \$21.2 million in last year's third quarter. Net income per diluted share for the quarter was \$0.61, increased 17.3% when compared to \$0.52 per diluted share in the same period last year.

"We grew revenue at a fast pace and demonstrated strong improvement in earnings for the third quarter," said Craig R. Smith, president & chief executive officer of Owens & Minor. "At the same time, we completed an important acquisition that will give us added strength in the Midwest. As we look to the rest of the year, we are focused on integrating these new customers into the Owens & Minor family and transitioning them to our systems. Our continuing financial and operational strength provides us a strong platform for growth and flexibility for the future."

Year-to-Date Results

For the nine months ended September 30, 2008, revenue was \$5.36 billion, improved 6.1% from \$5.05 billion in the same period last year. Net income for the first nine months of 2008 was \$73.1 million, increased 45.5% from net income of \$50.3 million in the same period last year. Year-to-date, net income per diluted share was \$1.76, improved 43.1% when compared to \$1.23 per diluted share in the first nine months of 2007. For comparative purposes, net income for the first nine months of 2007 reflects the impact of the transition and integration of an acquired business to Owens & Minor.

Asset Management

For the third quarter of 2008, operating cash flow was \$45 million, increased when compared sequentially to the second quarter 2008, but decreased when compared to \$116 million in operating cash flow for the third quarter of 2007. As for the first nine months of 2008, operating cash flow was \$124 million, a decrease when compared to \$202 million for the same period last year. For comparative purposes, 2007 operating cash flow reflects the short-term impact on inventory and accounts receivable from the transition and integration of the acquired McKesson business. Long-term debt as of the end of the third quarter 2008 was \$209 million, decreased from long-term debt of \$231 million in the third quarter last year. Days sales outstanding (DSO) as of September 30, 2008, were 23.8 days, comparing favorably to DSO of 27.7 in the same period last year, while inventory turns of 10.3 for the third quarter of 2008 were improved from turns of 9.8 in the prior year third quarter.

Burrows Acquisition Update

On October 1, 2008, Owens & Minor acquired certain assets and liabilities of The Burrows Company, a privately held distributor of medical and surgical supplies to the acute-care market. The Burrows Company reported sales of \$603 million for the year ended December 31, 2007. The purchase price was \$23.7 million of cash, plus \$56.1 million of assumed debt, which was paid off on the acquisition date. In conjunction with this acquisition, Owens & Minor also entered into an agreement to purchase certain real estate used in the operation of this business. This transaction is expected to be completed by year-end 2008, and the purchase price is expected to be in the range of \$20 million.

2008 Outlook

"With our excellent performance so far this year and our success in strengthening relationships with our customers, we are continuing to target 2008 annual organic revenue growth in the 5% to 7% range," said Smith. "We also continue to target net income per diluted share for the year in a range of \$2.30 to \$2.40, which includes the expected dilution in the fourth quarter from the Burrows acquisition."

Information for Investors:

Management Conference Call & Supplemental Material

Conference Call: Owens & Minor management will conduct a conference call for professional analysts and investors on Tuesday, October 28, 2008, at 9:00 a.m. Eastern Daylight Time. Participants may access the live call at 877-748-0043 with

conference code #68468838. The international dial-in number is 706-758-5871 with conference code #68468838. Replay: A replay of the call will be available for seven days by dialing 800-642-1687, using conference code #68468838. Webcast: The event will also be webcast on www.owens-minor.com under "Investor Relations."

2008 Investor Day

Owens & Minor will hold its annual Investor Day for analysts and professional investors in New York at the Westin New York at Times Square on Wednesday, December 10, 2008. The event will feature presentations from the executive management team. Contact Owens & Minor Investor Relations at 804-723-7555 or truitt.allcott@owens-minor.com or chuck.graves@owens-minor.com for registration details.

Safe Harbor Statement

Except for historical information, the matters discussed in this press release may constitute forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected. These risk factors are discussed in reports filed by the company with the Securities & Exchange Commission. All of this information is available at www.owens-minor.com. The company assumes no obligation, and expressly disclaims any such obligation, to update or alter information, whether as a result of new information, future events, or otherwise.

Owens & Minor, Inc., (NYSE: OMI) a FORTUNE 500 company headquartered in Richmond, Virginia, is the leading distributor of national name-brand medical and surgical supplies and a healthcare supply-chain management company. Owens & Minor is also a member of the Russell 2000[®] Index, which measures the performance of the small-cap segment of the U.S. equity universe, as well as the S&P SmallCap 600, which includes companies with a market capitalization of \$300 million to \$2 billion that meet certain financial standards. With a diverse product and service offering and distribution centers throughout the United States, the company serves hospitals, integrated healthcare systems, alternate care locations, group purchasing organizations, the federal government and consumers. Owens & Minor provides technology and consulting programs that improve inventory management and streamline logistics across the entire medical supply chain--from origin of product to patient bedside. For news releases, or for more information about Owens & Minor, visit the company Web site at www.owens-minor.com.

