



Owens & Minor Reports Revenue of \$1.69 Billion, up 28% in 3rd Quarter 2007 & Positive Operating Cash Flow of \$116 Million

RICHMOND, Va.--(BUSINESS WIRE)--Oct. 22, 2007--Owens & Minor (NYSE:OMI) reported revenue of \$1.69 billion for the third quarter ended September 30, 2007, up 28% compared to revenue of \$1.32 billion for the third quarter last year, and also up slightly on a sequential basis from \$1.68 billion in the second quarter of 2007. Of the third quarter revenue growth, approximately \$249 million was associated with the acute-care distribution business acquired from McKesson Corporation on September 30, 2006. Earnings per diluted common share (EPS) for the third quarter 2007 were \$0.52, increased from \$0.36 in the 2006 third quarter, and also improved sequentially from \$0.45 per share in the second quarter of 2007. Net income for the third quarter rose to \$21.2 million, compared to net income of \$14.5 million in the same period last year. Third quarter net income also increased sequentially from \$18.3 million in the second quarter of this year.

"We made good progress this quarter with excellent revenue growth and strong operating cash flow," said Craig R. Smith, president & chief executive officer of Owens & Minor. "While we have been successful in integrating a significant amount of new business, our task in the coming months is to achieve further operating synergies from our expanded business."

Asset Management

Strong asset management trends, a hallmark of Owens & Minor, led to \$116 million in operating cash flow for the third quarter and \$202 million year-to-date, significantly exceeding the operating cash flow of negative \$10.8 million for the third quarter of 2006. As a result, total outstanding long-term debt at the end of the third quarter was \$231.1 million, marking the second consecutive quarter of significant debt reduction by the company. Third quarter days sales outstanding (DSO) were 29.5, up from DSO of 28 days as of June 30, 2007, and 27 days at the end of the third quarter of 2006. For the quarter, inventory turns were 9.8, improved from turns of 9.4 in the second quarter this year and 9.7 in the same period last year.

Year-to-Date Results

Year-to-date, revenue was \$5.1 billion, up 30.2%, compared to revenue of \$3.9 billion in the same period last year. Net income for the first nine months of 2007 was \$50.3 million, compared to net income of \$41.4 million for the same period in 2006. Diluted EPS for the first three quarters of 2007 was \$1.23, compared to \$1.03 in the same period last year.

2007 Outlook

For 2007, the company believes revenue growth will exceed 20% for the year. The company also now believes that diluted EPS for the fourth quarter of 2007 will be similar to third quarter 2007 results. The company cited upcoming moves and consolidations in its distribution network, slower-than-expected cost structure adjustments, and greater expenses associated with bringing on new customers as factors that will affect fourth quarter performance.

"The only constant we've seen this year is change," said Smith. "Through the third quarter, we have absorbed approximately 30% revenue growth, added hundreds of new customers and teammates and handled extraordinary volume in our distribution network. We expect that all of this change will lead to long-term benefits for Owens & Minor, but in the short term, it will require our continuing investment in order to ensure sustainable success."

Upcoming Investor Events
Conference Call Details

The company has scheduled a conference call for Tuesday, October 23, at 10:00 a.m. eastern daylight time to discuss the results. The live conference call may be accessed by calling 800-701-0719 with a passcode of 640-580-58#. The conference call (audio only) will also be available under the Investor Relations section of www.owens-minor.com. Pre-registration information: Participants are encouraged to pre-register for the call at <https://cossprereg.btc.com/prereg/key.process?key=P4XQJARBP>. Pre-registration is not mandatory, but is recommended, as it will expedite entry into the conference call. Pre-registrants are issued an individual pin number that provides immediate access to the live conference call. A replay of the call will be available for five days by calling 888-286-8010 with passcode #19201820.

Owens & Minor to Celebrate 125th Anniversary

In celebration of its 125th anniversary year, Owens & Minor will ring The Closing Bell® at the New York Stock Exchange on Wednesday, October 24, 2007, at 4:00 p.m. eastern daylight time. Members of the executive leadership team will perform the ceremonial duties.

2007 Investor Day

Owens & Minor will hold its annual Investor Day for analysts and professional investors at its Baltimore, MD facility on Wednesday, December 5, 2007. The event will feature presentations from the executive management team, as well as a tour of the company's new state-of-the-art, distribution facility located near BWI Airport. Contact Owens & Minor Investor Relations at 804-723-7555 for registration details.

Safe Harbor Statement

Except for the historical information contained herein, the matters discussed in this press release, and particularly in the above "outlook" section, may constitute forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected. These include the rate at which new business can be converted to the company, intense competitive pressures within the industry, the success of the company's strategic initiatives, changes in customer order patterns, pricing pressures, changes in government funding to hospitals and other healthcare providers, loss of major customers, Medicare reimbursement rates and other factors discussed from time to time in the reports filed by the company with the Securities and Exchange Commission. The company assumes no obligation to update information contained in this release.

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. 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 and the federal government. Owens & Minor provides technology and consulting programs that enable healthcare providers to maximize efficiency and cost-effectiveness in materials purchasing, improve inventory management and streamline logistics across the entire medical supply chain--from origin of product to patient bedside. The company also has established itself as a leader in the development and use of technology. For news releases, or for more information about Owens & Minor, visit the company Web site at www.owens-minor.com.

