



## Owens & Minor Reports Revenue of \$1.26 Billion and EPS of \$0.41 for 1st Quarter 2006; The Company Refinanced \$200 Million of Debt Early in the 2nd Quarter

RICHMOND, Va.--(BUSINESS WIRE)--April 19, 2006--Owens & Minor (NYSE:OMI) reported today that first-quarter revenue improved 5.7% to \$1.26 billion for the quarter ended March 31, 2006, compared to revenue of \$1.19 billion in the first quarter of 2005. Net income for the quarter was \$16.5 million, up 3.7%, compared to net income of \$15.9 million in the first quarter last year. Diluted earnings per share (EPS) for the first quarter 2006 were \$0.41, improved from diluted EPS of \$0.40 in the previous year's first quarter. Pre-tax earnings for the quarter were negatively affected by approximately \$1.3 million, resulting from the expensing of equity-based compensation associated with the implementation of a new accounting standard and one-time costs from the company's relocation to its new headquarters.

"Our first quarter results are on target with our plan and reflect strong overall performance with productivity gains in our field operations and solid asset management," said Craig R. Smith, president & chief executive officer of Owens & Minor. "We are pleased with our first quarter and are well-positioned for the year."

Subsequent to the end of the quarter, on April 7, 2006, the company closed its offering of \$200 million in 6.35% Senior Notes due 2016. The proceeds, together with available cash, were used to purchase the company's then-outstanding \$200 million of 8 1/2% Senior Subordinated Notes due 2011. In second quarter 2006, the company expects to report a one-time charge of an estimated \$11.5 million for expenses related to the early retirement of debt.

### Other First Quarter 2006 Results

For the first quarter 2006, operating earnings were \$30.4 million, or 2.4% of revenue, compared to operating earnings of \$29.6 million, or 2.5% of revenue in the first quarter of 2005. Gross margin was 10.8% of revenue in the first quarter, improved from 10.5% in the prior year quarter. Selling, general & administrative expense (SG&A) was 8.0% of revenue, compared to 7.9% in the first quarter of 2005. SG&A results reflect the expensing of equity-based compensation and most of the one-time expenses associated with the company's move to its new headquarters. Gross margin and SG&A results were affected by contributions from the company's direct-to-consumer effort, which has a higher gross margin and expense profile than the acute-care distribution business.

### Asset Management

The company reported continuing strong asset management, resulting in operating cash flow of \$21.6 million for the first quarter of 2006. Days sales outstanding as of March 31, 2006 were 25.5, compared to 24.4 in the prior year quarter. Inventory turns for the quarter were 10.3, unchanged compared to the first quarter one year ago.

### 2006 Outlook

The company anticipates that it will report revenue growth in the 6 to 8% range, and diluted EPS in a range of \$1.75 to \$1.80, excluding an estimated \$11.5 million, one-time, second-quarter charge resulting from expenses related to the company's early retirement of debt.

#### Recent Highlights

Owens & Minor Receives Investment Grade Rating from Fitch Ratings

Owens & Minor received an investment grade rating of "BBB-" from Fitch Ratings for its offering of \$200 million in Senior Notes due 2016. Owens & Minor was assigned an investment grade rating of "BBB-" from Standard & Poor's for these notes, consistent with its existing corporate credit rating, along with a rating of "Ba2" from Moody's.

### Owens & Minor Completes Offering of \$200 million of 6.35% Senior Notes due 2016

Subsequent to the end of the quarter on April 7, 2006, Owens & Minor completed a public offering of \$200 million of 6.35% Senior Notes due 2016. The company used the proceeds, as well as available cash, to fund its tender offer for its then-outstanding \$200 million 8 1/2% Senior Subordinated Notes due 2011.

## 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, the federal government and consumers. 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](http://www.owens-minor.com).

## Conference Call Details

Owens & Minor will conduct a conference call on Thursday, April 20, 2006 at 8:30 a.m. Eastern Time to discuss first quarter 2006 financial results. The phone number for the Owens & Minor conference call is 800-901-5241 with passcode "Owens & Minor." The call will also be available by replay for five days by calling 888-286-8010, with access code: 29735579. The call will also be webcast for 21 days through [www.owens-minor.com](http://www.owens-minor.com) under the Investor Relations section.

