



## Owens & Minor Reports 1st Quarter 2010 Financial Results

### O&M Reports Approximately \$140 Million in Cash Flow from Continuing Operations

RICHMOND, Va., Apr 26, 2010 (BUSINESS WIRE) --Owens & Minor (NYSE:OMI) today reported financial results for the first quarter ended March 31, 2010, including quarterly revenue of \$1.97 billion, an increase of 1.1%, when compared to revenue of \$1.95 billion in the first quarter last year. Income from continuing operations for the quarter was \$27.8 million, or \$0.44 per diluted share, improved 24.4% from \$22.4 million, or \$0.36 per diluted share, in the comparable period of 2009. As a result of the company's three-for-two stock split, effected on March 31, 2010, all per share amounts are reported on a post-split basis, and the company now has approximately 63 million common shares outstanding.

For the first quarter of 2010, net income was \$27.8 million, or \$0.44 per diluted share, compared to net income of \$14.0 million, or \$0.22 per diluted share, in the same period last year. For purposes of comparison, results from discontinued operations for the first quarter of 2009 reflect the January 2009 sale of certain assets of the company's direct-to-consumer diabetes supply (DTC) business and losses of \$8.4 million, or \$0.14 per diluted share (on a post-split basis), resulting from pre-tax charges associated with exiting the business. Results from discontinued operations had no impact on first quarter 2010 financial results.

"Our results for the first quarter demonstrated strength in asset management and discipline in expense control," said Craig R. Smith, president & chief executive officer of Owens & Minor. "However, we believe our first quarter revenue results were affected by weakness in the utilization of healthcare services. We remain focused on executing our plan for the year and continuing to provide our customers with award-winning supply-chain management services."

### Asset Management

For the first quarter of 2010, the company reported cash provided by operating activities of continuing operations of \$139.5 million compared to \$83.1 million in last year's first quarter. Cash provided by discontinued operations was negligible compared to last year's first quarter of \$77.1 million, which included \$63 million received from the sale of certain assets of the DTC business. The balance of cash and cash equivalents was \$146.4 million at March 31, 2010, increased from \$96.1 million at the end of 2009. Long-term debt, as of March 31, 2010, was approximately \$208 million, essentially unchanged from year-end. Days sales outstanding (DSO) were favorable at 20.5, as of March 31, 2010, improved from the prior year's DSO of 23.6 days, and improved from DSO of 21.4 days as of December 31, 2009. Inventory turns were 10.6 compared to 10.3 for the same period last year.

### 2010 Outlook

"At this early stage in the year, our guidance for 2010 remains unchanged," said Smith. As a result of the recent three-for-two stock split, the equivalent earnings per share range is \$1.93 to \$2.03.

The 2010 outlook is based on certain assumptions that are subject to the risk factors discussed in the company's filings with the Securities & Exchange Commission.

### Highlights

- Owens & Minor was ranked #283 in the 2010 FORTUNE 500, improving from a previous ranking of #339.
- Owens & Minor was named to Fortune Magazine's list of the World's Most Admired Companies, ranking #2 on its industry list, representing an improvement from #5 in the previous year's rankings.
- Owens & Minor was named the winner of the 2010 UHC/Novation Service Excellence Award - Distributor of the Year by the University HealthSystem Consortium (UHC). UHC presents the award to the distributor that provides exceptional support and commitment in helping hospital members meet their supply chain goals.
- Owens & Minor was named *Distributor of the Year* by the Global Healthcare Exchange, LLC (GHX) in the GHXcellence Awards for achievements in improving supply chain performance.
- The company will hold its Annual Shareholders' Meeting on Friday, April 30, 2010, at its Home office in Mechanicsville, VA, at 10:00 a.m. The event will be webcast via [www.owens-minor.com](http://www.owens-minor.com).
- Owens & Minor intends to participate in the following investor conferences during the second quarter:
  - Deutsche Bank Securities 35<sup>th</sup> Annual Healthcare Conference; May 3 - Boston
  - Bank of America Merrill Lynch 2010 Healthcare Conference; May 11 - NYC

- o UBS Access Healthcare Supply Chain One-on-One Conference; May 20 - NYC
- o Citi Investment Research 2010 Global Healthcare Conference; May 27 - NYC
- o Thomas Weisel Baltimore One-on-One Conference; May 27 - Baltimore
- o 31<sup>st</sup> Annual Goldman Sachs Global Healthcare Conference; June 15 - Los Angeles

## Investors Conference Call & Supplemental Material

**Conference Call:** Owens & Minor will conduct a conference call for investors on Tuesday, April 27, 2010, at 8:30 a.m. Eastern Time. **Participants may access the call** at 877-748-0043 with access code #66560327. The international dial-in number is 706-758-5871 with access code #66560327. **Webcast:** A webcast of the call, along with supplemental information, will be available on [www.owens-minor.com](http://www.owens-minor.com) under "Investor Relations." **Replay:** A replay of the call will be available for three weeks by dialing 800-642-1687, using access code #66560327.

## 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](http://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 a leading national distributor of name-brand medical and surgical supplies and a healthcare supply-chain management company. Owens & Minor is also a member of the Russell 2000<sup>®</sup> Index, which measures the performance of the small-cap segment of the U.S. equity universe, as well as the S&P MidCap 400, which includes companies with a market capitalization of \$750 million to \$3.3 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, and the federal government. 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](http://www.owens-minor.com).

## Information on [www.Owens-Minor.com](http://www.Owens-Minor.com)

Owens & Minor uses its Web site as a channel of distribution for material company information, including news releases, investor presentations and financial information. This information is routinely posted and accessible under Investor Relations at [www.owens-minor.com](http://www.owens-minor.com).



SOURCE: Owens & Minor Inc.

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