



Owens & Minor Reports Strong 2009 Financial Results

O&M Demonstrates Improvement in 4th Quarter 2009 Revenue & Operating Earnings

RICHMOND, Va., Feb 08, 2010 (BUSINESS WIRE) -- Owens & Minor (NYSE-OMI) today reported financial results for the fourth quarter ended December 31, 2009, including quarterly revenue of \$2.04 billion, increased 4.2% when compared to revenue of \$1.96 billion in the fourth quarter of 2008. Income from continuing operations for the quarter improved 16.9% to \$32.0 million, or \$0.76 per diluted share, compared to \$27.4 million, or \$0.66 per diluted share, for the same period last year. Net income for the fourth quarter increased 60.1% to \$32.3 million, or \$0.77 per diluted share, when compared to net income of \$20.2 million, or \$0.49 per diluted share, in the fourth quarter of 2008.

"Thanks to the hard work and dedication of everyone on our team, we ended 2009 with improvement in nearly every key measurement when compared to last year's fourth quarter," said Craig R. Smith, president & chief executive officer of Owens & Minor. "Throughout 2009, our teammates turned in a strong performance in managing through a major acquisition, onboarding a significant amount of new business, completing our mainframe migration project, and installing automation equipment and voice-pick technology in many of our distribution centers. Together, we accomplished all of this without losing our collective focus on serving our customers, achieving operational excellence and advancing our strategic initiatives."

2009 Full Year Results

For the year ended December 31, 2009, revenue was \$8.04 billion, increased 11.0% from revenue of \$7.24 billion in 2008. Income from continuing operations for the full year was \$116.9 million, or \$2.79 per diluted share, increased 15.4% compared to \$101.3 million, or \$2.44 per diluted share, in 2008. For 2009, net income increased 12.1% to \$104.7 million, or \$2.50 per diluted share, when compared to net income of \$93.3 million, or \$2.25 per diluted share, for the same period last year.

"We are very pleased that our annual results, even when excluding the positive impact of the credit for the third quarter LIFO provision and considering the challenging business environment in 2009, are well within the guidance ranges we provided for 2009," said Smith.

Results from discontinued operations reflect the January 2009 sale of certain assets of the company's direct-to-consumer diabetes supply (DTC) business and losses resulting primarily from pre-tax charges associated with exiting the business. The loss from discontinued operations in 2009 was \$12.2 million, or \$0.29 per diluted share, compared to a loss in 2008 of \$7.9 million, or \$0.19 per diluted share. Results for 2009 and 2008 also reflect the impact of the October 2008 acquisition of certain assets and liabilities of The Burrows Company and the resulting transition of the business to Owens & Minor during 2009.

Asset Management

For the year, operating cash flow from continuing operations was \$165.3 million, an increase when compared to \$62.9 million last year. Cash provided by discontinued operations for the same period was \$73.3 million, including \$63.0 million received in January 2009 from the sale of certain assets of the DTC business. As of the end of 2009, long-term debt was approximately \$208 million, compared to long-term debt of approximately \$359 million at the end of 2008. Days sales outstanding (DSO) were very favorable at 21.4 days, improved when compared to DSO of 24.5 days last year. Inventory turns were 10.6, compared to turns of 10.9 for the same period last year.

2010 Outlook

"Based on historical trends, we believe that we will pick up momentum during the course of 2010, as we gain leverage from our strategic investments and begin realizing further improvements in operating margin," said Smith. "For the year, we are targeting revenue growth in a range of 4% to 6% compared to 2009, and income per diluted share in a range of \$2.90 to \$3.05."

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

- The Owens & Minor board of directors on February 8, 2010, approved a 15% increase in the first quarter 2010 dividend. The first quarter 2010 dividend of \$0.265 per share is payable on March 31, 2010, to shareholders of record as of March 15, 2010.
- Owens & Minor will participate in the UBS 20th Annual Global Healthcare Services Conference in New York. Owens & Minor is scheduled to present to investors on Wednesday, February 10, 2010, at 8:30 a.m. EST. A webcast of the event will be available on the company's website at www.owens-minor.com.
- Owens & Minor is participating in Haiti relief efforts on a variety of fronts, including donations of medical supplies and products to a wide range of relief organizations. Through its contracts with the U.S. Department of Defense, Owens & Minor has supplied various military units with vital medical and surgical supplies. Finally, Owens & Minor is making a donation to the American Red Cross and is matching its teammates' donations to that organization.

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 a 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 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.

Investors Conference Call & Supplemental Material

Conference Call: Owens & Minor will conduct a conference call for investors on Tuesday, February 9, 2009, at 8:30 a.m. ET. **Participants may access the call** at 877-748-0043 with access code #51942770. The international dial-in number is 706-758-5871 with access code #51942770. **Webcast:Replay:** A replay of the call will be available for three weeks by dialing 800-642-1687, using access code #51942770.

A listen-only **webcast of the call, along with supplemental information**, will be available on www.owens-minor.com under "Investor Relations." 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 the Investor Relations section.



SOURCE: Owens & Minor Inc.

Owens & Minor

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