



Owens & Minor Releases 2nd Quarter 2011 Financial Results; Company Reports 5.5% Quarterly Revenue Growth

OMI refines financial guidance for 2011

RICHMOND, Va., Jul 25, 2011 (BUSINESS WIRE) --

[Owens & Minor, Inc.](#), (NYSE:OMI) today reported financial results for the second quarter ended June 30, 2011, including quarterly revenue of \$2.13 billion, improved 5.5% from revenue of \$2.02 billion for the second quarter last year. For the second quarter of 2011, net income was \$29.2 million, or \$0.46 per diluted share, compared to \$29.5 million, or \$0.46 per diluted share for the same period of 2010.

"Our second quarter was characterized by solid revenue growth, as we experienced a continuation of stronger purchasing trends from our healthcare customers," said Craig R. Smith, president & chief executive officer of Owens & Minor. "Armed with prestigious customer awards for service and operational excellence, as well as the CIO 100 award for operational and strategic excellence in information technology, we look forward to providing our innovative and exceptional service to the market as we finish out the year."

Operating earnings for the second quarter of 2011 were \$51.0 million, or 2.39% of revenues, a slight decline when compared to operating earnings of \$52.2 million, or 2.58% of revenues, in the second quarter last year. The change in quarterly operating earnings was driven primarily by increased selling, general & administrative expenses (SG&A) resulting from serving business growth.

Year-to-Date Results

For the six months ended June 30, 2011, revenue was \$4.26 billion, an improvement of nearly \$266 million, or 6.7%, when compared to revenue of \$3.99 billion for the first six months of 2010. Net income for the first half of 2011 was \$57.9 million, or \$0.91 per diluted share, improved \$0.6 million, when compared to net income of \$57.3 million, or \$0.91 per diluted share, in the same period last year. Operating earnings for the year-to-date period were \$102.0 million, or 2.40% of revenues, an increase of less than \$1 million when compared to operating earnings of \$101.3 million, or 2.54% of revenues for the same period in the prior year.

Asset Management

The balance of cash and cash equivalents was \$159.2 million at June 30, 2011, unchanged from December 31, 2010. For the first six months of 2011, cash used for operating activities was \$34.5 million, compared to cash provided by operating activities of \$183.1 million for the same period last year. Total interest-bearing debt as of June 30, 2011, was \$214 million, increased slightly when compared to \$211 million as of December 31, 2010. Days sales outstanding (DSO) were 20.6 days, compared to 19.8 days at the end of the prior year's second quarter. Inventory turns were 10.4, compared to turns of 10.6 for the same period last year.

2011 Outlook

After considering year-to-date 2011 financial and operational results, the company refined its financial guidance for the full year.

"Based on our performance in the first six months of 2011, we are increasing our targeted revenue growth for 2011 to a range of 4% to 6% when compared to 2010, and we believe that net income per diluted share for the full year will be near the lower end of the original range provided of \$1.95 to \$2.10," said Smith.

The 2011 outlook is based on certain assumptions that are subject to the risk factors discussed in the company's filings with the Securities & Exchange Commission.

Recent Highlights

- Owens & Minor and Amsino Medical Group (Amsino), a privately held healthcare products developer and manufacturer, have entered into an agreement to establish a joint venture designed to provide sourcing services for Owens & Minor's private label offering. In an agreement dated July 24, 2011, Owens & Minor, as the majority partner, will provide initial start-up capital to establish the newly formed entity. Responsibilities of the joint venture will include manufacturer identification and qualification, regulatory compliance, quality assurance, and logistics and shipping management. Owens & Minor believes that with this further expansion of its private label sourcing capabilities, it will improve service, quality and value for its private-label product customers. Amsino has provided high-value medical products to the U.S. and global markets since 1993, and has facilities in China. Consummation of the agreement is subject to certain conditions.
- During the second quarter, Owens & Minor was named as a recipient of the 2011 CIO 100 award. The 24th annual award program, produced each year by *CIO* magazine, recognizes organizations around the world that exemplify the highest level of operational and strategic excellence in information technology. The theme of this year's CIO 100 was "innovation for business growth."
- In June 2011, Owens & Minor was honored by the Premier healthcare alliance with two distinctions, the [Polaris Award](#) for quality service, high focus on customer relationships and exceptional customer service, and the [Pinnacle Award](#), which is awarded by the Premier membership for outstanding management of contracts and for providing clinical and financial value to members of Premier. Owens & Minor is the first Premier provider to win these two awards in three consecutive years.
- During the third quarter, Owens & Minor intends to participate in the following investor conferences:
 - Robert W. Baird 2011 Healthcare Conference - September 8, 2011, New York
 - Stifel, Nicolaus & Company Healthcare Conference - September 8, 2011, Boston

Investors' Conference Call & Supplemental Material

Owens & Minor management will conduct a conference call to discuss the second quarter financial results on Tuesday, July 26, 2011, at 8:30 a.m. EDT. The access code for the conference call, international dial-in, and replay is #79573958. Participants may access the call at 877-748-0043. The international dial-in number is 706-758-5871. A replay of the call will be available for three weeks by dialing 800-642-1687. A webcast of the call, along with supplemental information, will be available on www.owens-minor.com under "Investor Relations."

Information on www.Owens-Minor.com

Owens & Minor uses its website, www.owens-minor.com, 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.

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 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[®] 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 \$1 billion to \$4.4 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 site 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 website at www.owens-minor.com.



SOURCE: Owens & Minor, Inc.

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