



Owens & Minor Reports 1st Quarter 2011 Financial Results

O&M's quarterly revenue increases 7.8%

RICHMOND, Va., Apr 25, 2011 (BUSINESS WIRE) -- Owens & Minor, Inc. (NYSE:OMI) today reported financial results for the first quarter ended March 31, 2011, including quarterly revenue of \$2.12 billion, an increase of 7.8% when compared to revenue of \$1.97 billion in the first quarter last year. For the first quarter of 2011, net income was \$28.7 million, or \$0.45 per diluted share, compared to net income of \$27.8 million, or \$0.44 per diluted share, for the same period last year.

"We are off to a solid start in 2011 with revenue growth resulting from both new business and increased sales to our existing customers," said Craig R. Smith, president & chief executive officer of Owens & Minor. "We are also pleased that, as planned, OM HealthCare Logistics, our third-party logistics business, officially began in April to serve its new customer, CareFusion (NYSE- CFN), with warehousing, distribution and transportation services."

Operating earnings for the first quarter of 2011 were \$51.0 million, or 2.4% of revenues, increased 3.8% from operating earnings of \$49.2 million, or 2.5% of revenues, in the same period of 2010. Operating earnings were positively affected by greater distribution and fee-for-service revenues, offset somewhat by additional expenses necessary to serve business growth, an increase in the last-in, first-out (LIFO) provision, and increased delivery costs.

Asset Management

The balance of cash and cash equivalents was \$186 million at March 31, 2011, increased from \$146 million at March 31, 2010, and \$159 million at December 31, 2010. For the first quarter of 2011, the company reported cash provided by operating activities of approximately \$50 million compared to \$139 million in last year's first quarter. Total debt, as of March 31, 2011, was approximately \$211 million essentially unchanged from year-end. Days sales outstanding (DSO) were 21.1 days as of March 31, 2011, increased from DSO of 20.5 days at the end of the prior year first quarter. Inventory turns were 10.7, improved slightly when compared to inventory turns of 10.6 for the same period last year.

2011 Outlook

The company reaffirmed its financial guidance for 2011, which remains unchanged since it was provided at the company's December 2010 Investor Day.

"At this stage in the year, we continue to target revenue growth in a range of 3% to 5% for 2011, when compared to 2010, and net income per diluted share in a range 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.

Highlights

- The company will hold its Annual Shareholders' Meeting on Friday, April 29, 2011, at its Home Office in Mechanicsville, Va., at 10:00 a.m. EDT. The event will be webcast via www.owens-minor.com.
- Owens & Minor intends to participate in the following investor conferences during the second quarter:
 - Deutsche Bank Securities 36th Annual Healthcare Conference; May 4 - Boston
 - Bank of America Merrill Lynch 2011 Healthcare Conference; May 11 - Las Vegas
 - 32nd Annual Goldman Sachs Global Healthcare Conference; June 8 - Rancho Palos Verdes
 - Jefferies 2011 Global Healthcare Conference; June 8 - New York

Investors Conference Call & Supplemental Material

Conference Call: Owens & Minor will conduct a conference call for investors on Tuesday, April 26, 2011, at 8:30 a.m. EDT.

Participants may access the call at 877-748-0043 with access code **#58058983**. The international dial-in number is 706-758-5871 with access code **#58058983**. **Webcast:** A webcast of the call, along with supplemental information, will be available on 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 **#58058983**.

Information on www.Owens-Minor.com

Owens & Minor uses its website 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.

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

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