



2003 Annual Report



Improving Patient Care Through Operational Efficiency

Dear Stockholders, Customers, and Employees,

Omnicell's success in 2003 is reflected in improved financial results and increased shareholder value.

New customer contracts, testimonials, and introduction of innovative products helped us secure our market position as the nation's leading provider of end-to-end solutions with 29,011 medication and supply dispensing systems at 1,450 healthcare facilities worldwide installed since inception. At the same time, shareholder value reached new highs. These accomplishments reflect the dedication and commitment of our employees, who are also stockholders in our company.

This past year we focused our efforts on operational improvements, allowing us to post record financial results and enter fiscal 2004 with a robust product roadmap and an accomplished management team committed to continued improvement in operational efficiency and growth.

During 2003, we secured major contracts with some of the nation's most respected healthcare institutions and purchasing networks. In May, Omnicell won a dual-source agreement with AmeriNet, Inc. to provide patient safety solutions for more than 1,800 hospitals and 16,000 non-acute members. In June, we signed our largest-ever sole-source contract with the Sisters of Mercy Health System, an integrated delivery network with hospitals in four states.

In July, Rush-Presbyterian-St. Luke's Medical Center announced it would expand its use of OmniBuyer®, our Web-based procurement application, from the cath lab to all departments. In October, M.D. Anderson, chosen in 2003 as the nation's top cancer hospital, purchased Omnicell PharmacyCentral to automate pharmacy operations that support 60,000 patients annually. It marked our 20th installation of Omnicell PharmacyCentral, making us the nation's leader in automated pharmacy retrieval systems.

As we moved into the fourth quarter, HealthTrust Purchasing Group (HPG) signed a three-year multi-source agreement with Omnicell to offer our full scope of solutions for the medication-use process and the medical-surgical supply chain—including medication and supply dispensing, automated pharmacy retrieval, and bar code medication packaging—to HPG's 700 acute care hospitals and 300 non-acute members nationwide.

In an independent national preference survey, nurses chose Omnicell's patient safety approach in 15 of 17 categories over our competitors. Those results are a reflection of our continued focus on the needs of nurses and their patients. Toward that end, we introduced major upgrades to SafetyMed™ RN, our mobile nursing workflow automation system, including features for tracking supplies used at the bedside. Omnicell 8000, introduced in December, advanced patient safety with features that minimize the opportunity for human error and enhance nursing and pharmacy efficiency, thus allowing more time for direct patient care activities. The release of SafetyMed MD, a system designed to automate physician rounds, introduced another innovative patient safety solution to the marketplace.

In August, Omnicell purchased BCX Technology, Inc., the nation's leading provider of open supply management solutions, providing us with more solutions to automate supply chain management. With BCX, a pioneer in open supply management, Omnicell now has a robust solution to address the needs of an emerging segment of the market. BCX product line extensions have added BCX inventory management technology to cath labs and operating rooms across the nation.

As the year ended, evidence of how Omnicell is living up to its potential was everywhere, from record share price and increased presence at trade shows for hospital pharmacists, nurses, information technology specialists and materials managers to customer testimonials in key healthcare publications.

As 2004 begins, we are well positioned to increase our share of every market segment in which we compete, taking a leadership role in providing integrated, end-to-end patient safety solutions for the medication-use process and supply chain management.

We thank our stockholders, customers, employees, and partners for your continued confidence in Omnicell.

Sincerely,



Randall A. Lipps
Chairman, President, and Chief Executive Officer

BOARD OF DIRECTORS

Randall A. Lipps

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President and Chief Executive Officer
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Medical Device Companies

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Dan S. Johnston

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General Counsel

STOCKHOLDER INFORMATION

Investor Relations

For further information about the company,
additional copies of this report, Forms 10-K
and 10-Q, or other published corporate
information, contact:

Investor Relations
Omnicell, Inc.
1201 Charleston Road
Mountain View, CA 94043
(800) 850-6664

You may also contact us by sending an
e-mail to info@omnicell.com or by visiting
the Investor Relations section of the
company's Web site at www.omnicell.com.

TRANSFER AGENT

EquiServe Trust Company

150 Royall Street
Canton, MA 02021
(781) 575-3400

INDEPENDENT AUDITORS

Ernst & Young LLP

San Jose, CA

LEGAL COUNSEL

Cooley Godward LLP

Palo Alto, CA

Notice of Annual Meeting

May 20, 2004, 2:00 PM Pacific
Omnicell, Inc.
Corporate Headquarters
1201 Charleston Road
Mountain View, CA 94043

^[1] Member of Audit Committee
^[2] Member of Compensation Committee
^[3] Member of Governance Committee

Omnicell, Inc.

1201 Charleston Road
Mountain View, California 94043-1337

(800) 850-6664

www.omnicell.com

