



**Teamwork:**  
Success starts with  
the Fundamentals.

# OWENS & MINOR

*Greg F. [unclear]*  
*Jose Valden*  
*Erika J. Davis*  
*Jose Alex*  
*Mike Lowry*  
*Patricia Matijevic*  
*Chuck Barnes*  
*Brian J. MacAlister*  
*Richard F. Boyard*  
*Jim [unclear]*

*Tom L. Bin*  
*A. C. Curtis*  
*Clara Y. Dow*  
*Craig Smith*  
*Jeff Hampton*  
*Robert Doyas*

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 HILLERICH & BRADSBY CO.  
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*Y. Palmer Minor*

**2008**  
ANNUAL REPORT  
& FORM 10-K

## Company Stats 2008

Owens & Minor, Inc., a FORTUNE 500 company headquartered in Richmond, Virginia, is a leading distributor of medical and surgical supplies to the acute-care market, and a well-known provider of healthcare supply-chain management solutions. Revenues for Owens & Minor topped \$7.2 billion in 2008, resulting from solid organic growth and a strategic acquisition in the final quarter of the year. Over time, this faster-than-industry growth rate has helped to solidify the company's market-leading position.

With the help of 5,300 teammates nationwide, Owens & Minor serves hospitals, integrated healthcare systems, alternate care locations, and the federal government with diverse product and service offerings. Working from its distribution centers located strategically around the country, Owens & Minor leverages its operational efficiency, technology innovation and advanced supply-chain management services, enabling healthcare providers to improve efficiency and lower cost across the entire medical supply chain.



Founded in Richmond in 1882, Owens & Minor's mission, vision and values provide fundamental support for a culture that places a premium on customer-service excellence, teammate well-being, shareholder value, business integrity and social responsibility. In support of their communities, teammates throughout the company volunteer for a wide range of community service organizations.

With a 126-year history of serving customers, Owens & Minor has always dedicated itself to delivering long-term value to shareholders, and has paid dividends consistently since 1930.

Conservative business practices, along with solid operating performance, have enabled the company to produce an 88% total return over the last five years for its shareholders.

Today, Owens & Minor's common shares are traded on the New York Stock Exchange under the symbol OMI. As of December 31, 2008, there were approximately 41,441,000 common shares outstanding. For more information, visit the company's Web site at [www.owens-minor.com](http://www.owens-minor.com).

| Mission  | Vision   | Values  |
|--|--|---|
| <p>To create consistent value for our customers and supply-chain partners that will maximize shareholder value and long-term earnings growth; we will do this by managing our business with integrity and the highest ethical standards, while acting in a socially responsible manner with particular emphasis on the well-being of our teammates and the communities we serve.</p> | <p>To be a world class provider of supply-chain management solutions to the selected segments of the healthcare industry we serve.</p> | <p>We believe in high integrity as the guiding principle of doing business.</p> <p>We believe in our teammates and their well-being.</p> <p>We believe in providing superior customer service.</p> <p>We believe in supporting the communities we serve.</p> <p>We believe in delivering long-term value to our shareholders.</p> |

# Financial Highlights

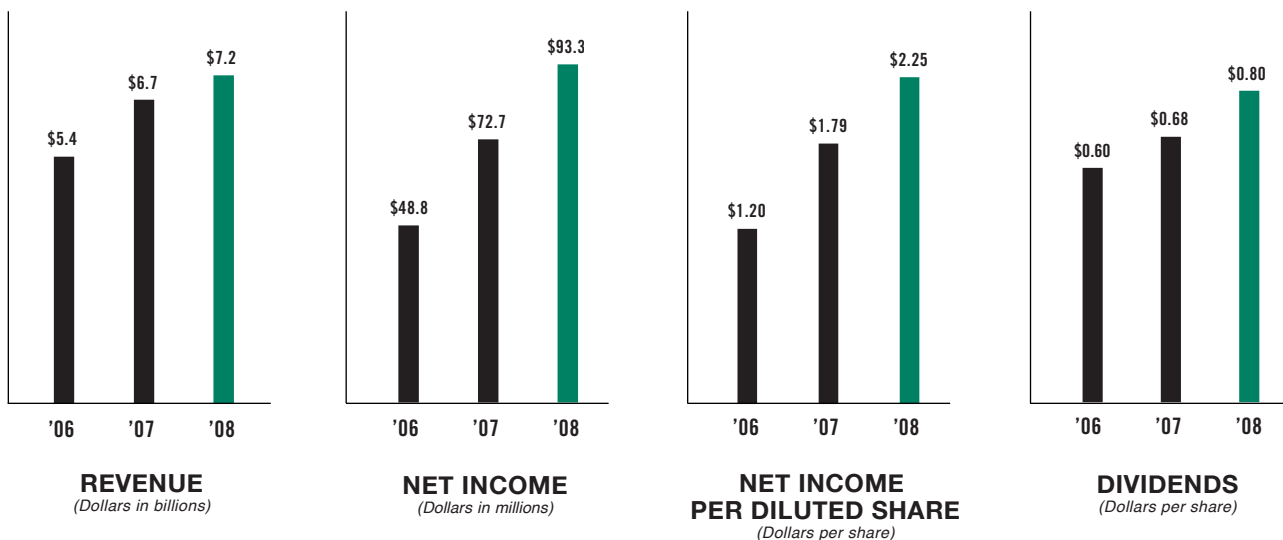
(in millions, except per share data)

Percent Change

| Year ended December 31, <sup>(1) (2)</sup>             | 2008             | 2007      | 2006      | '08/'07 | '07/'06 |
|--|------------------|-----------|-----------|---------|---------|
| Revenue  | <b>\$7,243.2</b> | \$6,694.6 | \$5,441.3 | 8.2%    | 23.0%   |
| Income from continuing operations                      | <b>\$101.3</b>   | \$71.4    | \$54.0    | 41.8%   | 32.4%   |
| Income (loss) from discontinued operations, net of tax | <b>(\$7.9)</b>   | \$1.3     | (\$5.2)   | NM      | NM      |
| Net income   | <b>\$93.3</b>    | \$72.7    | \$48.8    | 28.4%   | 49.1%   |
| Income (loss) per share - diluted:                     |                  |           |           |         |         |
| Continuing operations                                  | <b>\$2.44</b>    | \$1.76    | \$1.33    | 38.6%   | 32.3%   |
| Discontinued operations                                | <b>(\$0.19)</b>  | \$0.03    | (\$0.13)  | NM      | NM      |
| Net income per common share - diluted                  | <b>\$2.25</b>    | \$1.79    | \$1.20    | 25.70%  | 49.2%   |
| Cash dividends per common share                        | <b>\$0.80</b>    | \$0.68    | \$0.60    | 17.7%   | 13.3%   |
| Book value per common share at year-end                | <b>\$16.63</b>   | \$15.03   | \$13.60   | 10.7%   | 10.5%   |
| Stock price per common share at year-end               | <b>\$37.65</b>   | \$42.43   | \$31.27   | (11.3%) | 35.7%   |
| Total assets   | <b>\$1,776.2</b> | \$1,528.0 | \$1,697.0 | 16.6%   | (10.0%) |
| Long-term debt   | <b>\$359.2</b>   | \$283.8   | \$433.1   | 26.6%   | (34.5%) |
| Shareholders' equity                                   | <b>\$689.1</b>   | \$614.4   | \$547.5   | 12.2%   | 12.2%   |

1) During the fourth quarter of 2008, the company committed to plans to exit its direct-to-consumer business (the "DTC business"), thereby meeting criteria for classification of discontinued operations in accordance with generally accepted accounting principles. Accordingly, results from the DTC business are presented as results for discontinued operations for all periods presented. For additional information regarding discontinued operations, see Note 4 of "Notes to Consolidated Financial Statements."

2) NM - Percent change is not meaningful.



## To Our Shareholders

### Dear Shareholders, Teammates and Friends:

**T**he year 2008 was a fast-paced and profitable one for Owens & Minor, even though the overall economy experienced unprecedented volatility and history-making change. Despite these challenges, we continued to expand our business with strong organic growth, the addition of important new customers, and the strategic acquisition of certain assets of The Burrows Company, a hospital supply company based in Chicago. We have always believed that our close relationships with our customers, supported by our supply-chain management services and technology-based programs, have enabled us to grow faster than our market sector. Today, more than ever, our healthcare provider customers are asking for our value-added programs and services and our supply-chain management expertise as they seek ways to deliver efficient, cost-effective patient care.

As I travel around the country meeting with hospital customers and our supplier partners, I am convinced that our strategic vision of creating efficiency and productivity in the supply chain is valued by all the major stakeholders in the healthcare supply chain. Our mission is to collaborate with our customers and suppliers, helping them with cost-saving solutions and efficiency measures that truly improve the healthcare supply chain. We provide solutions as wide-ranging as storeroom and warehouse redesigns, data management tools, clinical supply-chain management solutions, outsourcing and warehousing. These solutions have a common theme - they improve transparency and visibility into the supply chain, enabling healthcare providers and suppliers to more effectively manage inventories, purchasing patterns and cash flow.

In the fourth quarter of 2008, we completed the Burrows acquisition and began the process of converting these customers to our systems, platforms and facilities. This Midwest-based business is a good strategic fit for Owens & Minor, and we welcome these new customers. The





transition of this business requires a focused, intensive effort, and fortunately for Owens & Minor, our transition team wrote the playbook for phased conversions of this type. By collaborating with teams in the field, at the Home Office, and with the new customers, the transition team is scheduled to conclude this large-scale transition by the end of the second quarter 2009.

Also, in the fourth quarter, we chose to recommit ourselves to a business-to-business model for the customers we serve, making the decision to exit the direct-to-consumer diabetes supply market. When we purchased the direct-to-consumer business in 2005, we believed that this consumer-oriented effort would ultimately support the company in revenue growth and margin enhancement. However, as our strategic initiatives evolved, it became apparent that opportunities were developing in adjacent markets, as our hospital customers began pursuing non-acute-care ventures, such as free-standing surgery centers and physician practices.

Reflecting on 2008, we continued to invest in our people, our infrastructure, and our new strategic initiatives. For example, we introduced automation equipment into our distribution centers and we developed a comprehensive clinical inventory management service. At the same time, we



## To Our Shareholders (continued)

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focused every day on meeting our long-term financial, cultural, customer and shareholder goals. I firmly believe our performance in 2008 demonstrates that our long-term dedication to customer service, teamwork and conservative business practices works to our advantage. We believe the best course for us is to continue investing in our business, allowing us to grow profitably, while still providing our customers with exceptional supply-chain management solutions.

During 2008, we grew our top line by 8% to \$7.2 billion. Our revenue growth benefited from the Burrows acquisition and our ability to expand our relationships with existing customers. We reported record net income of \$93 million. Income from continuing operations was \$101 million, increased nearly 42% for the year. We generated \$63 million in operating cash flow during 2008, even after the Burrows acquisition and investments made to accommodate competitive new business signed in late 2008. Long-term debt as of the end of the year was \$359 million, reflecting our acquisition of the Burrows business.

If we look at our 2008 total return to shareholders, we are pleased to report that OMI fared better than the stocks in our peer group and the S&P 500, even though we ended the year with a 10% decline, when compared to December 31, 2007. In contrast, the S&P 500 and our peer group both declined 37% over the same period. Of course, we prefer to see our stock price on the upswing, but we believe we exhibited real resilience last year when viewed against the extreme volatility in the market. One fact remains constant: we are committed to providing long-term value to our shareholders. Consequently, our board of directors approved a 15% increase in the first quarter 2009 dividend, citing their confidence in Owens & Minor, our ability to achieve our goals, and in recognition of the value we bring to the healthcare market.

For this year's annual report, we chose a theme of teamwork, and for good reason. Since 1882, we have strived to work collaboratively to meet the needs and challenges of our customers and business partners. One thing we have all learned is that we can't do it alone. Teamwork is what makes the difference at our company. One of the "team stats" I am most proud of is 2008's customer satisfaction rating among the 800 customers we survey every year. In 2008, we achieved a 98% customer satisfaction rating. Customer satisfaction in 2007 had dipped to 94%; and we set a goal to achieve real improvement last year, and we did it. You might say we "hit the ball out of the park."

As for training and development, our teammates stepped up to the plate and took thousands of courses in 2008, either online, in the field, or in our home office classrooms at Owens & Minor University (OMU). Since we opened the doors to OMU in 2005, our teammates have completed nearly 38,000 courses. If you ask me, this represents an amazing commitment to learning. And the benefits are real. We

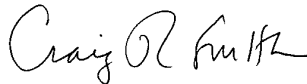


have seen a decline in teammate turnover, and our teammates have improved their ability to satisfy our customers. This company-wide push for training and development has also enabled us to conduct effective succession planning, as we are developing our bench strength with every class taken.

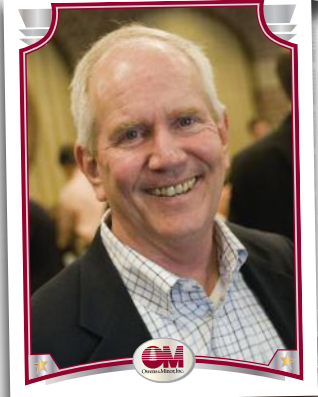
At Owens & Minor, we know our success depends on the fundamentals. We have long been viewed as conservative, and in today's market, we believe that's the right place for us to be. For us, that means paying close attention to the needs of our customers and suppliers, providing superior customer service, and fine-tuning our operations so that we deliver our services at peak efficiency. We will continue the practice of closely monitoring our customers' credit quality. We will invest in making our business better, and we will pursue new opportunities in markets adjacent to those we serve today. But, most importantly, we will rely on each other, working together every day in a spirit of teamwork.

And finally, I am grateful to our customers, suppliers, business partners, shareholders, board of directors, and teammates for their enduring support. No one person can ever achieve what a team can achieve. For Owens & Minor, the fundamental element of success truly is teamwork.

Sincerely,



Craig R. Smith  
President & CEO  
Owens & Minor



## Our Team of MVPs

**A**t Owens & Minor, we are very proud of our 5,300 teammates. Together, they form a team of highly experienced, dedicated players, who take the field every day to serve the healthcare industry. Our healthcare provider customers depend on us to provide the right products, at the right time, at the right price, with every delivery. In order to maintain high customer satisfaction, our teammates must consistently perform their jobs with accuracy and speed. The complexity of our customers' business also demands continuous innovation. In response, we have drafted teams of experts who use their advanced skills to create and provide new solutions.



Among these solutions are data-mining tools and contract-management solutions, as well as inventory management programs focused on the operating room. In many of our distribution centers, teams also provide customized procedure-based surgical supply kits based on hospital surgery schedules. In the field, our supply-chain management consultants work with hospitals to improve supply-chain costs and increase operating efficiency. With these solutions, our teammates strive to provide exceptional service and ongoing innovation, enabling the nation's healthcare providers to offer efficient, cost-effective patient care.

In addition to serving our customers, our teammates live our mission, vision and values every day. Whether through hard work and problem solving, growing our business, or through volunteering with community service organizations, our teammates are improving our industry, expanding our market share, and helping to make our communities better.



**Our healthcare provider customers depend on us to provide the right products, at the right time, at the right price, with every delivery.**







In addition to serving our customers, our teammates live our mission, vision and values every day.

## Board of Directors

**G. Gilmer Minor, III (68)<sup>1\*</sup>**  
*Chairman & Retired CEO,  
Owens & Minor, Inc.*

**James E. Rogers (63)<sup>1</sup>**  
*Lead Director,  
Owens & Minor, Inc.  
President, SCI Investors Inc.*

**A. Marshall Acuff, Jr. (69)<sup>1,3,5\*</sup>**  
*Retired Senior Vice President  
& Managing Director,  
Salomon Smith Barney, Inc.*

**J. Alfred Broaddus, Jr. (69)<sup>3,5</sup>**  
*Retired President,  
Federal Reserve Bank of Richmond*

**John T. Crotty (71)<sup>2,4\*</sup>**  
*Managing Partner,  
CroBern Management Partnership  
President, CroBern, Inc.*

**Richard E. Fogg (68)<sup>1,2\*,4</sup>**  
*Retired Partner,  
PricewaterhouseCoopers LLP*

**Eddie N. Moore, Jr. (61)<sup>2,5</sup>**  
*President,  
Virginia State University*

**Peter S. Redding (70)<sup>2,4</sup>**  
*Retired President & CEO,  
Standard Register Company*

**Robert C. Sledd (56)<sup>3,4</sup>**  
*Managing Partner,  
Pinnacle Ventures, LLC and  
Sledd Properties, LLC*

**Craig R. Smith (57)<sup>1,4</sup>**  
*President & CEO,  
Owens & Minor, Inc.*

**James E. Ukrop (71)<sup>2,5</sup>**  
*Chairman, First Market Bank  
Former Chairman,  
Ukrop's Super Markets, Inc.*

**Anne Marie Whittemore (62)<sup>1,3\*,5</sup>**  
*Partner, McGuire Woods LLP*

### Board Committees:

<sup>1</sup>Executive Committee, <sup>2</sup>Audit Committee, <sup>3</sup>Compensation & Benefits Committee,  
<sup>4</sup>Strategic Planning Committee, <sup>5</sup>Governance & Nominating Committee, \*Denotes Chairman

## Corporate Officers

**Craig R. Smith (57)**  
*President & Chief Executive Officer*

President since 1999 and Chief Executive Officer since July 2005. Mr. Smith has been with the company since 1989.

**James L. Bierman (56)**  
*Senior Vice President & Chief Financial Officer*

Senior Vice President & Chief Financial Officer since June 2007. Previously, Mr. Bierman served as Executive Vice President & Chief Financial Officer at Quintiles Transnational Corp. from 2001 to 2004. He joined Quintiles in 1998. Prior to that Mr. Bierman was a partner of Arthur Andersen LLP from 1988 to 1998. Mr. Bierman has been with the company since 2007.

**Richard F. Bozard (61)**  
*Vice President, Treasurer*

Vice President, Treasurer, since 1991. Mr. Bozard has been with the company since 1988.

**Olwen B. Cape (59)**  
*Vice President, Controller*

Vice President, Controller, since 1997. Ms. Cape has been with the company since 1997.

**E. V. Clarke (48)**  
*Executive Vice President, Distribution*

Executive Vice President, Distribution, since 2008. Previously Mr. Clarke served as Group Vice President, Sales & Distribution, from October 2006 until 2008. Previously, he served as President of Acute Care for McKesson Medical-Surgical from April 2002 until September 2006, when the business was acquired by Owens & Minor.

**Charles C. Colpo (51)**  
*Executive Vice President, Administration*

Executive Vice President, Administration, since 2008. Previously, Mr. Colpo served as Senior Vice President, Operations, from 1999 until 2008. He also served as Senior Vice President, Operations & Technology, from April 2005 to July 2006. Mr. Colpo has been with the company since 1981.

**Erika T. Davis (45)**  
*Senior Vice President, Human Resources*

Senior Vice President, Human Resources, since 2001. From 1999 to 2001, Ms. Davis was Vice President of Human Resources. Ms. Davis has been with the company since 1993.

**Grace R. den Hartog (57)**  
*Senior Vice President, General Counsel & Corporate Secretary*

Senior Vice President, General Counsel & Corporate Secretary, since 2003. Ms. den Hartog previously served as a partner of McGuire Woods LLP from 1990 to 2003. Ms. den Hartog has been with the company since 2003.

**Hugh F. Gouldthorpe, Jr. (70)**  
*Vice President, Quality & Communications*

Vice President, Quality & Communications, since 1993. Mr. Gouldthorpe has been with the company since 1986.

**Richard W. Mears (48)**  
*Senior Vice President, Chief Information Officer*

Senior Vice President, Chief Information Officer, since 2005. Previously, Mr. Mears was an Executive Director with Perot Systems from 2003 to 2005, and an account executive from 1998 to 2003. Mr. Mears has been with the company since 2005.

**Scott W. Perkins (52)**  
*Vice President, West*

Vice President, West, since 2008, and Group Vice President, Sales & Distribution, from 2005 to 2008. Mr. Perkins served as Senior Vice President, Sales & Distribution, from January to October 2005. Prior to that, he served as Regional Vice President from March to December 2004, and as Area Vice President from 2002 to 2004. Mr. Perkins has been with the company since 1989.

**W. Marshall Simpson (40)**  
*Senior Vice President, Sales & Marketing*

Senior Vice President, Sales & Marketing, since November 2007. Previously, Mr. Simpson served as Group Vice President, Sales & Distribution, from 2005 until 2007, and as Regional Vice President from 2004 to 2005. Prior to that, Mr. Simpson served as Operating Vice President of Corporate Accounts from 2003 until 2004, and as Operating Vice President of Business Integration from 2002 to 2003. Mr. Simpson has been with the company since 1991.

**Mark A. Van Sumeren (51)**  
*Senior Vice President, Strategic Planning & Business Development*

Senior Vice President, Strategic Planning & Business Development, since 2007, and Senior Vice President, Business Development, since 2006. Prior to that, Mr. Van Sumeren was Senior Vice President, OMSolutions<sup>SM</sup> from 2003 to 2006. Mr. Van Sumeren previously served as Vice President for Cap Gemini Ernst & Young from 2000 to 2003. He has been with the company since 2003.

Numbers inside parentheses indicate age.

# Corporate Information

## Annual Meeting

The 2009 annual meeting of Owens & Minor, Inc.'s shareholders will be held at 10:00 a.m. on Friday, April 24, 2009, at Owens & Minor, Inc., 9120 Lockwood Boulevard, Mechanicsville, Virginia, 23116.

## Transfer Agent, Registrar and Dividend Disbursing Agent

BNY Mellon Shareowner Services  
P.O. Box 358015  
Pittsburgh, PA 15252-8015  
Web site: [www.bnymellon/shareowner/isd](http://www.bnymellon/shareowner/isd)

Toll-free: (866) 252-0358  
(Inside the United States and Canada)

(201) 680-6685  
(Outside the United States and Canada)

## BuyDIRECT<sup>SM</sup> Stock Purchase and Dividend Reinvestment Plan

Our transfer agent, The Bank of New York Mellon, offers a Direct Purchase and Sale Plan for shares of Owens & Minor, Inc. common stock known as the BuyDIRECT<sup>SM</sup> Plan. The BuyDIRECT<sup>SM</sup> Plan provides registered shareholders of Owens & Minor and interested first-time investors a way to buy and sell shares of Owens & Minor common stock. Inquiries should be directed to BNY Mellon Shareowner Services (see contact information above).

## Shareholder Records

Direct correspondence concerning Owens & Minor, Inc. stock holdings, lost or missing dividend checks, or change of address to BNY Mellon's Investor Services Department:

Owens & Minor, Inc.  
c/o BNY Mellon Shareowner Services  
Investor Services Department  
P.O. Box 358015  
Pittsburgh, PA 15252-8015

## Duplicate Mailings

When a shareholder owns shares in more than one account or when several shareholders live at the same address, they may receive multiple copies of company mailings. To eliminate multiple mailings, please write to the transfer agent or consider enrolling in MLink (via the BNY Mellon Web site above) which offers secure on-line access to financial documents and shareowner communications.

## Counsel

Hunton & Williams  
Richmond, Virginia

## Independent Auditors

KPMG LLP  
Richmond, Virginia

## Communications and Investor Relations

### Press Releases

Owens & Minor, Inc.'s press releases are available at [www.owens-minor.com](http://www.owens-minor.com).

Investor Relations  
804-723-7555

## Information for Investors

The company files annual, quarterly and current reports, information statements and other information with the Securities and Exchange Commission (SEC). The public may read and copy any materials that the company files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is <http://www.sec.gov>. The address of the company's Web site is [www.owens-minor.com](http://www.owens-minor.com). Through a link to the SEC's Internet site on the Investor Relations portion of our Web site, we make available our filings with the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, as well as beneficial ownership reports filed with the SEC by directors, officers and other reporting persons relating to holdings in Owens & Minor, Inc. securities. This information is available as soon as the filing is accepted by the SEC.

## Corporate Governance

The company's Bylaws, Corporate Governance Guidelines, Code of Honor and the charters of the Audit, Compensation & Benefits, and Governance & Nominating Committees are available on the company's Web site at [www.owens-minor.com](http://www.owens-minor.com) and are available in print to any shareholder upon request by writing to:

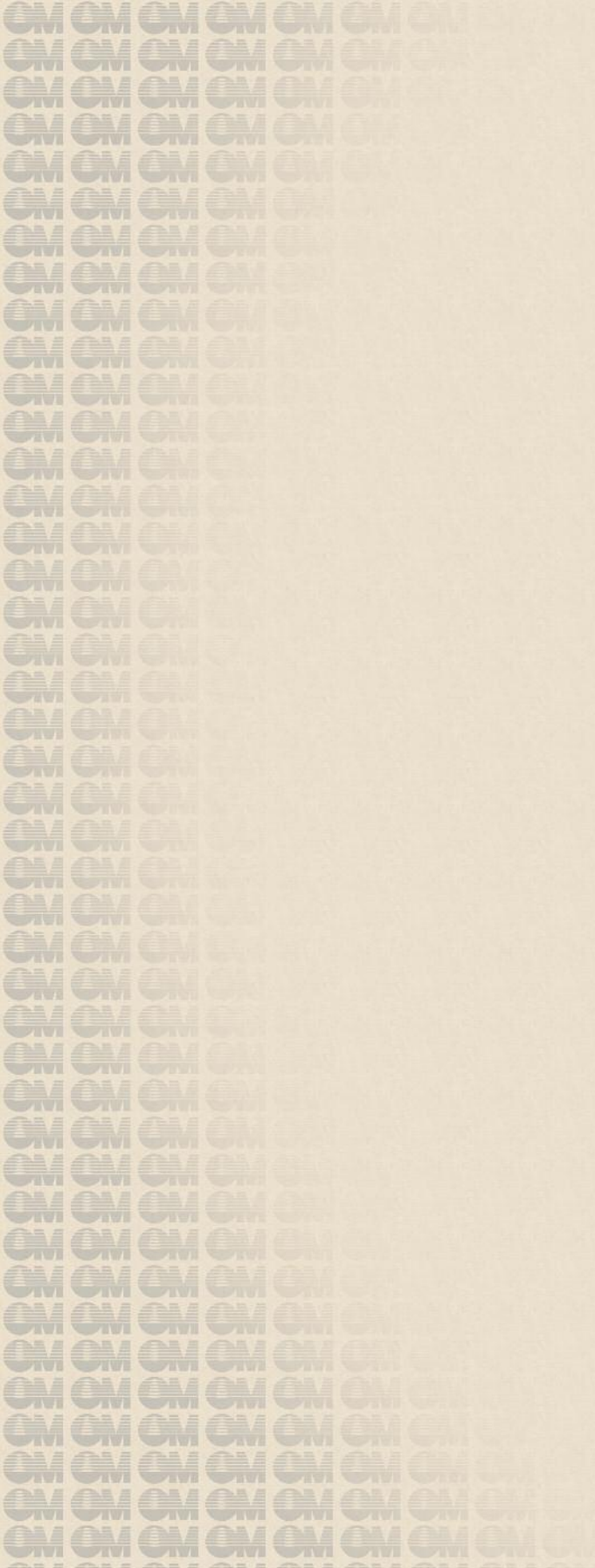
Corporate Secretary  
Owens & Minor, Inc.  
9120 Lockwood Boulevard  
Mechanicsville, Virginia 23116

## Communications with the Board of Directors

The Board of Directors has approved a process for shareholders to send communications to the Board. Shareholders can send written communications to the Board, any committee of the Board, the Lead Director or any other individual director at the following address: P.O. Box 26383, Richmond, Virginia 23260.

## Certifications

The company's Chief Executive Officer certified to the New York Stock Exchange (NYSE) within 30 days after the company's 2008 Annual Meeting of Shareholders that he was not aware of any violation by the company of NYSE corporate governance listing standards. The company also filed with the SEC as exhibits 31.1, 31.2, 32.1 and 32.2 to its Annual Report on Form 10-K for the year ended December 31, 2008, certifications by its Chief Executive Officer and Chief Financial Officer.



Owens & Minor, Inc.

**Owens & Minor, Inc.**

*Corporate Office*

804-723-7000

[www.owens-minor.com](http://www.owens-minor.com)

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Mechanicsville, Virginia 23116

*Mailing Address*

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