

Henry Schein Signs Prime-Vendor Distribution Agreement With World's Largest Cancer Treatment Network

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MELVILLE, N.Y.--(BUSINESS WIRE)--Aug. 15, 2000--Henry Schein, Inc. (Nasdaq: HSIC), the largest provider of healthcare supplies to office-based practitioners in the combined North American and European markets, announced today that it has been awarded a prime-vendor supply contract by US Oncology, Inc. (Nasdaq: USON), the largest network of community-based cancer physicians, clinicians, nurses and administrators in the world.

Under the new contract, which is valued at a minimum of \$21 million over three years, Henry Schein's Medical Group will provide medical and surgical supplies to US Oncology's cancer treatment centers throughout the United States. The agreement follows the results of a US Oncology pilot program with Henry Schein that documented an average 10% reduction in med-surg supply costs.

"We are very pleased that in this competitive process US Oncology has selected Henry Schein as its prime vendor for healthcare supplies," said Stanley Bergman, Chairman, Chief Executive Officer and President of Henry Schein. "As a medical-products supplier with nationwide reach, we are well-positioned to service US Oncology's treatment centers located in 26 states."

Henry Schein's Medical Group currently supplies one-third of the medical practices in the U.S. with generic and brand-name pharmaceuticals, a full complement of medical and surgical supplies, diagnostic kits and major equipment.

The Company will service the US Oncology treatment centers through a dedicated customer service network and its four highly automated, state-of-the-art distribution centers located throughout the U.S. Each treatment center will also have the option to order supplies via the Internet through Henry Schein's Web site. In addition to featuring a full-color, electronic catalog, the Web site will provide each treatment center with a custom order form and the ability to track their own purchase history. In addition, the site offers proof of delivery, product descriptions, and invoice reprinting.

"We conducted a thorough review of the many supply alternatives in the marketplace, and it is clear to us that Henry Schein is the leader in price, products and service," said Alan Fowler, Distributions System Manager for US Oncology. "In addition to offering us a customized formulary of products, Henry Schein's latest warehouse technology, high rate of product fulfillment, fast delivery service and online ordering features further convinced us that they are the ideal supplier for servicing our large network of treatment centers."

US Oncology is the nation's largest network of physicians, clinicians, nurses and administrators focused exclusively on oncology. US Oncology provides comprehensive cancer services to over 800 oncologists operating out of 60 cancer centers in 26 states, and has grown to the size and scale where its affiliated physicians provide cancer care for nearly 15% percent of all cancer patients in the United States.

Henry Schein, Inc. is the largest distributor of healthcare products and services to office-based healthcare practitioners in the combined North American and European markets. Recognized for its excellent customer service and low prices, the Company serves more than 400,000 customers worldwide, including dental practices and laboratories, physician practices and veterinary clinics, as well as government and other institutions.

The Company operates its five business groups - Dental, Medical, Veterinary, International and Technology - through a centralized and automated distribution network, which provides customers in more than 125 countries with a comprehensive selection of over 70,000 national and Henry Schein private-brand products. Henry Schein also offers a wide range of innovative value-added practice solutions, such as its leading dental practice management software systems - DENTRIX(R) and Easy Dental(R), which are installed in over 35,000 practices; and Aruba(R), Henry Schein's electronic catalog and ordering system.

Headquartered in Melville, New York, Henry Schein employs over 6,000 people in 15 countries. The Company's 1999 sales reached a record \$2.3 billion.

Certain information contained herein includes information that is forward-looking. The matters referred to in forward-looking statements may be affected by the risks and uncertainties involved in the Company's business. These forward-looking statements are qualified in their entirety by the cautionary statements contained in the Company's Securities and Exchange Commission filings.

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