

Henry Schein Acquires Zila's Full-Service Dental Distribution Operations; Further Strengthens Company's Position in Kentucky, California and Texas

November 5, 2001

MELVILLE, N.Y.--(BUSINESS WIRE)--Nov. 5, 2001--Henry Schein, Inc. (Nasdaq: HSIC), the largest provider of healthcare supplies to office-based practitioners in the combined North American and European markets, today announced that it has acquired the full-service dental distribution operations of Zila, Inc. (Nasdaq: ZILA). Terms of the all-cash acquisition were not disclosed.

Through this purchase, which is expected to be \$0.01-\$0.02 accretive in 2002, and non-dilutive for the balance of 2001, Henry Schein gains regional sales management; approximately 20 field sales consultants and equipment sales specialists; as well as approximately 10 equipment service technicians. The new acquisition will become part of Henry Schein's U.S. Dental business, Sullivan-Schein Dental(R). The Company said it does not expect to incur any one-time charges related to this acquisition, which closed today.

"Zila's dental sales professionals have an excellent reputation in the industry, and we look forward to these talented people joining the Sullivan-Schein Dental team. This acquisition increases our presence in certain key geographies including Kentucky - where the Zila presence is particularly strong, West Virginia, Northern California, and Houston, Texas," said Jim Breslawski, President, Sullivan-Schein Dental. "We are confident that the Zila sales team will have great success in representing our comprehensive line of more than 80,000 dental products and services."

Henry Schein intends to continue operating Zila's sales and service center in Kentucky, and will merge the acquired centers in California and Texas into the Company's current facilities in those states. Sullivan-Schein Dental has nearly 70 sales and service centers throughout the U.S.

Zila's full-service dental distribution operations, which excludes their mail-order business, had net sales of approximately \$21 million for the 12 months ended July 31, 2001, an increase of approximately 11% compared with net sales for the 12 months ended July 31, 2000.

Headquartered in Phoenix, Arizona, Zila, Inc., is an international provider of pharmaceutical, biotechnology and nutraceutical products for dental/medical professionals and consumers. Zila markets Zilactin(R) oral healthcare products, Pro-Series(TM) products for dental professionals, Ester-C(R) branded vitamin products, Palmettx(TM) saw palmetto extract, dry-handled swabs produced by its Innovative Swab Technologies division, and OraTest(R) oral cancer detection products in certain foreign markets. For more information, visit the Zila web site at www.Zila.com.

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 80,000 national and Henry Schein private-brand products. Henry Schein also offers a wide range of innovative value-added practice solutions, including such leading practice management software systems as DENTRIX(R) and Easy Dental(R) for dental practices, and AVImark(R) for veterinary clinics, which are installed in over 44,000 practices; and Aruba(R), Henry Schein's electronic catalog and ordering system. Headquartered in Melville, New York, Henry Schein employs over 6,500 people in 16 countries. The Company's 2000 sales reached a record \$2.4 billion. For more information, visit the Henry Schein Web site at www.henryschein.com.

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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