

Henry Schein Acquires Dental Distributors in Australia and New Zealand

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MELVILLE, N.Y.--(BUSINESS WIRE)--May 16, 2005--Henry Schein, Inc. (Nasdaq NM: HSIC), the largest provider of healthcare products and services to office-based practitioners in the combined North American and European markets, today announced the acquisition of Halas Dental Ltd. and Shalfoon Bros. Ltd., full-service providers of dental merchandise and equipment in Australia and New Zealand, respectively. Henry Schein purchased these businesses from Australian Pharmaceutical Industries Limited (API) (ASX: API). Henry Schein did not disclose terms of the transaction.

Halas Dental and Shalfoon are expected to contribute combined revenues of approximately AUD 80 million in the first 12 months of operations after the acquisition. Henry Schein expects this acquisition to be slightly accretive in 2005. Anticipating that it may realize future operational efficiencies from the acquisition, the Company expects a greater contribution to earnings in 2006 and beyond.

"Halas and Shalfoon have enjoyed a long and successful heritage in Australia and New Zealand, respectively, resulting in a strong brand identity, numerous product exclusives and an excellent customer base," said Stanley M. Bergman, Chairman and Chief Executive Officer of Henry Schein. "With this acquisition and Henry Schein's existing Australian and New Zealand operations, we are firmly positioned as a leading dental distributor in these two countries, offering a wide selection of products and services designed to help practitioners operate more efficient and profitable practices while delivering high-quality dental care."

Mr. Bergman added, "In addition, the increase in our critical mass will offer us the opportunity to provide our valued vendor partners with enhanced supply chain efficiencies and increased potential for growth in product market share."

Henry Schein is pleased to welcome the Halas and Shalfoon teams under the leadership of Andrew Hoggard, Halas General Manager, and Gail Stewart, Shalfoon Brothers General Manager. Gordon Anderson, General Manager for Henry Schein's current Australian and New Zealand operations, will oversee the Halas and Shalfoon businesses, as well.

"We are extremely pleased to become part of the Henry Schein family of companies," said Mr. Hoggard. "Everyone involved recognizes the great benefit of combining the regional expertise of Halas and Shalfoon with the global resources and reputation of Henry Schein, an international leader in dental and other healthcare products and services, including premier technology products. These companies share a common commitment to our customers, and we look forward to enhancing our offering as we work in tandem with each other."

The acquisition of Halas and Shalfoon adds more than 50 sales representatives to Henry Schein's existing Australian and New Zealand sales force of nearly 60.

About Henry Schein, Inc.

Henry Schein, a Fortune 500(R) company, is recognized for its excellent customer service and highly competitive prices. The Company's four business groups - Dental, Medical, International and Technology - serve more than 475,000 customers worldwide, including dental practices and laboratories, physician practices and veterinary clinics, as well as government and other institutions. The Company's sales reached a record \$4.1 billion in 2004. The Company operates through a centralized and automated distribution network, which provides customers in more than 125 countries with a comprehensive selection of over 160,000 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 50,000 practices; and ArubA(R), Henry Schein's electronic catalog and ordering system.

Headquartered in Melville, N.Y., Henry Schein employs more than 10,000 people and has operations in 19 countries, including the United States, Canada, the United Kingdom, the Netherlands, Belgium, Germany, France, Austria, Spain, the Czech Republic, Luxembourg, Italy, Ireland, Switzerland, Portugal, Australia, New Zealand, Israel and Iceland. For more information, visit the Henry Schein Web site at www.henryschein.com.

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