

Henry Schein Announces Fourth Quarter and Year-End Results

February 29, 2000

Sales Exceed \$2 Billion for 1999; Up 22% in Quarter, 19% for Year

Fourth Quarter Dental Sales Grow Over Prior Year, Solid Gains Across All Other Groups

MELVILLE, N.Y.--(BUSINESS WIRE)--February 29, 2000-- Henry Schein, Inc. (Nasdag: HSIC) today announced financial results for the 1999 fourth quarter and year.

For the three months ended December 25, 1999, net sales increased 22% to \$611 million, from \$503 million in the fourth guarter last year. Net income was \$15.5 million, compared with adjusted net income of \$19.4 million in the fourth guarter of 1998. Diluted earnings per share were \$0.38 versus an adjusted \$0.46 in the 1998 fourth guarter.

For the year ended December 25, 1999, the Company reported net sales up 19% to \$2.3 billion, from \$1.9 billion in 1998. Adjusted net income grew to \$59.8 million, or \$1.44 per diluted share, compared with an adjusted net income of \$57.8 million, or \$1.39 per diluted share, in the prior year.

Commenting on the guarter, Stanley M. Bergman, Chairman, Chief Executive Officer and President of Henry Schein, Inc., stated, "Fourth guarter sales growth was reported across all business groups and earnings per share for the quarter were consistent with the expectations that we communicated last quarter. In particular, Dental sales of \$276.6 million exceeded our expectations, rising 1% over the 1998 fourth quarter and up 7% compared with the 1999 third quarter."

The Company stated that its Medical, Veterinary, Technology and International groups continue to grow at impressive rates, as net sales for those groups combined in the fourth quarter of 1999 were 46% higher than last year, with 9% internally generated.

"Last October we set forth specific initiatives for increasing sales and reducing expenses in our Dental business. I am pleased to report that we have successfully begun to execute our plan. First, we have appointed John Chatham, an industry veteran, as Vice President of Field Sales for Sullivan-Schein Dental(TM), our U.S. Dental business. We have also established a fully-dedicated management team for Sullivan-Schein Dental's equipment business with the mission of improving customer service and increasing sales and profitability.

"We have begun to implement our rightsizing plan for the Dental business, which we expect to complete by the end of 2000. Once the plan is fully implemented, we anticipate annual savings of at least \$4 million to \$6 million. As a result of one-time costs necessary to implement the plan during the current year, we do not expect to see meaningful savings until 2001," said Mr. Bergman. "This expected savings is in addition to the approximately \$2 million of incremental costs saved as a result of our decision to cancel the opening of another distribution center, as previously announced."

The Company noted that Michael Racioppi, previously interim President of Henry Schein's Medical Group, has been appointed President. The Medical Group reported a 47% increase in sales compared to last year, of which 12% was internally generated.

"Michael has demonstrated exceptional leadership qualities during his eight-year tenure at Henry Schein," said Mr. Bergman. "I am confident in his ability to continue to increase sales and profitability in our Medical Group."

Mr. Bergman continued. "We are very excited about the success of our e-commerce business, which continued its trend of exceptional growth during the guarter. Sales processed through our ArubA(TM) e-commerce suite of systems more than doubled from the fourth guarter of 1998, reaching an annual run rate of well over \$200 million. We are putting additional resources behind this effort and expect to announce additional strategic initiatives in the near-term that will further our Internet presence."

Mr. Bergman concluded, "While 1999 was not without challenge, we ended the year with determination and confidence in our ability to grow sales and grow earnings in the year ahead."

Henry Schein, Inc. is the largest distributor of healthcare products and services to office-based healthcare practitioners, including dental practices and laboratories, physician practices and veterinary clinics. The Company, recognized for its excellent customer service and low prices, serves more than 300,000 customers worldwide.

Headquartered in Melville, New York, the Company employs over 6,000 people in 16 countries. Sales in 1999 were \$2.3 billion. For more information, visit the Henry Schein website at http://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.

(TABLES TO FOLLOW)

HENRY SCHEIN, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except per share data)

> Three Months Ended Twelve Months Ended _____ _____

Dec. 25,	Dec. 26,	Dec. 25,	Dec. 26,
1999	1998	1999	1998

(unaudited)(unaudited)	

of sales 424,336 340,882 1,587,344 1,319,861 Gross profit 186,925 161,835 698,356 601,824 rating expenses: 13,467 56,666 579,124 505,628 reger and 105,765 39,530 128,356 579,124 505,628 rating income 31,023 9,453 105,765 39,530 122,593) (12,050) rating income 2,570 2,138 7,777 6,964 1,570 Interest income 2,570 2,138 7,777 6,964 1,570 other - net 481 720 (166) 1,570 122,593) (12,050) other - net 481 720 (166) 1,570 145 sto income 9,390 7,842 35,589 20,325 163,427 ority interest in net 1,690 145 1,690 145 ity in earnings (losses) 687 (2,192) 783 affiliates (738) (687) (2,192)					
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		shares:			
	Basic	40,703	39,939	40,585	39,305
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Diluted	41,101	42,058	41,438	41,549
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	LENDY COLLETN			
	-	INC. AND SUBSID ED BALANCE SHEET		
		, except share o		
	(a	udited)		
			5	
		Dec. 25, 1999	Dec. 1 1998	
		1999	1990	,
ASSETS				
urrent assets:	h equivalents	\$ 26,019	\$ 28	2 222
	ceivable, less re		φ Δ α	,222
	respectively	388,063	338	3,121
Inventories		285,590		,008
Deferred inc	ome taxes	15,520	14	,532
Prepaid expe	nses and other	63,617		3,646
Tota	l current assets	 778,809		
	ipment, net of	110,009	/01	,525
	reciation and amo	ortization		
of \$60,702 and	\$53,756, respect	ively 86,627	6	7,646
advill and ath	ner intangibles,	not of ogginuit	at ad	
	of \$31,356 and		aceu	
respective		295,113	148	,428
nvestments and	other	43,553		,437
	\$	 1,204,102	\$	
	AND STOCKHOLDER	S' EQUITY		
urrent liabilit Accounts pay		198,983	\$ 169	,860
Bank credit		41,527	-	,372
Accruals:		11,521	ΞĴ	,
Salaries	and related expe	nses 31,188	29	9,675
Merger an	d integration co	sts 10,093	21	L,992
Other		64,710	50,	404
Current matu	rities of long-t	erm debt 3,879		9,634
Tota	l current liabil	ities 350,380	300),937
ong-term debt		318,218	180	,445
ther liabilitie	S	9,782	11	,720
Toto	l liabilities	678,380	100	,102
IULA	I IIADIIICIES		495	
linority interes	t	7,855	5	,904

Stockholders' equity: Common stock, \$.01 par value, authorized 120,000,000; issued and outstanding

40,768,306 and 40,250,936,		
respectively	407	402
Additional paid-in capital	361,757	348,119
Retained earnings	167,809	119,064
Treasury stock, at cost		
(62,479 shares)	(1,156)	(1,156)
Accumulated comprehensive income	(10,359)	(2,057)
Deferred compensation	(591)	(1,338)
Total stockholders' equit	1 ,	463,034
\$	 L,204,102 \$	962,040
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CONTACT: Henry Schein, Inc. Steven Paladino Executive Vice President and Chief Financial Officer (516) 843-5500 or Susan Vassallo Manager, Investor and Public Relations (516) 843-5562 svassa@henryschein.com