

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 27, 2006

HENRY SCHEIN, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

0-27078

11-3136595

(State or other jurisdiction
of incorporation)

(Commission File
Number)

IRS Employer
(Identification No.)

135 DURYEY ROAD, MELVILLE, NEW YORK

11747

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (631) 843-5500

NOT APPLICABLE

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On July 27, 2006, Henry Schein, Inc. issued a press release reporting the financial results for the three and six months ended July 1, 2006. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Exhibit 99.1 - Press Release dated July 27, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HENRY SCHEIN, INC.

By: /s/ Steven Paladino

Steven Paladino
Executive Vice President,
Chief Financial Officer and Director
(principal financial and accounting
officer)

July 27, 2006

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated July 27, 2006.

HENRY SCHEIN
NEWS RELEASE

Henry Schein, Inc. - 135 Duryea Road - Melville, New York 11747

FOR: Henry Schein, Inc.
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FOR IMMEDIATE RELEASE

HENRY SCHEIN REPORTS RECORD SECOND QUARTER RESULTS
Net sales increase 10.5% to \$1.22 billion, diluted EPS from
continuing operations up 16% to \$0.50

MELVILLE, N.Y. - July 27, 2006 - Henry Schein, Inc. (Nasdaq: HSIC), the largest provider of healthcare products and services to office-based practitioners in the combined North American and European markets, today reported financial results for the quarter ended July 1, 2006.

Net sales for the second quarter of 2006 were \$1.22 billion, an increase of 10.5% from the second quarter of 2005 (See Exhibit A for details of sales growth). This increase includes 10.3% local currency growth (5.9% internally generated and 4.4% from acquisitions net of divestiture) and 0.2% related to foreign currency exchange.

Net income and income from continuing operations for the second quarter of 2006 were both \$45.2 million or \$0.50 per diluted share. There was no impact of discontinued operations for the quarter. Second quarter 2006 income and diluted earnings per share from continuing operations were up 19.7% and 16.3% respectively, compared to the prior year quarter. Effective January 1, 2006, the Company adopted the new accounting rules on expensing stock-based compensation per Financial Accounting Standards No. 123(R) on a retrospective basis. All periods presented have been adjusted to give effect to FAS No. 123(R), which amounted to approximately \$0.04 per share in the second quarter of 2006, and \$0.03 per share in the second quarter of 2005.

"Our second quarter financial results from continuing operations were strong, with solid top-line internal growth bolstered by the contribution of several strategic acquisitions," said Stanley M. Bergman, Chairman and Chief Executive Officer of Henry Schein. "Internal sales growth in local currencies exceeded our estimate for market growth, and reflects particular strength in our Dental Group."

- more -

For the quarter, Dental sales increased 10.8%, including 9.4% growth in local currencies (essentially all internally generated) and 1.4% related to foreign currency exchange. Of the 9.4% local currency growth, Dental consumable merchandise sales increased 6.9% and Dental equipment sales and service revenues were up 18.1%.

"Our Dental Group has posted double-digit sales growth each quarter for the past three years. Dental sales growth reflects an ongoing commitment to expanding the products and services we bring to our customers, as well as effective and innovative marketing initiatives and a highly trained field sales force," explained Mr. Bergman. "As an example of our commitment to an expanding product offering, we were delighted to announce earlier this month that Henry Schein was named the exclusive distributor for Imaging Sciences International's line of 3-D diagnostic imaging technology, which previously was sold directly to dentists." Mr. Bergman continued, "We look forward to closing our acquisition of certain businesses of Darby Group Companies during the third quarter, which will afford deeper penetration by our Dental and Medical divisions."

Medical sales increased 14.3% during the second quarter (3.3% internal growth and 11.0% acquisition growth net of divestiture). "Medical Group growth was highlighted by our acquisition of NLS Animal Health, which is performing well in its first quarter as a Henry Schein company," said Mr. Bergman. "Our Medical group is in the process of planning and executing our influenza vaccine strategy for the upcoming season, and at this time pre-bookings for influenza vaccine are strong. We continue to estimate that we will distribute approximately 15 to 17 million doses of flu vaccine this year."

For the quarter, International sales increased 6.9%, including 8.1% growth in local currencies (3.6% internally generated and 4.5% from acquisitions) offset by a 1.2% decline related to foreign currency exchange.

Mr. Bergman noted that after the close of the second quarter the company announced its acquisition of Provet AG, the leading veterinary distribution company in Switzerland. Together with the purchase of NLS Animal Health, Henry Schein has essentially doubled the size of its worldwide veterinary business.

Technology and Value-Added Services sales during the second quarter of 2006 were 3.7% ahead of prior year, including 3.1% growth in local currencies (all internal) and 0.6% related to foreign currency exchange. Electronic claims

services revenues continued a strong double-digit growth trend.

Year-to-Date Results

For the year-to-date, net sales of \$2.4 billion represents an increase of 9.9% compared to the prior year-to-date. This increase includes 10.9% local currency growth (7.1% internally generated and 3.8% from acquisitions net of divestiture) offset by a 1.0% decline related to foreign currency

exchange. Income from continuing operations for the first half of 2006 was \$80.8 million reflecting 18.4% growth compared to the prior year. Earnings per diluted share from continuing operations of \$0.90 for the first half of 2006 represents 16.9% growth over the same period in the prior year.

Stock Repurchase Plan

The Company announced that 512,034 shares were repurchased during the second quarter at an average price of \$45.78 per share. Approximately \$88 million remains authorized for future stock repurchases. The impact of the repurchase of shares under this program on second quarter diluted EPS was immaterial.

2006 EPS Guidance

Henry Schein provides 2006 financial guidance, as follows:

- o 2006 diluted EPS is expected to be \$2.10 to \$2.16 including the impact of expensing stock-based compensation per Financial Accounting Standards No. 123(R).
- o This represents an increase to previous guidance of \$2.08 to \$2.14. The increase in guidance is related to a number of factors including the strength of first half results, contributions from recent acquisitions, and expansion of product portfolio.
- o This 2006 diluted EPS guidance includes Henry Schein's expectations that it will distribute approximately 15 million to 17 million doses of influenza vaccine during 2006, including product manufactured by GlaxoSmithKline Biologicals (which includes the former ID Biomedical), Chiron Corporation and sanofi pasteur.
- o All guidance is for current continuing operations including completed or previously announced acquisitions, and does not include the impact of potential future acquisitions.

Second Quarter Conference Call Webcast

The Company will hold a conference call to discuss second quarter financial results today, beginning at 10:00 a.m. Eastern time. Individual investors are invited to listen to the conference call over the Internet through Henry Schein's Web site at www.henryschein.com. In addition, a replay will be available beginning shortly after the call has ended.

About Henry Schein

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 500,000 customers worldwide, including dental practices and laboratories, physician practices and veterinary clinics, as well as government and other institutions. The Company operates through a centralized and automated distribution network, which provides customers in more than 200 countries with a comprehensive selection of more than 70,000 national and Henry Schein private-brand products in stock, as well as over 100,000 additional products available to our customers as special order items.

Henry Schein also offers a wide range of innovative value-added practice solutions for healthcare professionals, such as ArubA(R), the Company's electronic catalog and ordering system. Its leading practice-management software solutions have been installed in more than 50,000 practices, including DENTRIX(R) and Easy Dental(R) for dental practices, and AVImark(R) for veterinary clinics.

Headquartered in Melville, N.Y., Henry Schein employs nearly 11,000 people and has operations in 19 countries. The Company's sales reached a record \$4.6 billion in 2005. For more information, visit the Henry Schein Web site at www.henryschein.com.

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors which, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are identified by the use of such terms as "may," "could," "expect," "intend," "believe," "plan," "estimate," "forecast," "project," "anticipate" or other comparable terms. A full discussion of our operations and financial condition, including factors that may affect our business and future prospects, is contained in documents we have filed with the SEC and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: competitive factors; changes in the healthcare industry; changes in government regulations that affect us; financial risks associated with our international operations; fluctuations in quarterly earnings; our dependence on third parties for the manufacture and supply of our products; transitional challenges associated with acquisitions; regulatory and litigation risks; the dependence on our continued product development, technical support and successful marketing in the technology segment; our dependence upon sales personnel and key customers; our dependence on our senior management; possible increases in the cost of shipping our products or other service trouble with our third-party shippers; risks from rapid technological change; risks from potential increases in variable interest rates; financial risks associated with acquisitions; possible volatility of the market price of our common stock; certain provisions in our governing documents that may discourage third-party acquisitions of us; and changes in tax legislation that affect us. The order in which these factors appear should not be construed to indicate their relative importance or priority.

We caution that these factors may not be exhaustive and that many of these factors are beyond our ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. We undertake no duty and have no obligation to update forward-looking statements.

(TABLES TO FOLLOW)

HENRY SCHEIN, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Six Months Ended	
	July 1, 2006	June 25, 2005	July 1, 2006	June 25, 2005
Net sales	\$ 1,220,360	\$ 1,104,428	\$ 2,382,141	\$ 2,167,425
Cost of sales	860,900	783,092	1,685,079	1,544,695
Gross profit	359,460	321,336	697,062	622,730
Operating expenses:				
Selling, general and administrative	282,712	254,278	559,396	502,410
Operating income	76,748	67,058	137,666	120,320
Other income (expense):				
Interest income	3,969	1,228	8,525	2,527
Interest expense	(7,302)	(5,084)	(14,696)	(11,310)
Other, net	(339)	--	(118)	(113)
Income from continuing operations before taxes, minority interest and equity in earnings of affiliates	73,076	63,202	131,377	111,424
Income taxes	(26,379)	(23,211)	(47,601)	(41,072)
Minority interest in net income of subsidiaries	(1,706)	(2,469)	(3,266)	(2,514)
Equity in earnings of affiliates	227	248	335	435
Income from continuing operations	45,218	37,770	80,845	68,273
Discontinued operations:				
Loss from operations of discontinued components	--	(1,008)	(32,279)	(448)
Income tax benefit	--	195	12,911	5
Loss from discontinued operations	--	(813)	(19,368)	(443)
Net income	\$ 45,218	\$ 36,957	\$ 61,477	\$ 67,830
Earnings from continuing operations per share:				
Basic	\$ 0.51	\$ 0.43	\$ 0.92	\$ 0.79
Diluted	\$ 0.50	\$ 0.43	\$ 0.90	\$ 0.77
Loss from discontinued operations per share:				
Basic	\$ --	\$ 0.00	\$ (0.22)	\$ (0.01)
Diluted	\$ --	\$ (0.01)	\$ (0.21)	\$ 0.00
Earnings per share:				
Basic	\$ 0.51	\$ 0.43	\$ 0.70	\$ 0.78
Diluted	\$ 0.50	\$ 0.42	\$ 0.69	\$ 0.77
Weighted-average common shares outstanding:				
Basic	88,381	86,927	87,713	86,818
Diluted	89,823	88,154	89,344	88,196

Note: The above prior period amounts have been restated to reflect the effects of our discontinued operations and the expensing of stock-based compensation pursuant to our adoption of FAS 123(R) using the modified retrospective application.

HENRY SCHEIN, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	July 1, 2006	December 31, 2005
	-----	-----
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 138,334	\$ 210,683
Available-for-sale securities.....	101,107	124,010
Accounts receivable, net of reserves of \$41,648 and \$52,308	579,766	582,617
Inventories	551,552	505,542
Deferred income taxes	27,868	35,505
Prepaid expenses and other	124,113	126,052
	-----	-----
Total current assets	1,522,740	1,584,409
Property and equipment, net	209,876	190,746
Goodwill	717,734	626,869
Other intangibles, net	140,270	123,204
Investments and other	59,433	57,892
	-----	-----
Total assets	\$ 2,650,053	\$ 2,583,120
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 351,566	\$ 371,392
Bank credit lines	2,262	2,093
Current maturities of long-term debt	31,182	33,013
Accrued expenses:		
Payroll and related	87,538	96,113
Taxes	41,414	65,070
Other	158,122	156,433
	-----	-----
Total current liabilities	672,084	724,114
Long-term debt	486,014	489,520
Deferred income taxes	60,282	54,432
Other liabilities	59,572	53,547
Minority interest	17,253	12,353
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value, 1,000,000 shares authorized, none outstanding	--	--
Common stock, \$.01 par value, 240,000,000 shares authorized, 88,160,672 outstanding on July 1, 2006 and 87,092,238 outstanding on December 31, 2005	882	871
Additional paid-in capital	593,120	559,266
Retained earnings	716,100	667,958
Accumulated other comprehensive income	44,746	21,059
	-----	-----
Total stockholders' equity	1,354,848	1,249,154
	-----	-----
Total liabilities and stockholders' equity	\$ 2,650,053	\$ 2,583,120
	=====	=====

Note: Certain prior period amounts have been restated to reflect the effects of our adoption of FAS 123(R) using the modified retrospective application and our reclassification of variable rate demand notes from 'cash and cash equivalents' to 'available-for-sale securities'. Also, included in the prior period amounts are approximately \$44 million of accounts receivable, net of reserves, and approximately \$16 million of inventories, net of reserves, related to discontinued operations which were sold on April 1, 2006.

HENRY SCHEIN, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended	
	July 1, 2006	June 25, 2005
Cash flows from operating activities:		
Net income	\$ 45,218	\$ 36,957
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on sale of discontinued operation, net of tax	--	--
Depreciation and amortization	15,806	15,111
Stock-based compensation expense	5,517	4,796
Provision for (recovery of) losses on trade and other accounts receivable	561	158
Provision (benefit) for deferred income taxes	959	(153)
Undistributed earnings of affiliates	(227)	(248)
Minority interest in net income of subsidiaries	1,706	2,469
Other	701	(1,079)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(7,622)	(19,500)
Inventories	(19,274)	12,653
Other current assets	5,003	(1,351)
Accounts payable and accrued expenses	(9,731)	35,521
Net cash provided by operating activities	38,617	85,334
Cash flows from investing activities:		
Purchases of fixed assets	(21,486)	(13,895)
Payments for business acquisitions, net of cash acquired	(32,475)	(15,706)
Cash received from business divestiture	36,527	--
Purchases of available-for-sale securities	(62,919)	--
Proceeds from sales of available-for-sale securities	61,930	--
Proceeds from maturities of available-for-sale securities	1,200	--
Net proceeds from (payments for) foreign exchange forward contract settlements	(13,644)	19,993
Other	(26)	415
Net cash used in investing activities	(30,893)	(9,193)
Cash flows from financing activities:		
Net payments on bank borrowings	(1,223)	(1,599)
Principal payments for long-term debt	(3,830)	(1,869)
Payments for establishing a new credit facility	--	(650)
Proceeds from issuance of stock upon exercise of stock options	8,492	8,109
Payments for repurchases of common stock	(23,439)	(4,699)
Proceeds from excess tax benefits related to stock-based compensation	2,863	2,576
Other	2,235	(158)
Net cash provided by (used in) financing activities	(14,902)	1,710
Net change in cash and cash equivalents	(7,178)	77,851
Effect of exchange rate changes on cash and cash equivalents	6,767	(5,484)
Cash and cash equivalents, beginning of period	138,745	114,741
Cash and cash equivalents, end of period	\$ 138,334	\$ 187,108

	Six Months Ended	
	July 1, 2006	June 25, 2005
Cash flows from operating activities:		
Net income	\$ 61,477	\$ 67,830
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on sale of discontinued operation, net of tax	19,363	--
Depreciation and amortization	30,158	28,348
Stock-based compensation expense	9,374	8,536
Provision for (recovery of) losses on trade and other accounts receivable	679	(50)
Provision (benefit) for deferred income taxes	5,937	1,485
Undistributed earnings of affiliates	(335)	(435)
Minority interest in net income of subsidiaries	3,266	2,514

Other	(412)	10
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(3,023)	(5,066)
Inventories	(31,755)	21,263
Other current assets	8,146	28,557
Accounts payable and accrued expenses	(102,258)	(85,835)
	-----	-----
Net cash provided by operating activities	617	67,157
	-----	-----
Cash flows from investing activities:		
Purchases of fixed assets	(32,654)	(22,033)
Payments for business acquisitions, net of cash acquired	(105,187)	(54,752)
Cash received from business divestiture	36,527	--
Purchases of available-for-sale securities	(147,340)	--
Proceeds from sales of available-for-sale securities	168,961	--
Proceeds from maturities of available-for-sale securities	1,280	--
Net proceeds from (payments for) foreign exchange forward contract settlements	(14,805)	15,515
Other	165	(1,887)
	-----	-----
Net cash used in investing activities	(93,053)	(63,157)
	-----	-----
Cash flows from financing activities:		
Net payments on bank borrowings	--	(1,416)
Principal payments for long-term debt	(6,475)	(2,565)
Payments for establishing a new credit facility	--	(650)
Proceeds from issuance of stock upon exercise of stock options	25,600	19,053
Payments for repurchases of common stock	(23,439)	(21,009)
Proceeds from excess tax benefits related to stock-based compensation	9,788	5,458
Other	2,049	(559)
	-----	-----
Net cash provided by (used in) financing activities	7,523	(1,688)
	-----	-----
Net change in cash and cash equivalents	(84,913)	2,312
Effect of exchange rate changes on cash and cash equivalents	12,564	(1,825)
Cash and cash equivalents, beginning of period	210,683	186,621
	-----	-----
Cash and cash equivalents, end of period	\$ 138,334	\$ 187,108
	=====	=====

NOTE: The above prior period amounts have been restated to reflect the effects of our adoption of FAS 123(R) using the modified retrospective application. Additionally, for the three and six months ended July 1, 2006 we reflected the effects of a reclassification of variable rate demand notes from 'cash and cash equivalents' to 'available-for-sale securities' retrospective to December 31, 2005.

Henry Schein, Inc.
2006 Second Quarter
Sales Growth Rate Summary
(unaudited)

Q2 2006 over Q2 2005

	Consolidated -----	Dental -----	Medical -----	International -----	Technology -----
Internal	5.9%	9.3%	3.3%	3.6%	3.1%
Acquisitions, net of divestiture	4.4%	0.1%	11.0%	4.5%	--
Local Currency Sales Growth	10.3%	9.4%	14.3%	8.1%	3.1%
Foreign Currency Exchange	0.2%	1.4%	--	-1.2%	0.6%
Total Sales Growth	10.5%	10.8%	14.3%	6.9%	3.7%
	=====	=====	=====	=====	=====

Q2 YTD 2006 over Q2 YTD 2005

	Consolidated -----	Dental -----	Medical -----	International -----	Technology -----
Internal	7.1%	9.2%	4.3%	7.0%	5.6%
Acquisitions, net of divestiture	3.8%	0.4%	6.2%	6.8%	--
Local Currency Sales Growth	10.9%	9.6%	10.5%	13.8%	5.6%
Foreign Currency Exchange	-1.0%	1.0%	--	-5.2%	0.4%
Total Sales Growth	9.9%	10.6%	10.5%	8.6%	6.0%
	=====	=====	=====	=====	=====