

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) March 01, 2005  
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HENRY SCHEIN, INC.  
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(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

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(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (631) 843-5500  
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NOT APPLICABLE  
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(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 March 1, 2005, Henry Schein, Inc. issued a press release reporting the financial results for the three months and full year ended December 25, 2004. 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 March 1, 2005.

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

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

Date: March 1, 2005

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated March 01, 2005.

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 FOURTH QUARTER NET SALES UP 26% TO \$1.2 BILLION

Diluted EPS of \$0.33 after \$0.10 charge related to influenza vaccine contract

MELVILLE, N.Y. - March 1, 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 reported financial results for the quarter ended December 25, 2004. On January 31, 2005 the Company announced a 2-for-1 stock split, in the form of a 100% stock dividend, which was paid on February 28, 2005 to shareholders of record as of February 15, 2005. Therefore, share and per-share figures in this news release are provided on a post-split basis.

Net sales for the fourth quarter of 2004 were a record \$1.19 billion, an increase of 26.1% from the fourth quarter of 2003 (See Exhibit A for details of sales growth). This increase includes 24.3% local currency growth (9.0% internally generated and 15.3% from acquisitions) and 1.8% related to foreign currency exchange.

Fourth quarter net income was \$29.6 million and earnings per diluted share was \$0.33. Fourth quarter financial results reflect a pre-tax one-time charge of \$13.2 million (\$8.4 million post-tax, or \$0.10 per diluted share) associated with the Company's agreement with Chiron Corporation (Nasdaq NM: CHIR) to distribute Fluvirin(R) influenza vaccine in 2005. The Company has recognized this charge in the fourth quarter, in accordance with accounting rules, due to the significant uncertainty of availability of Fluvirin for 2005, based solely on public statements and public information. This charge was described in Henry Schein's third quarter 2004 earnings release dated October 26, 2004. On a comparable basis, excluding this charge, net income for the fourth quarter of 2004 was \$37.9 million, up 6.7% compared with the fourth quarter of 2003, and diluted EPS was \$0.43, up 10.3% (See Exhibit B for details).

"Record net sales for the fourth quarter reflect excellent growth in each of our business groups. Internal growth in local currencies was well ahead of our estimates for growth in the markets we serve and was complemented by several strategic acquisitions," said Stanley M. Bergman, Chairman, Chief Executive Officer and President of

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Henry Schein. "Strong fourth quarter sales growth contributed to full-year net sales in excess of \$4 billion, representing achievement of another financial milestone for our company."

For the quarter, Dental sales increased by 20.2%, including 19.7% growth in local currencies (18.0% internally generated and 1.7% from acquisitions) and 0.5% related to foreign currency exchange. Of the 19.7% local currency growth, Dental consumable merchandise sales increased 18.5% (17.6% internal growth) and Dental equipment sales and service revenues were up 22.8% (19.1% internal growth).

"Internal growth by our Dental Group was more than three times our estimate for market growth, with continued strength in both consumable merchandise and equipment sales and service revenues. Sales of the Colgate and Pentron product lines we introduced in 2004 accounted for about one-half of the local internal Dental consumable merchandise growth," explained Mr. Bergman.

"Subsequent to the close of the fourth quarter we announced that Sullivan-Schein Dental was named an authorized dealer for Sirona Dental Systems' full line of imaging, operatory and handpiece products in the U.S., and we also announced our acquisition of Canadian full-service dental distributor Ash Temple Limited. Together with our November 2004 purchase of the full-service regional dental distributor Barton-Cyker Dental Supply and the prospects for continued strong internal growth, we are optimistic about further market-share gains by our Dental Group," he added.

Medical sales increased 2.7% during the fourth quarter, reflecting the absence of Fluvirin sales. Excluding \$35.7 million in Fluvirin sales from the fourth quarter of 2003, Medical sales growth in the fourth quarter of 2004 was 13.3% (10.2% internal and 3.1% from acquisitions) (See Exhibit C for details).

"Net sales growth in the Medical Group's core alternate care market during the fourth quarter was 17.0% without the Fluvirin impact, reflecting, among other factors, our comprehensive offering of products and value-added services," commented Mr. Bergman. "We have entered into a multi-year agreement for influenza vaccine with ID Biomedical (Nasdaq NM: IDBE) announced in December 2004, and we are exploring multiple opportunities for sourcing influenza vaccine in 2005 and beyond, although there can be no assurance that any of the opportunities will materialize. We look forward to leveraging our proven expertise and physician relationships in the important influenza vaccine market."

Technology and Value-Added Services Group sales grew 14.6% (essentially all internally generated), or 14.2% in local currencies during the quarter. International Group sales increased 94.1%, including 84.8% in local currencies (8.9% internally generated and 75.9% from acquisitions) and 9.3% due to foreign currency exchange.

"Growth in Technology and Value-Added Services revenues reflects continued strength in our software and electronic services businesses. International Group internal sales gains in local currencies outpaced our estimate for market growth by several percentage points, while total International Group sales growth was significantly bolstered by the acquisition of the Demedis full-service businesses in Germany and the Benelux countries, and the KRUGG direct-marketing dental business in Italy. Integrating the acquired businesses into Henry Schein is proceeding

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according to our plans and we are optimistic about further international success, particularly in Europe," Mr. Bergman added.

The fourth quarter operating margin decline is reflective of the absence of Fluvirin sales and the \$13.2 million one-time charge related to the Chiron contract. Cash flow from operations for the fourth quarter of 2004 was \$133.4 million, compared with \$110.8 million for the fourth quarter of 2003.

#### Stock Repurchase Plan

In June 2004 the Company announced a share repurchase program of up to \$100 million worth of common stock, under which 258,810 post-split shares were repurchased during the fourth quarter at an average price of \$30.58 per share. The impact of the repurchase of shares under this program on fourth quarter diluted EPS was not meaningful. To date under this program, 1,168,810 post-split shares have been repurchased at an average price of \$31.01 per share.

#### 2005 EPS Guidance

Due to the significant uncertainty of the situation regarding the availability of Fluvirin influenza vaccine from Chiron, Henry Schein is providing guidance both excluding and including that product. If Chiron is not able to re-enter the influenza vaccine market this year, Henry Schein expects 2005 diluted earnings per share in the range of \$1.73 to \$1.77 post split. This represents mid-teens percentage diluted EPS growth over 2004, excluding the \$0.10 one-time charge related to the Fluvirin contract. This guidance assumes no significant increase in sales of other manufacturers' influenza vaccine products over 2004 levels. Should Henry Schein receive its full allotment of Fluvirin product for 2005, the Company expects diluted earnings per share in the range of \$2.00 to \$2.04 post split. This equals previous guidance, adjusted only for the stock split.

Henry Schein expects that growth will accelerate during the second half of 2005 compared with the first half, due to first half expenses associated with relocation to a new corporate headquarters building, seasonality changes and integration costs among others. This guidance does not include the impact of expensing of stock options for the second half of the year (per Financial Accounting Standards No. 123(R)). The Company noted that all 2005 guidance is for current operations including completed acquisitions, and does not include the impact of potential future acquisitions.

#### Fourth Quarter Conference Call Webcast

The Company will hold a conference call to discuss fourth 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](http://www.henryschein.com). In addition, a replay will be available beginning shortly after the call has ended.

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#### 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 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 90,000 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 nearly 10,000 people and has operations in 17 countries. For more information, visit the Henry Schein Web site at [www.henryschein.com](http://www.henryschein.com).

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company provides 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 the Company's 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 the Company's operations and financial condition, including factors that may affect its business and future prospects, is contained in documents the Company has filed with the SEC and will be contained in all subsequent periodic filings made with the SEC. These documents identify in detail important risk factors that could cause the Company's 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 the Company; financial risks associated with the Company's international operations; fluctuations in quarterly earnings; transitional challenges associated with acquisitions; regulatory and litigation risks; the dependence on the Company's continued product development, technical support and successful marketing in the technology segment; the Company's dependence upon sales personnel and key customers; the Company's dependence on its senior management; the Company's dependence on third parties for the manufacture and supply of its products; possible increases in the cost of shipping the Company's products or other service trouble with the Company's third-party shippers; risks from rapid technological change; and risks from potential increases in variable interest rates.

The order in which these factors appear should not be construed to indicate their relative importance or priority. The Company cautions that these factors may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty and has no obligation to update forward-looking statements.

(TABLES TO FOLLOW)

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

	THREE MONTHS ENDED		YEARS ENDED	
	DECEMBER 25, 2004	DECEMBER 27, 2003	DECEMBER 25, 2004	DECEMBER 27, 2003
	(UNAUDITED)	(UNAUDITED)		
Net sales .....	\$ 1,194,320	\$ 946,924	\$ 4,060,266	\$ 3,353,805
Cost of sales .....	874,484	693,176	2,983,860	2,426,611
Gross profit .....	319,836	253,748	1,076,406	927,194
Operating expenses:				
Selling, general and administrative .....	269,789	194,664	863,319	693,475
Operating income .....	50,047	59,084	213,087	233,719
Other income (expense):				
Interest income .....	1,683	2,236	8,034	8,746
Interest expense .....	(5,748)	(4,171)	(18,115)	(18,311)
Other, net .....	(83)	367	368	1,622
Income before taxes, minority interest, equity in earnings of affiliates and loss on sale of discontinued operation .....	45,899	57,516	203,374	225,776
Taxes on income from continuing operations .....	(16,938)	(21,396)	(75,404)	(84,378)
Minority interest in net loss (income) of subsidiaries .....	221	(833)	(1,486)	(2,807)
Equity in earnings of affiliates .....	368	255	1,699	931
Net income from continuing operations .....	29,550	35,542	128,183	139,522
Loss on sale of discontinued operation, net of tax .....	--	--	--	(2,012)
Net income .....	\$ 29,550	\$ 35,542	\$ 128,183	\$ 137,510
Earnings from continuing operations per share:				
Basic .....	\$ 0.34	\$ 0.41	\$ 1.47	\$ 1.60
Diluted .....	\$ 0.33	\$ 0.39	\$ 1.43	\$ 1.55
Loss on sale of discontinued operation, net of tax per share:				
Basic .....	\$ --	\$ --	\$ --	\$ (0.03)
Diluted .....	\$ --	\$ --	\$ --	\$ (0.02)
Earnings per share:				
Basic .....	\$ 0.34	\$ 0.41	\$ 1.47	\$ 1.57
Diluted .....	\$ 0.33	\$ 0.39	\$ 1.43	\$ 1.53
Weighted-average common shares outstanding:				
Basic .....	86,595	87,435	87,253	87,417
Diluted .....	88,546	90,089	89,462	89,975

Note: The above 2004 results reflect a \$13.2 million pre-tax (\$8.4 million post-tax) one-time charge, included in selling, general and administrative expenses, recorded in the fourth quarter of 2004, related to the Company's Fluvirin contract with Chiron Corporation. The effect that this charge had on diluted EPS for the three months and year ended December 25, 2004 was \$0.10.

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

	DECEMBER 25, 2004	DECEMBER 27, 2003
	-----	-----
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 186,621	\$ 157,351
Accounts receivable, net of reserves of \$44,852 and \$43,203 .....	554,666	467,085
Inventories .....	486,494	385,846
Deferred income taxes .....	28,795	30,559
Prepaid expenses and other .....	174,167	115,643
	-----	-----
Total current assets .....	1,430,743	1,156,484
Property and equipment, net .....	176,103	154,205
Goodwill .....	627,215	398,888
Other intangibles, net .....	129,285	37,551
Investments and other .....	70,324	72,242
	-----	-----
Total assets .....	\$ 2,433,670	\$ 1,819,370
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable .....	\$ 367,213	\$ 278,163
Bank credit lines .....	5,969	6,059
Current maturities of long-term debt .....	3,906	3,253
Accrued expenses:		
Payroll and related .....	89,431	68,214
Taxes .....	70,970	45,969
Other .....	156,410	117,530
	-----	-----
Total current liabilities .....	693,899	519,188
Long-term debt .....	525,682	247,100
Deferred income taxes .....	66,599	32,938
Other liabilities .....	28,999	4,494
Minority interest .....	12,438	11,532
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value, 1,000,000 shares authorized, none outstanding .....	--	--
Common stock, \$.01 par value, 120,000,000 shares authorized, 86,650,428 and 87,523,946 outstanding .....	867	875
Additional paid-in capital .....	445,573	444,681
Retained earnings .....	615,265	533,654
Accumulated other comprehensive income .....	44,785	24,999
Deferred compensation .....	(437)	(91)
	-----	-----
Total stockholders' equity .....	1,106,053	1,004,118
	-----	-----
Total liabilities and stockholders' equity .....	\$ 2,433,670	\$ 1,819,370
	=====	=====

NOTE: Certain prior period amounts have been reclassified to conform with the current period presentation.



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

For the Periods Ended December 25, 2004 and December 27, 2003

	THREE MONTHS ENDED	
	2004	2003
	(unaudited)	(unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS:</b>		
Net income .....	\$ 29,550	\$ 35,542
Loss on sale of discontinued operation, net of tax .....	--	--
Net income from continuing operations .....	29,550	35,542
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:		
Depreciation and amortization .....	18,095	10,887
Provision for losses on trade and other accounts receivable .....	2,031	2,174
Deferred income taxes .....	10,095	(1,438)
Stock issued to 401(k) plan .....	--	--
Undistributed earnings of affiliates .....	(368)	(255)
Minority interest in net income (loss) of subsidiaries .....	(221)	833
Other .....	(2,514)	2,107
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable .....	(2,023)	46,130
Inventories .....	(18,338)	(1,325)
Other current assets .....	(18,522)	(21,850)
Accounts payable and accrued expenses .....	115,635	37,947
Net cash provided by operating activities of continuing operations .....	133,420	110,752
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of fixed assets .....	(13,150)	(9,933)
Payments for business acquisitions, net of cash acquired .....	19,654 (1)	(50,383)
Payments related to pending business acquisitions .....	(3,950)	--
Purchases of marketable securities .....	--	(528)
Proceeds from sales of marketable securities .....	--	20,515
Proceeds from maturities of marketable securities .....	--	900
Other, including discontinued operation .....	3,010	(275)
Net cash provided by (used in) investing activities .....	5,564	(39,704)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of long-term debt .....	--	--
Payments for debt issuance costs .....	(627)	--
Net payments on bank borrowings .....	(1,258)	(862)
Repayment of debt assumed in business acquisitions .....	--	--
Principal payments on long-term debt .....	(295)	(1,481)
Proceeds from issuance of stock upon exercise of stock options .....	2,172	3,970
Payments for repurchases of common stock .....	(11,547)	(4,027)
Other .....	144	(4)
Net cash provided by (used in) financing activities .....	(11,411)	(2,404)
Net change in cash and cash equivalents .....	127,573	68,644
Effect of exchange rate changes on cash and cash equivalents .....	(13,923)	(4,150)
Cash and cash equivalents, beginning of period .....	72,971	92,857
Cash and cash equivalents, end of period .....	\$ 186,621	\$ 157,351

	YEARS ENDED	
	2004	2003
	(unaudited)	(unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS:</b>		
Net income .....	\$ 128,183	\$ 137,510
Loss on sale of discontinued operation, net of tax .....	--	2,012
Net income from continuing operations .....	128,183	139,522
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:		
Depreciation and amortization .....	51,326	36,843
Provision for losses on trade and other accounts receivable .....	3,820	6,548
Deferred income taxes .....	13,294	5,524
Stock issued to 401(k) plan .....	2,805	2,300
Undistributed earnings of affiliates .....	(1,699)	(931)
Minority interest in net income (loss) of subsidiaries .....	1,486	2,807
Other .....	1,519	2,005
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable .....	(35,075)	(69,543)
Inventories .....	(28,614)	(28,781)
Other current assets .....	(13,919)	(16,957)

Accounts payable and accrued expenses .....	67,873	49,506
Net cash provided by operating activities of continuing operations .....	190,999	128,843
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets .....	(37,837)	(38,978)
Payments for business acquisitions, net of cash acquired .....	(132,375)	(118,180)
Payments related to pending business acquisitions .....	(17,439)	--
Purchases of marketable securities .....	--	(39,667)
Proceeds from sales of marketable securities .....	14,472	40,619
Proceeds from maturities of marketable securities .....	--	39,030
Other, including discontinued operation .....	627	(946)
Net cash provided by (used in) investing activities .....	(172,552)	(118,122)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt .....	240,000	--
Payments for debt issuance costs .....	(5,781)	--
Net proceeds payments on bank borrowings .....	(7,339)	(180)
Repayment of debt assumed in business acquisitions .....	(135,718)	--
Principal payments on long-term debt .....	(3,359)	(8,667)
Proceeds from issuance of stock upon exercise of stock options .....	21,425	22,348
Payments for repurchases of common stock .....	(82,213)	(61,754)
Other .....	(645)	(122)
Net cash provided by (used in) financing activities .....	26,370	(48,375)
Net change in cash and cash equivalents .....	44,817	(37,654)
Effect of exchange rate changes on cash and cash equivalents .....	(15,547)	(5,646)
Cash and cash equivalents, beginning of period .....	157,351	200,651
Cash and cash equivalents, end of period .....	\$ 186,621	\$ 157,351
	=====	=====

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- (1) Reflects \$32.4 million received in October 2004 in connection with the divestiture and subsequent resale of DentalMV GmbH, as previously disclosed in the Company's Q3 2004 Form 10-Q, which was treated as a reduction of purchase price of the Demedis Group acquired in June 2004.

NOTE: Certain prior period amounts have been reclassified to conform with the current period presentation.

HENRY SCHEIN, INC.  
2004 FOURTH QUARTER AND FULL YEAR  
SALES GROWTH RATE SUMMARY  
(UNAUDITED)

	Q4 2004 OVER Q4 2003				
	CONSOLIDATED	DENTAL	MEDICAL	INTERNATIONAL	TECHNOLOGY
Internal	9.0%	18.0%	-0.2%	8.9%	14.0%
Acquisitions	15.3%	1.7%	2.9%	75.9%	0.2%
Divestiture	--	--	--	--	--
Local Currency Sales Growth	24.3%	19.7%	2.7%	84.8%	14.2%
Foreign Currency Exchange	1.8%	0.5%	--	9.3%	0.4%
TOTAL SALES GROWTH	26.1%	20.2%	2.7%	94.1%	14.6%

	FULL YEAR 2004 OVER FULL YEAR 2003				
	CONSOLIDATED	DENTAL	MEDICAL	INTERNATIONAL	TECHNOLOGY
Internal	7.5%	14.1%	1.0%	6.5%	10.4%
Acquisitions	12.1%	2.8%	7.1%	47.2%	1.9%
Divestiture	-0.6%	--	--	-3.7%	--
Local Currency Sales Growth	19.0%	16.9%	8.1%	50.0%	12.3%
Foreign Currency Exchange	2.1%	0.5%	--	11.0%	0.2%
TOTAL SALES GROWTH	21.1%	17.4%	8.1%	61.0%	12.5%

HENRY SCHEIN, INC.  
2004 FOURTH QUARTER AND FULL YEAR  
DETAILS OF "COMPARABLE BASIS" GROWTH COMPARISON  
INCOME STATEMENT SUMMARY  
(IN THOUSANDS, EXCEPT PER SHARE DATA)  
(UNAUDITED)

	FOURTH QUARTER		%	FULL YEAR		%
	2004	2003		GROWTH	2004	
As Reported						
Net Sales	\$1,194,320	\$946,924	26.1%	\$4,060,266	\$3,353,805	21.1%
Operating Income	50,047	59,084	-15.3%	213,087	233,719	-8.8%
Margin	4.2%	6.2%	-205 bp	5.2%	7.0%	-172 bp
Net Income from Continuing Operations	\$29,550	\$35,542	-16.9%	\$128,183	\$139,522	-8.1%
Diluted EPS from Continuing Operations	0.33	0.39	-15.4%	1.43	1.55	-7.7%
Net Income	\$29,550	\$35,542	-16.9%	\$128,183	\$137,510	-6.8%
Diluted EPS	0.33	0.39	-15.4%	1.43	1.53	-6.5%

Add: One Time Charge Related to Influenza  
Vaccine Contract (1)

Net Sales	--	--		--	--	
Operating Income	\$13,246	--		\$13,246	--	
Net Income from Continuing Operations	8,358	--		8,358	--	
Diluted EPS from Continuing Operations	0.10	--		0.10	--	
Net Income	8,358	--		8,358	--	
Diluted EPS	0.10	--		0.10	--	

Subtract: Gain on Real Estate Transactions (2)

Net Sales	--	--		--	--	
Operating Income	--	--		--	--	
Net Income from Continuing Operations	--	--		--	\$ (454)	
Diluted EPS from Continuing Operations	--	--		--	(0.00)	
Net Income	--	--		--	(454)	
Diluted EPS	--	--		--	(0.00)	

Comparable Basis

Net Sales	\$1,194,320	\$946,924	26.1%	\$4,060,266	\$3,353,805	21.1%
Operating Income	63,293	59,084	7.1%	226,333	233,719	-3.2%
Margin	5.3%	6.2%	-94 bp	5.6%	7.0%	-139 bp
Net Income from Continuing Operations	\$37,908	\$35,542	6.7%	\$136,541	\$139,068	-1.8%
Diluted EPS from Continuing Operations	0.43	0.39	10.3%	1.53	1.55	-1.3%
Net Income	\$37,908	\$35,542	6.7%	\$136,541	\$137,056	-0.4%
Diluted EPS	0.43	0.39	10.3%	1.53	1.53	0.0%

(1) In the fourth quarter of 2004, there was a \$13.2 million pre-tax (\$8.4 million post-tax) one time charge associated with an agreement with Chiron Corporation to distribute Fluvirin influenza vaccine. This one-time charge was included in the "Selling, general and administrative" expense line on the statements of income.

(2) In the first quarter of 2003, there was a \$726 thousand pre-tax (\$454 thousand post-tax) gain related to a real estate transaction. This gain was included in the "Other, net" line on the statements of income.

USE OF NON-GAAP MEASURES: The above information includes financial measures that are not calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP"). The above table reconciles operating income from continuing operations, net income and diluted earnings per share, the Company's most directly comparable measure calculated and presented in accordance with GAAP, to comparable amounts as adjusted to eliminate the effect of one-time items.

Management eliminated the effect of such one-time items to assist in evaluating the underlying operational performance of the Company's business, excluding such one-time items, over the periods presented. Management believes that this presentation is appropriate and facilitates such an evaluation by management, investors and analysts. This measure should be considered supplemental to, and not a substitute for or superior to, financial measures calculated in accordance with GAAP.

HENRY SCHEIN, INC.  
 2004 FOURTH QUARTER AND FULL YEAR  
 MEDICAL SALES GROWTH COMPARISON  
 NET SALES BY CATEGORY  
 (IN THOUSANDS)  
 (UNAUDITED)

	Fourth Quarter		% Growth		
	2004	2003	Total	Internal	Acquisition
Medical Net Sales	\$390,383	\$380,175	2.7%	-0.2%	2.9%
Subtract: Fluvirin Sales(1)	--	35,701			
Medical Net Sales Excluding Fluvirin	\$390,383	\$344,474	13.3%	10.2%	3.1%

	Full Year		% Growth		
	2004	2003	Total	Internal	Acquisition
Medical Net Sales	\$1,446,060	\$1,338,084	8.1%	1.0%	7.1%
Subtract: Fluvirin Sales(1)	--	130,155			
Medical Net Sales Excluding Fluvirin	\$1,446,060	\$1,207,929	19.7%	11.9%	7.8%

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(1) 2004 financial results were adversely impacted by the absence of Fluvirin influenza vaccine in 2004, as previously announced.

USE OF NON-GAAP MEASURES

The above 'Medical Sales Growth Comparison' net sales excluding Fluvirin is a financial measure that is not calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP"). The above table reconciles medical net sales, the Company's most directly comparable measure calculated and presented in accordance with GAAP, to 'medical net sales excluding Fluvirin' as adjusted to eliminate the effect of 2003 Fluvirin sales.

Management eliminated the effect of 2003 Fluvirin sales to assist in evaluating the underlying operational performance of the Company's medical business, excluding Fluvirin, over the periods presented. Management believes that this presentation is appropriate and facilitates such an evaluation by management, investors and analysts. This measure should be considered supplemental to, and not a substitute for or superior to, financial measures calculated in accordance with GAAP.