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

FORM 10-Q

(Mark One)
X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 27, 2003

OR

__ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM ____________ TO ____________

COMMISSION FILE NUMBER: 0-27078

HENRY SCHEIN, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	11-3136595
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

135 DURYEA ROAD
MELVILLE, NEW YORK
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)
11747
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (631) 843-5500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No

As of November 3, 2003 there were 43,646,271 shares of the registrant's common stock outstanding.

HENRY SCHEIN, INC.
INDEX

PART I. FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

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

	September 27, 2003 (unaudited)	December 28, 2002 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 92,857	$ 200,651
Marketable securities	12,902	31,209
Accounts receivable, net of reserves of $40,116 and $36,200	498,016	368,263
Inventories, net	372,082	323,080
Deferred income taxes	26,839	29,919
Prepaid expenses and other	85,067	74,407
Total current assets	1,087,763	1,027,529
Property and equipment, net	150,817	142,532
Goodwill	354,402	302,687
Other intangibles, net	22,997	7,661
Investments and other	81,008	77,643
Total assets	$ 1,696,987	$ 1,558,052
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 246,710	$ 243,166
Bank credit lines	6,475	4,790
Current maturities of long-term debt	4,357	2,662
Accruals:		
Salaries and related expenses	52,946	53,954
Taxes	56,792	32,196
Other expenses	93,202	86,562
Total current liabilities	460,482	423,330
Long-term debt	245,389	242,561
Other liabilities	28,955	24,196
Minority interest	10,041	6,748
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value, 1,000,000 authorized, none outstanding	--	--
Common stock, $.01 par value, 120,000,000 authorized, 43,645,938 and 44,041,591 outstanding	436	440
Additional paid-in capital	439,337	436,554
Retained earnings	501,024	430,389
Treasury stock, at cost, 0 and 62,479 shares	--	(1,156)
Accumulated other comprehensive income (loss)	11,445	(4,794)
Deferred compensation	(122)	(216)
Total stockholders' equity	952,120	861,217
Total liabilities and stockholders' equity	$ 1,696,987	$ 1,558,052

See accompanying notes.

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

	Three Months Ended		Nine Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net sales	$ 892,718	$ 759,073	$ 2,406,881	$ 2,077,598
Cost of sales	641,218	542,601	1,733,435	1,490,340
Gross profit	251,500	216,472	673,446	587,258
Operating expenses:				
Selling, general and administrative	175,100	152,187	498,811	440,786
Operating income	76,400	64,285	174,635	146,472
Other income (expense):				
Interest income	2,197	2,536	6,510	7,456
Interest expense	(4,812)	(4,787)	(14,140)	(13,982)
Other, net	328	877	1,255	1,017
Income before taxes, minority interest, equity in earnings of affiliates and loss on sale of discontinued operation	74,113	62,911	168,260	140,963
Taxes on income from continuing operations	(27,569)	(23,468)	(62,982)	(52,528)
Minority interest in net income of subsidiaries	(363)	(337)	(1,974)	(1,838)
Equity in earnings of affiliates	178	122	676	427
Net income from continuing operations	46,359	39,228	103,980	87,024
Loss on sale of discontinued operation, net of tax	(2,012)	--	(2,012)	--
Net income	$ 44,347	$ 39,228	$ 101,968	$ 87,024
Net income from continuing operations per common share:				
Basic	$ 1.06	$ 0.90	$ 2.38	$ 2.01
Diluted	$ 1.03	$ 0.87	$ 2.32	$ 1.94
Loss on sale of discontinued operation, net of tax per common share:				
Basic	$ (0.05)	$ --	$ (0.05)	$ --
Diluted	$ (0.04)	$ --	$ (0.04)	$ --
Net income per common share:				
Basic	$ 1.02	$ 0.90	$ 2.33	$ 2.01
Diluted	$ 0.99	$ 0.87	$ 2.27	$ 1.94
Weighted average common shares outstanding:				
Basic	43,609	43,808	43,706	43,329
Diluted	44,885	45,000	44,896	44,779

See accompanying notes.

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

	Nine Months Ended September 27, 2003	Nine Months Ended September 28, 2002
Cash flows from operating activities of continuing operations:		
Net income	$ 101,968	$ 87,024
Loss on sale of discontinued operation, net of tax	2,012	--
Net income from continuing operations	103,980	87,024
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:		
Depreciation and amortization	25,956	20,086
Provision for losses and allowances on trade receivables	4,374	5,114
Stock issued to ESOP trust	2,300	1,340
Provision (benefit) for deferred income taxes	6,962	(2,147)
Undistributed earnings of affiliates	(676)	(427)
Minority interest in net income of subsidiaries	1,974	1,838
Other	(102)	(31)
Changes in operating assets and liabilities, net of effect of acquisitions:		
Increase in accounts receivable	(115,673)	(52,958)
Increase in inventories, net	(27,456)	(18,136)
Decrease (increase) in other current assets	4,893	(8,662)
Increase in accounts payable and accruals	11,559	32,609
Net cash provided by operating activities of continuing operations	18,091	65,650
Cash flows from investing activities:		
Purchases of capital expenditures	(29,045)	(36,260)
Payments for business acquisitions, net of cash acquired	(67,797)	(34,887)
Purchases of marketable securities	(39,139)	(50,293)
Proceeds from sales of marketable securities	20,104	--
Proceeds from maturities of marketable securities	38,130	--
Other, including discontinued operation	(671)	(3,047)
Net cash used in investing activities	(78,418)	(124,487)
Cash flows from financing activities:		
Principal payments on long-term debt	(7,186)	(14,388)
Proceeds from issuance of stock upon exercise of stock options	18,378	32,753
Net proceeds from borrowings from banks	682	1,743
Payments for repurchases of common stock	(57,727)	--
Other	(118)	(2,757)
Net cash (used in) provided by financing activities	(45,971)	17,351
Net change in cash and cash equivalents	(106,298)	(41,486)
Effect of exchange rate changes on cash and cash equivalents	(1,496)	(2,582)
Cash and cash equivalents, beginning of period	200,651	193,367
Cash and cash equivalents, end of period	$ 92,857	$ 149,299

See accompanying notes.

NOTE 1. BASIS OF PRESENTATION

Our consolidated financial statements include our accounts as well as those of our wholly-owned and majority-owned subsidiaries.

We believe the accompanying unaudited consolidated financial statements reflect all adjustments (consisting of only normal recurring adjustments) considered necessary to present fairly the information set forth therein. These unaudited interim consolidated financial statements are condensed and therefore do not include all of the information and footnote disclosures required by accounting principles generally accepted in the United States for complete financial statements. These unaudited interim consolidated financial statements should be read in conjunction with our audited annual consolidated financial statements and accompanying footnotes included in our Form 10-K for the year ended December 28, 2002. We follow the same accounting policies in preparation of interim financial statements as we do in preparation of our annual financial statements.

The results of operations and cash flows for the nine months ended September 27, 2003 are not necessarily indicative of the results to be expected for the fiscal year ending December 27, 2003 or any other period.

Certain amounts from prior periods have been reclassified to conform to the current period presentation.

NOTE 2. SEGMENT DATA

Our reportable segments are strategic business units that offer different products and services to the same customer base. We conduct our business through two segments: healthcare distribution and technology.

Our healthcare distribution segment, which is comprised of our dental, medical (including veterinary) and international business groups, distributes healthcare products (primarily consumable) and services to office-based healthcare practitioners and professionals in the United States, Canada and international markets. Products, which are similar for each business group, are maintained and distributed from strategically located distribution centers.

Our technology segment consists primarily of our practice management software business and certain other value-added products and services that are distributed primarily to healthcare professionals in the United States and Canada. Most of the technology business, including members of its management, was acquired as a unit.

The following tables present information about our business segments (in thousands):

	Three Months Ended		Nine Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net Sales:				
Healthcare distribution (1):				
Dental (2)	$ 339,409	$ 300,714	$ 985,318	$ 902,282
Medical (3)	396,464	337,529	957,909	811,634
International (4)	138,411	103,386	409,181	316,003
Total healthcare distribution	874,284	741,629	2,352,408	2,029,919
Technology (5)	18,434	17,444	54,473	47,679
Total	$ 892,718	$ 759,073	$ 2,406,881	$ 2,077,598

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(1) Consists of consumable products, small equipment, laboratory products, large dental equipment, branded and generic pharmaceuticals, surgical products, diagnostic tests, infection control products and vitamins.
(2) Consists of products sold in the United States and Canada.
(3) Consists of products sold in the United States' Medical and Veterinary markets.
(4) Consists of products sold in the Dental, Medical and Veterinary markets, primarily in Europe.
(5) Consists of practice management software and other value-added products and services, which are sold primarily to healthcare professionals in the United States and Canada.

	Three Months Ended		Nine Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Operating Income:				
Healthcare distribution	$ 69,137	$ 57,487	$ 152,559	$ 127,580
Technology	7,263	6,798	22,076	18,892
Total	$ 76,400	$ 64,285	$ 174,635	$ 146,472

	September 27, 2003	December 28, 2002
Total Assets:		
Healthcare distribution	$ 1,675,836	$ 1,533,529
Technology	133,517	106,319
Total assets for reportable segments	1,809,353	1,639,848
Receivables due from healthcare distribution segment	(111,277)	(80,855)
Receivables due from technology segment	(1,089)	(941)
Total consolidated assets	$ 1,696,987	$ 1,558,052

NOTE 3. STOCK-BASED COMPENSATION

In December 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure". This statement amends FAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, FAS No. 148 amends the disclosure requirements of FAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results.

Pursuant to FAS No. 148, we have elected to continue to account for employee stock-based compensation under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," using an intrinsic value approach to measure compensation expense. Accordingly, no compensation expense has been recognized for options granted under our stock compensation plans since all such options were granted at exercise prices equal to or greater than fair market value on the date of grant.

The following table summarizes relevant information as to our reported results under the intrinsic value method of accounting for stock awards, with supplemental information, as if the fair value recognition provisions of FAS No. 123 had been applied to each of the three and nine month periods ended September 27, 2003 and September 28, 2002. The following assumptions were used in determining the fair values: weighted average risk-free interest rates of 3.0% - 4.2%, stock price volatility of 45%, dividend yield of 0% and weighted average expected option life of five years in 2003 and 2002 (in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net income as reported	$ 44,347	$ 39,228	$ 101,968	$ 87,024
Stock-based compensation expense determined under fair value method, net of tax	(1,995)	(1,431)	(5,395)	(4,294)
Pro forma net income	$ 42,352	$ 37,797	$ 96,573	$ 82,730
Net income per common share as reported:				
Basic	$ 1.02	$ 0.90	$ 2.33	$ 2.01
Diluted	$ 0.99	$ 0.87	$ 2.27	$ 1.94
Net income per common share pro forma:				
Basic	$ 0.97	$ 0.86	$ 2.21	$ 1.91
Diluted	$ 0.94	$ 0.84	$ 2.15	$ 1.85

NOTE 4. BUSINESS ACQUISITIONS AND DIVESTITURE

During the nine months ended September 27, 2003, we acquired two healthcare distribution businesses. On May 28, 2003, we acquired all of the outstanding common stock of Hager Dental GmbH, a dental distributor of consumable supplies and equipment located in Germany. On June 2, 2003, we acquired the assets of Colonial Surgical Supply, Inc., a United States dental distributor of consumable supplies, primarily examination gloves. The acquisition agreement for Colonial Surgical requires us to pay additional cash consideration of up to $10.0 million, if certain profitability targets are met. These transactions were not considered material on either an individual or aggregate basis.

Hager Dental reported 2002 net sales of approximately $50.0 million. Colonial Surgical reported 2002 net sales of approximately $40.0 million. The transactions were accounted for under the purchase method of accounting and have been included in our consolidated financial statements from their respective acquisition dates.

On August 29, 2003, we divested PMA Bode GmbH, an x-ray film distribution business located in Germany, which was a component of our healthcare distribution business segment. PMA Bode generated annual net sales of approximately $31.0 million. The loss recorded on the sale of PMA Bode was approximately $2.0 million (net of $54 thousand tax benefit) and is presented separately as a loss on sale of discontinued operation in our statements of income for the three and nine months ended September 27, 2003. Due to immateriality, we have not reflected the operating results of PMA Bode separately as a discontinued operation for any of the prior periods presented.

NOTE 5. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the nine months ended September 27, 2003 were as follows (in thousands):

	Healthcare Distribution	Technology	Total
Balance as of December 28, 2002	$ 302,352	$ 335	$ 302,687
Adjustments to goodwill:			
Acquisitions	45,706	1,530	47,236
Divestiture	(2,358)	--	(2,358)
Foreign currency translation ...	6,837	--	6,837
Balance as of September 27, 2003 ...	$ 352,537	$ 1,865	$ 354,402

Other intangible assets as of September 27, 2003 and December 28, 2002 were as follows (in thousands):

	September 27, 2003		December 28, 2002	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Other intangible assets:				
Non-compete agreements	$ 15,295	$ (4,694)	$ 10,826	$ (3,549)
Trademarks and trade names ...	7,972	(34)	89	(18)
Customer relationships	4,074	(430)	--	--
Other	3,083	(2,269)	897	(584)
Total	$ 30,424	$ (7,427)	$ 11,812	$ (4,151)

Amortization of other intangible assets for the nine months ended September 27, 2003 and September 28, 2002 was approximately $1.9 million and $806 thousand. The annual amortization expense expected for the years 2004 through 2008 is $2.7 million, $1.8 million, $1.2 million, $1.0 million and $687 thousand.

NOTE 6. EARNINGS PER SHARE

A reconciliation of shares used in calculating basic and diluted earnings per common share follows:

	Three Months Ended		Nine Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Basic	43,608,925	43,807,578	43,705,692	43,328,701
Effect of assumed conversion of stock options	1,276,045	1,192,156	1,190,056	1,449,933
Diluted	44,884,970	44,999,734	44,895,748	44,778,634

Weighted average options to purchase 4,077 and 16,857 shares of common stock at prices ranging from $57.00 to $59.10 and $48.25 to $50.39 per share that were outstanding during the three months ended September 27, 2003 and September 28, 2002 were excluded from the computation of diluted earnings per common share. Weighted average options to purchase 41,988 and 23,245 shares of common stock at prices ranging from $48.81 to $59.10 and $46.00 to $50.39 per share that were outstanding during the nine months ended September 27, 2003 and September 28, 2002 were excluded from the computation of diluted earnings per common share. In each of these periods, the options' exercise prices exceeded the average fair market value of our common stock.

NOTE 7. COMPREHENSIVE INCOME

Components of comprehensive income primarily include foreign currency translation adjustments, but also include unrealized gains and losses arising from effective portions of foreign currency hedges and from marketable securities. Comprehensive income totaled $43.7 million and $118.2 million for the three and nine months ended September 27, 2003 and $36.4 million and $97.7 million for the three and nine months ended September 28, 2002.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for historical information contained herein, the statements in this report (including without limitation, statements indicating that we "expect", "estimate", "anticipate", or "believe" and all other statements concerning future financial results, product or service offerings or other events that have not yet occurred) are forward-looking statements that are made pursuant to the safe harbor provisions of applicable securities legislation and regulations. Forward-looking statements involve known and unknown factors, risks and uncertainties which may cause our actual results in future periods to differ materially from those expressed in any forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, the factors described under "Risk Factors" discussed later in this Form 10-Q.

OVERVIEW

We are the largest distributor of healthcare products and services to office-based healthcare practitioners in the combined North American and European markets with operations in the United States, Canada, the United Kingdom, the Netherlands, Belgium, Germany, France, Austria, Spain, Ireland, Portugal, Australia and New Zealand.

We sell products and services to over 400,000 customers, primarily dental practices and dental laboratories, as well as physician practices, veterinary clinics and institutions. Through our comprehensive catalogs and other direct sales and marketing programs, we offer customers a broad product selection of both branded and private brand products.

Our reportable segments are strategic business units that offer different products and services to the same customer base. We conduct our business through two segments: healthcare distribution and technology.

Our healthcare distribution segment, which is comprised of our dental, medical (including veterinary) and international business groups, distributes healthcare products (primarily consumable) and services to office-based healthcare practitioners and professionals in the United States, Canada and international markets. Products, which are similar for each business group, are maintained and distributed from strategically located distribution centers.

Our technology segment consists primarily of our practice management software business and certain other value-added products and services that are distributed primarily to healthcare professionals in the United States and Canada. Most of the technology business, including members of its management, was acquired as a unit.

RESULTS OF OPERATIONS

The following table summarizes the significant components of our operating results and cash flows for the three and nine months ended September 27, 2003 and September 28, 2002 (in thousands):

	Three Months Ended		Nine Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Operating Results:				
Net sales	$ 892,718	$ 759,073	$ 2,406,881	$ 2,077,598
Cost of sales	641,218	542,601	1,733,435	1,490,340
Gross profit	251,500	216,472	673,446	587,258
Operating expenses:				
Selling, general and administrative	175,100	152,187	498,811	440,786
Operating income	$ 76,400	$ 64,285	$ 174,635	$ 146,472
Other expense, net	$ (2,287)	$ (1,374)	$ (6,375)	$ (5,509)
Net income from continuing operations	46,359	39,228	103,980	87,024
Net income	44,347	39,228	101,968	87,024
Cash Flows:				
Net cash (used in) provided by operating activities from continuing operations	$ (22,940)	$ 52,269	$ 18,091	$ 65,650
Net cash provided by (used in) investing activities	461	(40,267)	(78,418)	(124,487)
Net cash (used in) provided by financing activities	(5,161)	5,326	(45,971)	17,351

THREE MONTHS ENDED SEPTEMBER 27, 2003 COMPARED TO THREE MONTHS ENDED SEPTEMBER 28, 2002

Net sales for the three months ended September 27, 2003 and September 28, 2002 were as follows (in thousands):

	September 27, 2003	% of Total Net Sales	September 28, 2002	% of Total Net Sales
Net Sales:				
Healthcare distribution (1):				
Dental (2)	$ 339,409	38.0%	$ 300,714	39.6%
Medical (3)	396,464	44.4%	337,529	44.5%
International (4)	138,411	15.5%	103,386	13.6%
Total healthcare distribution	874,284	97.9%	741,629	97.7%
Technology (5)	18,434	2.1%	17,444	2.3%
Total	$ 892,718	100.0%	$ 759,073	100.0%

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(1) Consists of consumable products, small equipment, laboratory products, large dental equipment, branded and generic pharmaceuticals, surgical products, diagnostic tests, infection control products and vitamins.
(2) Consists of products sold in the United States and Canada.
(3) Consists of products sold in the United States' Medical and Veterinary markets.
(4) Consists of products sold in the Dental, Medical and Veterinary markets, primarily in Europe.
(5) Consists of practice management software and other value-added products and services, which are sold primarily to healthcare professionals in the United States and Canada.

For the three months ended September 27, 2003, our net sales increased $133.6 million or 17.6% from the comparable prior year period. Of the increase in total net sales, $132.6 million or 99.3% resulted from a 17.9% increase in our healthcare distribution business. Of this increase, $38.7 million resulted from a 12.9% increase in our dental business, $58.9 million resulted from a 17.5% increase in our medical business and $35.0 million resulted from a 33.9% increase in our international business. The remaining increase in net sales of $1.0 million resulted from our technology business.

The $38.7 million or 12.9% increase in dental net sales, comprised of dental consumable merchandise of $31.1 million or 12.9% and dental equipment of $7.6 million or 12.7%, was primarily due to increased account penetration of existing customers driven by our Privileges loyalty program and an acquisition which accounted for $14.5 million of the increase in consumable merchandise net sales. Excluding the effects of the acquisition and exchange rates, net sales for the dental business increased $22.0 million or 7.3%. The $58.9 million or 17.5% increase in medical net sales was primarily due to increased sales to physicians' office and alternate care markets. The $35.0 million or 33.9% increase in international net sales was primarily due to an acquisition, favorable exchange rates and increased account penetration in France, Spain and Australia, partially offset by a divestiture. Excluding the effect of the exchange rates, the acquisition and divestiture, net sales for the international market increased $9.3 million or 9.7%. Finally, the increase in technology net sales of $1.0 million or 5.7% was primarily due to increased sales of value-added products including software products and related services.

Gross profit increased $35.0 million or 16.2%, to $251.5 million for the three months ended September 27, 2003 compared to the prior year period. Gross profit margin decreased to 28.2% for the three months ended September 27, 2003 from 28.5% for the comparable prior year period.

Healthcare distribution gross profit increased $34.4 million or 17.0%, to $237.3 million for the three months ended September 27, 2003 compared to the prior year period. Healthcare distribution gross profit margin decreased to 27.1% for the three months ended September 27, 2003 from 27.4% for the comparable prior year period, primarily due to changes in sales mix in our medical and international businesses.

Technology gross profit increased $573 thousand or 4.2%, to $14.2 million for the three months ended September 27, 2003 compared to the prior year period. Technology gross profit margins decreased to 77.0% for the three months ended September 27, 2003 from 78.2% for the comparable prior year period, primarily due to changes in sales mix.

Selling, general and administrative expenses increased $22.9 million or 15.1%, to $175.1 million for the three months ended September 27, 2003 compared to the prior year period.

Selling and shipping expenses increased $18.4 million or 19.7%, to $112.0 million for the three months ended September 27, 2003 from $93.6 million for the comparable prior year period. The increase was primarily due to expenses directly associated with supporting increased sales volume. As a percentage of net sales, selling and shipping expenses increased to 12.5% for the three months ended September 27, 2003 from 12.3% for the comparable prior year period.

General and administrative expenses increased $4.5 million or 7.7%, to $63.1 million for the three months ended September 27, 2003 from $58.6 million for the comparable prior year period. As a percentage of net sales, general and administrative expenses decreased to 7.1% for the three months ended September 27, 2003 from 7.7% for the comparable prior year period. The decrease was primary due to leveraging of our infrastructure with increased sales volume.

Other expense, net increased $913 thousand to $2.3 million for the three months ended September 27, 2003 compared to the prior year period. The net increase was primarily due to lower interest income and other expenses.

For the three months ended September 27, 2003, our effective tax rate was 37.2% compared to 37.3% for the comparable prior year period. The difference between our effective tax rates and the federal statutory rates for both periods primarily relates to state income taxes.

NINE MONTHS ENDED SEPTEMBER 27, 2003 COMPARED TO NINE MONTHS ENDED SEPTEMBER 28, 2002

Net sales for the nine months ended September 27, 2003 and September 28, 2002 were as follows (in thousands):

	September 27, 2003	% of Total Net Sales	September 28, 2002	% of Total Net Sales
Net Sales:				
Healthcare distribution (1):				
Dental (2)	$ 985,318	40.9%	$ 902,282	43.4%
Medical (3)	957,909	39.8%	811,634	39.1%
International (4)	409,181	17.0%	316,003	15.2%
Total healthcare distribution ..	2,352,408	97.7%	2,029,919	97.7%
Technology (5)	54,473	2.3%	47,679	2.3%
Total	$ 2,406,881	100.0%	$ 2,077,598	100.0%

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(1) Consists of consumable products, small equipment, laboratory products, large dental equipment, branded and generic pharmaceuticals, surgical products, diagnostic tests, infection control products and vitamins.
(2) Consists of products sold in the United States and Canada.
(3) Consists of products sold in the United States' Medical and Veterinary markets.
(4) Consists of products sold in the Dental, Medical and Veterinary markets, primarily in Europe.
(5) Consists of practice management software and other value-added products and services, which are sold primarily to healthcare professionals in the United States and Canada.

For the nine months ended September 27, 2003, our net sales increased $329.3 million or 15.8% from the comparable prior year period. Of this increase in total net sales, $322.5 million or 97.9% resulted from a 15.9% increase in our healthcare distribution business. Of this increase, $83.0 million resulted from a 9.2% increase in our dental business, $146.3 million resulted from an 18.0% increase in our medical business and $93.2 million resulted from a 29.5% increase in our international business. The remaining increase in net sales of $6.8 million resulted from our technology business.

The $83.0 million or 9.2% increase in dental net sales, comprised of dental consumable merchandise of $57.6 million or 7.9% and dental equipment of $25.4 million or 14.9%, was primarily due to increased account penetration of existing customers driven primarily by our Privileges loyalty program and an acquisition which accounted for $19.1 million of the increase in consumable merchandise net sales. Excluding the effects of the acquisition and exchange rates, net sales for the dental business increased $58.6 million or 6.5%. The $146.3 million or 18.0% increase in medical net sales was primarily due to increased sales to physicians' office and alternate care markets. The $93.2 million or 29.5% increase in international net sales was primarily due to favorable exchange rates, an acquisition, and increased account penetration in France, Spain and Australia. Excluding the effect of the exchange rates, acquisition and divestiture, net sales for the international market increased $19.1 million or 6.2%. Finally, the increase in technology net sales of $6.8 million or 14.2% was primarily due to increased sales of value-added products including software and related services.

Gross profit increased $86.2 million or 14.7%, to $673.4 million for the nine months ended September 27, 2003 compared to the prior year period. Gross profit margin decreased to 28.0% for the nine months ended September 27, 2003 from 28.3% for the comparable prior year period.

Healthcare distribution gross profit increased $80.5 million or 14.6%, to $631.3 million for the nine months ended September 27, 2003 compared to the prior year period. Healthcare distribution gross profit margin decreased to 26.8% for the nine months ended September 27, 2003 from 27.1% for the comparable prior year period, primarily due to changes in sales mix in our medical and international businesses.

Technology gross profit increased $5.7 million or 15.6%, to $42.1 million for the nine months ended September 27, 2003 compared to the prior year period. Technology gross profit margins increased to 77.3% for the nine months ended September 27, 2003 from 76.3% for the comparable prior year period, primarily due to changes in sales mix.

Selling, general and administrative expenses increased $58.0 million or 13.2%, to $498.8 million for the nine months ended September 27, 2003 compared to the prior year period.

Selling and shipping expenses increased $42.2 million or 15.5%, to $314.5 million for the nine months ended September 27, 2003 from $272.3 million for the comparable prior year period. The increase was primarily due to expenses directly associated with supporting increased sales volume. As a percentage of net sales, selling and shipping expenses remained unchanged at 13.1% for the nine months ended September 27, 2003 and for the comparable prior year period.

General and administrative expenses increased $15.8 million or 9.4%, to $184.3 million for the nine months ended September 27, 2003 from $168.5 million for the comparable prior year period. As a percentage of net sales, general and administrative expenses decreased to 7.7% for the nine months ended September 27, 2003 from 8.1% for the comparable prior year period. The decrease was primarily due to leveraging of our infrastructure with increased sales volume.

Other expense, net increased $866 thousand to $6.4 million for the nine months ended September 27, 2003 compared to the prior year period. The net increase was primarily due to lower interest income.

For the nine months ended September 27, 2003, our effective tax rate was 37.4% compared to 37.3% for the comparable prior year period. The difference between our effective tax rates and the Federal statutory rates for both periods primarily relates to state income taxes.

LIQUIDITY AND CAPITAL RESOURCES

Our principal capital requirements include the funding of working capital needs resulting from increased sales and special inventory forward buy-in opportunities, acquisitions, repurchases of our common stock and capital expenditures. Since sales tend to be strong during the fourth quarter and special inventory forward buy-in opportunities are most prevalent just before the end of the year, our working capital requirements have generally been higher from the end of the third quarter to the end of the first quarter of the following year.

We finance our business primarily through our operations, revolving credit facilities, private placement loans and stock issuances. Our principal source of cash is derived from our operations. Our ability to generate sufficient cash flows from operations is dependent on the continued demand of our customers for our products and services. Given current operating, economic and industry conditions, we believe that demand for our products and services will remain strong in the foreseeable future.

Net cash flow provided by operating activities of continuing operations was $18.1 million for the nine months ended September 27, 2003 compared to $65.7 million for the comparable prior year period. This decrease was primarily due to increased trade receivable and inventory levels as of September 27, 2003 resulting from increased sales activity in 2003 compared to 2002.

Net cash used in investing activities was $78.4 million for the nine months ended September 27, 2003 compared to $124.5 million for the comparable prior year period. The decrease was primarily due to a reduction in cash used to purchase marketable securities and capital expenditures and increased cash proceeds from sales and maturities of marketable securities, partially offset by an increase in cash used for acquisitions. We expect to invest approximately $6.0 million during the three months ending December 27, 2003 in capital projects to modernize and expand our facilities, on computer infrastructure systems and to integrate operations.

Net cash (used in) provided by financing activities was $(46.0) million for the nine months ended September 27, 2003 compared to $17.4 million for the comparable prior year period. The net change was primarily due to increased payments made to repurchase our common stock and reduced proceeds received through the exercise of stock options, partially offset by reduced principal payments on long-term debt. On March 12, 2003, we announced that our Board of Directors had authorized the repurchase of up to two million shares of our common stock, which represented approximately 4.5% of shares outstanding on the announcement date. During the nine months ended September 27, 2003, we repurchased and retired 1,283,500 shares at an average price of $45.41 per share.

The following table summarizes selected measures of liquidity and capital resources (in thousands):

	September 27, 2003	December 28, 2002
Cash and cash equivalents	$ 92,857	$ 200,651
Marketable securities, including non-current ...	35,814	55,184
Working capital	627,281	604,199
Debt, net of cash and cash equivalents and marketable securities	127,550	--

Our cash and cash equivalents consist of bank balances and investments in money market funds. These investments have staggered maturity dates, none of which exceed three months, and have a high degree of liquidity since the securities are traded in public markets. During the nine months ended September 27, 2003, significant uses of cash included $67.8 million for acquisitions, $57.7 million for repurchases of our common stock and $29.0 million for capital expenditures.

Our marketable securities consist of short and long-term debt securities classified as available for sale, including corporate bonds rated AAA by Moody's (or an equivalent rating) and commercial paper rated P-1 by Moody's (or an equivalent rating). The fair values of our marketable securities are determined by quoted market prices.

Our business requires a substantial investment in working capital which is susceptible to large variations during the year as a result of inventory purchase patterns and seasonal demands. Inventory purchase activity is a function of sales activity, special inventory forward buy-in opportunities, new customer build-up requirements and the desired level of investment inventory. Working capital has increased primarily as a result of our higher sales volume.

Our accounts receivable days sales outstanding improved to 47.4 days for the nine months ended September 27, 2003 from 49.4 days for the comparable prior year period primarily due to our continued focus on this area. Our inventory turns improved to 6.7 turns for the nine months ended September 27, 2003 from 6.6 turns for the comparable prior year period. We anticipate future increases in our working capital requirements as a result of continued sales growth.

On June 30, 1999 and September 25, 1998, we completed private placement transactions under which we issued $130.0 million and $100.0 million in Senior Notes. The $130.0 million notes come due on June 30, 2009 and bear interest at a fixed rate of 6.94% per annum. Principal payments totaling $20.0 million are due annually starting September 25, 2006 on the $100.0 million notes and bear interest at a fixed rate of 6.66% per annum. Interest on both notes is payable semi-annually.

Subsequent to September 27, 2003, we entered into agreements relating to the $230.0 million senior notes to exchange our fixed interest rates for variable interest rates. The weighted average variable interest rate is 4.25%. This variable rate is comprised of LIBOR plus the spreads and resets on the interest due dates for the senior notes.

We have a revolving credit facility of $200.0 million that is a four-year committed line scheduled to terminate in May 2006. There were no borrowings under this credit facility at September 27, 2003. As of September 27, 2003, certain of our subsidiaries had revolving credit facilities, which had outstanding balances of $6.5 million, against aggregate borrowing limits of $36.4 million.

Some holders of minority interests in entities we have acquired have the right at certain times to require us to acquire their interest at a price that approximates fair value pursuant to a formula price based on earnings of the entity. Additionally, some prior owners of acquired businesses are eligible to receive additional purchase price cash consideration if certain profitability targets are met. Due to uncertainty, we have not accrued any liabilities that may arise from these transactions.

We believe that our cash and cash equivalents, investments in short and long-term marketable securities, ability to access public and private debt and equity markets and availability of funds under our existing credit facilities will provide us with sufficient liquidity to meet our currently foreseeable short-term and long-term capital needs.

SEASONALITY AND OTHER FACTORS AFFECTING OUR BUSINESS

Our business is subject to seasonal and other quarterly influences. Net sales and operating profits are generally higher in the third and fourth quarters due to timing of seasonal product sales, software and equipment sales, year-end promotions and purchasing patterns of office-based healthcare practitioners and are generally lower in the first quarter primarily due to the increased purchases in the prior quarter.

Quarterly results also may be materially affected by a variety of other factors, including the timing of acquisitions and related costs, timing of sales, special promotional campaigns, fluctuations in exchange rates associated with international operations and adverse weather conditions.

E-COMMERCE

Traditional healthcare supply and distribution relationships are impacted by the advancement of electronic on-line commerce solutions. Our distribution business is characterized by rapid technological developments and is highly competitive. The rapid advancement of on-line commerce requires us to provide continuous improvement in performance, security, features and reliability of Internet content and technology, particularly in response to competitive offerings.

Through our proprietary technologically-based suite of products, we offer customers a variety of competitive alternatives. We believe that our tradition of reliable service coupled with our name recognition and large customer base built on solid customer relationships positions us well to participate in this growing aspect of the distribution business. We continue to explore ways and means to improve and expand our Internet presence and capabilities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate estimates, including those related to sales allowance provisions, as described below, volume purchase rebates, income taxes, inventory and bad debt reserves and contingencies. We base our estimates on historical data, when available, experience, industry and market trends, and on various other assumptions that are believed to be reasonable under the circumstances, the combined results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

We believe that the following critical accounting policies affect the significant estimates and judgments used in the preparation of our financial statements:

Revenue Recognition

We generate revenue from the sale of dental, medical and veterinary consumable products, as well as dental equipment, software products and services and other sources. Provisions for discounts, rebates to customers, customer returns and other adjustments are recorded based upon historical data and are provided for in the period in which the related sales are recognized.

Revenue derived from the sale of consumable products is recognized when products are shipped to customers. Such sales typically entail high-volume, low-dollar orders shipped utilizing third-party common carriers. We believe that the shipment date is the most appropriate point in time indicating the completion of the earnings process because we have no post-shipment obligations, the product price is fixed and determinable, collection of the resulting receivable is probable and product returns are reasonably estimable.

Revenue derived from the sale of dental equipment is recognized when products are delivered to customers. Such sales typically entail scheduled deliveries of large equipment primarily by equipment service technicians. Some equipment sales require minimal installation, which is completed at the time of delivery.

Revenue derived from the sale of software products is recognized when products are shipped to customers. Such software is generally installed by customers and does not require extensive training due to the nature of its design. Revenue derived from post-contract customer support for software, including annual support and/or training, is recognized ratably over the period in which the services are provided.

Revenue derived from other sources including freight charges, equipment repairs and financial services, is recognized when the related product revenue is recognized or when the services are provided.

Accounts Receivable and Credit Policies

The carrying amount of accounts receivable reflects a reserve representing our best estimate of the amounts that will not be collected. In addition to reviewing delinquent accounts receivable, we consider many factors in estimating our reserve, including historical data, experience, customer types, credit worthiness, and economic trends. From time to time, we may adjust our assumptions for anticipated changes in any of those or other factors expected to affect collectability.

Long-Lived Assets

Long-lived assets, other than goodwill and other indefinite-lived intangible assets, are evaluated for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the estimated undiscounted future cash flows from the use of such assets. When any impairment exists, the related assets are written down to fair value.

Other definite-lived intangible assets are amortized over their estimated useful lives. We have reassessed the estimated useful lives of our definite-lived intangible assets, which primarily consist of non-compete agreements, trademarks and trade names and customer relationships, and deemed no changes necessary.

Goodwill and Other Indefinite-Lived Intangibles

In accordance with FAS No. 141, "Business Combinations", and No. 142, "Goodwill and Other Intangible Assets", goodwill and intangible assets deemed to have indefinite lives are no longer amortized but are subject to annual impairment tests. We assess the impairment of goodwill and other indefinite-lived intangible assets annually and on an interim basis whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Some factors we consider important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of our use of the acquired assets or the strategy for our overall business; and
- Significant negative industry or economic trends.

When we determine that the carrying value of goodwill and other indefinite-lived intangibles may not be recoverable based upon the existence of one or more of the above indicators of impairment, we perform an interim impairment review. If we determine through the impairment review process that goodwill has been impaired, we record an impairment charge in our consolidated income statement.

Stock-Based Compensation

We account for stock option awards to employees under the intrinsic value-based method of accounting prescribed by APB No. 25, "Accounting for Stock Issued to Employees". Under this method, no compensation expense is recorded provided the exercise price is equal to or greater than the quoted market price of the stock at the date of grant.

We make pro forma disclosures of net income and earnings per share as if the fair value-based method of accounting (the alternative method of accounting for stock-based compensation) had been applied as required by FAS No. 123, "Accounting for Stock-Based Compensation". The fair value-based method requires us to make assumptions to determine expected risk-free interest rates, stock price volatility, dividend yield and weighted average option life.

RISK FACTORS

Stockholders and investors should carefully consider the risks described below and other information in this quarterly report. Our business, financial condition and operating results, and the trading price of our common stock could be adversely affected if any of these risks materialize.

- The healthcare products distribution industry is highly competitive, and we compete with numerous companies, including major manufacturers and distributors that have greater financial and other resources than us. Competitors could obtain exclusive rights to market particular products or manufacturers could increase their efforts to sell directly to end-users, thereby bypassing distributors like us. Consolidation among healthcare products distributors could result in existing competitors increasing their market position. In addition, unavailability of products, whether due to our inability to gain access to products or interruptions in supply of products from manufacturers, could adversely affect our operating results.

- In recent years, the healthcare industry has undergone significant change driven by various efforts to reduce costs, including the reduction of spending budgets by government and private insurance programs, such as Medicare, Medicaid and corporate health insurance plans; trends toward managed care; consolidation of healthcare distribution companies; electronic commerce; and collective purchasing arrangements among office-based healthcare practitioners. If we are unable to react effectively to these and other changes in the healthcare industry, our operating results could be adversely affected.

- Our technology segment, which primarily sells practice management software and other value-added products, depends upon continued product development, technical support and marketing. Failures in these and related areas could adversely affect our results of operations.

- Our business is subject to requirements under various local, state, federal and foreign governmental laws and regulations applicable to the manufacture and distribution of pharmaceuticals and medical devices, including the Federal Food, Drug, and Cosmetic Act, the Prescription Drug Marketing Act of 1987 and the Controlled Substances Act. There is no assurance that current or future government regulations will not adversely affect our business.

- Our business involves a risk of product liability and other claims in the ordinary course of business, and from time to time we are named as a defendant in cases as a result of our distribution of pharmaceutical and other healthcare products. We have insurance policies, including product liability insurance, and in many cases we have indemnification rights from manufacturers with respect to the products we distribute. There is no assurance that insurance coverage or manufacturers' indemnity will be available in all of the pending or any future cases brought against us, or that an unfavorable result in any such case will not adversely affect our financial condition or results of operations.

- Our business is dependent upon our ability to hire and retain qualified sales representatives, service specialists and other sales agents. Due to the relationships developed between our field sales representatives and their customers, upon the departure of a sales representative we face the risk of losing the representative's customers, especially if the representative becomes an employee of one of our competitors.

- Our business is subject to seasonal and other quarterly influences. Net sales and operating profits are generally higher in the third and fourth quarters due to timing of seasonal product sales, software and equipment sales, year-end promotions and purchasing patterns of office-based healthcare practitioners and are generally lower in the first quarter primarily due to the increased purchases in the prior quarter.

- Our international operations are subject to inherent risks, which could adversely affect our operating results. These risks include difficulties in opening and managing foreign offices and distribution centers; difficulties in establishing channels of distribution; fluctuations in the value of foreign currencies; longer payment cycles of foreign customers and difficulty in collecting receivables in foreign jurisdictions; import/export duties and quotas; and unexpected regulatory, economic and political changes in foreign markets.

- Our expansion through acquisitions and/or joint ventures could result in a loss of customers, diversion of management attention and increased demands on our operations, information systems and financial resources.

- We rely on third parties to ship products to our customers. Increases in shipping rates or interruptions of service could adversely affect our operating results.

- Changes in e-commerce could affect our business relationships and could require significant resources. The rapid advancement of on-line commerce requires us to provide continuous improvement in performance, security, features and reliability of Internet content and technology, particularly in response to competitive offerings.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There were no material changes to the disclosures made in our Annual Report on Form 10-K for the year ended December 28, 2002, on this matter.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of our principal executive officer and principal financial officer, has carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report as required by applicable securities legislation and regulations. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of such period, our disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, the information required to be disclosed by us in this report.

There have not been any changes in our internal controls over financial reporting (as such term is defined by applicable securities legislation and regulations) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

It should be noted that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. As a result, there can be no assurance that a control system will succeed in preventing all possible instances of error or fraud. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are effective at the "reasonable assurance" level.

PART II. OTHER INFORMATION
ITEM 1. LEGAL PROCEEDINGS

Our business involves a risk of product liability claims and other claims in the ordinary course of business, and from time to time we are named as a defendant in cases as a result of our distribution of pharmaceutical and other healthcare products. As a business practice, we generally obtain product indemnification from our suppliers for manufactured products.

We have various insurance policies, including product liability insurance, covering risks and in amounts we consider adequate. In many cases in which we have been sued in connection with products manufactured by others, the manufacturer provides us with indemnification. There can be no assurance that the coverage we maintain is sufficient or will be available in adequate amounts or at a reasonable cost, or that indemnification agreements will provide us with adequate protection. In our opinion, all pending matters, including those described below, are covered by insurance or will not otherwise seriously harm our financial condition.

PRODUCT LIABILITY CLAIMS

As of September 27, 2003, we were a defendant in approximately 45 product liability cases. Of these cases, 42 involve claims made by healthcare workers who claim allergic reaction relating to exposure to latex gloves. In each of these cases, we acted as a distributor of both brand name and "Henry Schein" private brand latex gloves, which were manufactured by third parties. To date, discovery in these cases has generally been limited to product identification issues. The manufacturers in these cases have withheld indemnification of us pending product identification; however, we have impleaded or filed cross claims against those manufacturers in each case in which we are a defendant.

As of September 27, 2003, we had accrued our best estimate of potential losses relating to product liability claims for which we were able to determine a reasonable estimated loss. This accrued amount was not material to our financial position, results of operations or cash flows. Our method for determining estimated losses considers currently available facts, presently enacted laws and regulations and other external factors, including potential recoveries from third parties.

TEXAS CLASS ACTION

On January 27, 1998, in District Court in Travis County, Texas, we and one of our subsidiaries were named as defendants in a matter entitled "Shelly E. Stromboe and Jeanne Taylor, on Behalf of Themselves and all others Similarly Situated vs. Henry Schein, Inc., Easy Dental Systems, Inc. and Dentisoft, Inc.", Case No. 98-00886. The petition alleges, among other things, negligence, breach of contract, fraud, and violations of certain Texas commercial statutes involving the sale of certain practice management software products sold prior to 1998 under the Easy Dental(R) name.

In October 1999, the trial court, on motion, certified both a Windows(R) sub-class and a DOS sub-class to proceed as a class action pursuant to Tex. R. Civ. P. 42. It is estimated that 5,000 Windows(R) customers and 10,000 DOS customers were covered by the class action that was certified by the trial court. In November of 1999, we filed an interlocutory appeal of the trial court's determination to the Texas Court of Appeals on the issue of whether this case was properly certified as a class action. On September 14, 2000, the Court of Appeals affirmed the trial court's certification order. On January 5, 2001, we filed a Petition for Review in the Texas Supreme Court asking the Court to find that it had "conflicts jurisdiction" to permit review of the trial court's certification order. The Texas Supreme Court heard oral argument on February 6, 2002. On October 31, 2002, the Texas Supreme Court issued an opinion in the case holding that it had conflicts jurisdiction to review the decision of the Court of Appeals and finding that the trial court's certification of the case as a class action was improper. The Texas Supreme Court further held that the judgment of the Court of Appeals, which affirmed the class certification order, must be reversed in its entirety. Upon reversal of the class certification order, the Texas Supreme Court remanded the case to the trial court for further proceedings consistent with its opinion.

On January 31, 2003, counsel for the class filed a Motion for Rehearing with the Texas Supreme Court seeking a reversal for the Supreme Court's earlier opinion reversing the class certification order. On May 8, 2003, the Texas Supreme Court denied the Motion for Rehearing, letting stand its opinion dated October 31, 2002, which decertified both sub-classes in their entirety. On August 29, 2003, class counsel filed amended papers seeking certification of an amended Windows class and an amended DOS class. The only claim now asserted for class certification by the Windows class is for the alleged breach of the implied warranty of merchantability. The only claim now asserted for class certification by the DOS class is a claim for alleged violations of the Texas Unsolicited Goods Statute and the Federal Unordered Merchandise Act. A hearing on Plaintiffs' Amended Motion to Certify a Class is currently set for November 18-20, 2003. At this time, however, it is not possible to determine whether the trial court will certify a different class upon motion, if any, or the possible range of damages or other relief sought by the plaintiffs in the trial court.

PURPORTED CLASS ACTION IN NEW JERSEY

In February 2002, we were served with a summons and complaint in an action commenced in the Superior Court of New Jersey, Law Division, Morris County, entitled "West Morris Pediatrics, P.A. and Avenel-Iselin Medical Group, P.A. vs. Henry Schein, Inc., doing business as Caligor", Case No. MRS-L-421-02. The plaintiffs' complaint purports to be on behalf of a nationwide class, but there has been no court determination that the case may proceed as a class action. Plaintiffs seek to represent a class of all physicians, hospitals and other healthcare providers throughout New Jersey and across the United States. This complaint, as amended in August 2002, alleges, among other things, breach of oral contract, breach of implied covenant of good faith and fair dealing, violation of the New Jersey Consumer Fraud Act, unjust enrichment, conversion and promissory estoppel relating to sales of a vaccine product in the year 2001. We filed an answer in October 2002. Because the plaintiffs have not specified damages, it is not possible to determine the range of damages or other relief sought by the plaintiffs. We intend to vigorously defend ourselves against this claim, as well as all other claims, suits and complaints.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

10.1	Letter Agreement dated October 10, 2003 between the Company and Stanley Komaroff
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K.

None.

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, thereunto duly authorized.

Henry Schein, Inc.
(Registrant)

By: /s/ Steven Paladino

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

Dated: November 10, 2003

October 10, 2003

Mr. Stanley Komaroff

Dear Mr. Komaroff,

We are pleased to extend to you an offer to join Henry Schein, Inc. on the terms set forth in, and subject to your execution of, this letter agreement (the "LETTER AGREEMENT"):

1. Title and Position. You will have the title of Senior Advisor, Member of the Executive Management Committee, or such other title as mutually agreed. Your primary responsibilities shall be devoted to (i) overseeing the Legal Department, (ii) overseeing the Department of Regulatory Affairs, (iii) advising members of the Executive Management Committee, and (iv) becoming involved in business development and any other matters that you are reasonably requested to do by the Chairman or Chief Executive Officer ("CEO") that is commensurate with your position. You will be a member of the Executive Management Committee and report directly to the Chairman and CEO.

2. Office Location. You will be located at the principal executive offices of the Company, currently located in Melville, New York.

3. Time Commitment. You will devote at least 75% of your business time to the performance of your duties with the Company. You will be available as necessary at other times, subject to coordination with other commitments.

4. Term of Contract. Your employment commencement date shall be not later than January 1, 2004 (your actual commencement date shall be referred to as the "START DATE"). The initial employment term shall end December 31, 2006. Unless you notify the Company not less than 90 days prior to the end of the Employment Expiration Date (defined below) of your intention not to extend the term, the Employment Expiration Date shall thereafter be subject to renewal for additional one-year periods if Henry Schein sends a notice of renewal (on terms substantially similar to the terms contained herein subject to the last sentence of paragraphs 5(a), 5(b) and 5(c) hereof) not less than 60 days prior to the conclusion of the employment period as then in effect (the initial employment term and any extension thereto, the "EMPLOYMENT TERM"). Your failure to give the notice referred to in the immediately preceding sentence shall be deemed an election by you to retire under the provisions hereof. The Employment Term shall end upon the termination of your employment for any reason. The date on which the Employment Term is scheduled to end, irrespective of any earlier employment termination, is referred to as the "EMPLOYMENT EXPIRATION DATE."

5. Compensation.

   a. Base Salary. During the initial Employment Term, as compensation for your employment, you will receive an annual base salary at the average annual base salary of the Reference Five, in all cases payable in accordance with the Company's normal payroll practices for its senior executive officers as in effect from time to time (the base salary, as in effect from time to time, is hereinafter referred to as the "BASE SALARY.") The "REFERENCE FIVE" for any given fiscal year shall be the five individuals set forth in a separate letter of even date so herewith, provided that should any such individual cease to be employed by the Company, the Reference Five shall be the remaining individuals so named and further provided that, if the number of the Reference Five actively employed by the Company at the end of any calendar year is less than three, the two highest paid Members of the Executive Management Committee (other than the CEO) who are not part of the Reference Five shall become part of the Reference Five. Highest paid shall be based on Base Salary and target bonus for purposes of the preceding sentence. After the initial Employment Term, your salary may be increased by the CEO, in consultation with the compensation committee of the Board.

   b. Equity Compensation. During the initial Employment Term, you will receive annual grants of (i) options to purchase shares of capital stock of the Company, (ii) shares of restricted stock of the Company, and/or (iii) other equity-related awards with respect to shares of capital stock of the Company, in each case at such times, with the same terms, and in the same manner as applicable to other senior executive officers of the Company, except as modified by the specific provisions set forth in this Letter Agreement. The amount of each such grant shall be equal to the average of the amounts awarded with respect to the same period to the Reference Five. In addition, you will receive, effective as of the Start Date, an initial grant of options to purchase 25,000 shares of common stock of the Company having a ten-year term, subject to vesting at the rate of one-third immediately, one-third at the end of the first year and one-third at the end of the second year and an exercise price equal to the fair market value of such stock on the date of grant, as determined pursuant to the terms of the applicable Company stock option plan. After the initial Employment Term, your equity compensation shall be determined by the CEO, in consultation with the compensation committee of the Board.

c. Incentive Compensation. During the initial Employment Term, commencing with fiscal year 2004, you will be eligible to receive, in addition to the Base Salary, annual incentive compensation (the "INCENTIVE COMPENSATION") equal to 100% of the average annual bonus received by the Reference Five for the same fiscal year; provided, however, that the Incentive Compensation payable to you for each of fiscal years 2004 and 2005 will be $50,000 less than such average; and provided, further, that your Incentive Compensation for any year, may, if necessary, be reduced, but not to an extent that your total compensation for such fiscal year would be more than $5,000 less than the total compensation of the fourth-highest-paid Executive Management

Committee member (other than the CEO) for such fiscal year. No Incentive Compensation will be payable for fiscal year 2003. After the initial Employment Term, your incentive compensation shall be determined by the CEO, in consultation with the compensation committee of the Board.

d. Special Bonus. You will receive a one-time special sign-on bonus (the "SPECIAL BONUS") of $100,000 within 30 days after the Start Date in any event payable prior to December 31, 2003 so long as your Start Date is prior to January 1, 2004.

e. Expenses. The Company will promptly reimburse you for all expenses you reasonably incur in the performance of your duties with the Company, in accordance with the Company's general policies and practices for senior executive officers in effect from time to time.

f. Benefits. During the Employment Term, you will be entitled to participate in all benefit, welfare, perquisite, equity and other similar plans, policies and programs, in accordance with the terms thereof, as are generally provided from time to time by the Company for its senior executive officers and for which you are eligible. To the extent that any benefit offered from time to time by the Company to its senior executive officers generally is not available to you by reason of age, you will receive an amount of cash equal to the amount it would have cost the Company to provide such benefit at the highest age for which it could be provided.

g. Vacation. During each calendar year during the Employment Term, you will be entitled to four weeks of vacation and such other number of personal days generally afforded to senior executives of the Company.

h. Automobile Allowance. During the Employment Term, the Company will provide you with an automobile allowance of $16,800 per year, which amount will increase to the extent that the automobile allowances of other senior executive officers increase.

i. Change in Control Agreement. You will be covered by a change in control agreement in the same form as that applicable to other senior executive officers of the Company.

6. Employment Termination.

a. Death; Disability. If your employment hereunder is terminated by reason of your death or Disability, the Company will have no further obligation to you under this Letter Agreement except that you (or your heirs or estate) will be paid those obligations accrued hereunder to the date of your employment termination, consisting only of (i) your unpaid Base Salary to the extent unpaid through the date of termination, (ii) any deferred compensation earned but not yet paid (together with any accrued earnings thereon), (iii) the annual Incentive Compensation due to you, if any, for the last full fiscal year of the Company ending prior to the date of termination (if not previously paid), (iv) the product of (A) the annual Incentive

Compensation actually payable to you for the current fiscal year of the Company, multiplied by (B) a fraction, the numerator of which is the number of days in such fiscal year during which you were employed by the Company, and the denominator of which is 365 (such amount to be paid to you when and as such Incentive Compensation is paid to senior executive officers of the Company generally), (v) to the extent consistent with Company policy, any accrued and unpaid vacation pay and payment for unreimbursed expenses, and (vi) any other amounts or benefits owing to you or your beneficiaries under the then applicable benefit plans, policies and programs of the Company with respect to senior executive officers. (All amounts determined pursuant to the provisions of in clauses (i) through (vi) above are hereinafter referred to as the "ACCRUED OBLIGATIONS"). Upon such employment termination, if and to the extent provided to members of the Reference Five, you will vest in equity-related awards with respect to shares of Company capital stock previously granted to you, and such awards will remain exercisable following termination, in each case to the extent provided or to be provided to members of the Reference Five; provided, however, that the post-termination exercise period with regard to stock options will be at least three years (but not beyond the original term of such awards). Nothing herein will be deemed to limit or expand in any way the right of your family to receive any death or disability benefit payable to them pursuant to any insurance policy. For purposes of this Letter Agreement, "DISABILITY" means your employment termination by the Company following your inability to perform your material duties for 180 days in any 365-day period due to your physical or mental incapacity. During any period of such incapacity, you will continue to receive all compensation and other benefits provided herein as if you had not been incapacitated at the time, in the amounts and in the manner provided herein, provided that the Company will be entitled to a credit against such amounts with regard to the amount, if any, paid to you for such period under any disability plan of the Company.

b. Company Termination for Cause or Resignation Other Than for Good Reason (except Retirement). If your employment hereunder is terminated by the Company for Cause or you resign without Good Reason (other than Retirement, which shall include your notice not to renew beyond the initial term), the Company will have no further obligation to you under this Letter Agreement, except that, unless otherwise required by any employee benefit plan, you will be paid all Accrued Obligations to the date of termination in cash in a lump sum within 30 days after the date of termination. Notwithstanding the preceding sentence, in the event of a termination by the Company for Cause or a resignation by you without Good Reason (other than Retirement), you will not be entitled to receive the payments specified in paragraphs 6(a)(iii) and (iv) above. If, prior to the second anniversary of the Start Date, your employment is terminated for any reason whatsoever, you will promptly return to the Company the portion of the Special Bonus that equals the product of (x) the Special Bonus and (y) the fraction obtained by dividing (i) the number of days from the date of termination to the first anniversary of the Start Date by (ii) 730. For purposes of this Letter Agreement, "GOOD REASON" means (i) any diminution in title or material diminution in your position, duties, responsibilities or authority (except by reason of physical or mental incapacity or approved leave of absence), or assignment to you of duties or responsibilities that are materially inconsistent with your position at the time of such assignment, or (ii) any material breach by the Company of this Letter Agreement (including failure of successor to assume contractual duties in writing) not cured within fifteen days after written notice thereof is given by you to the Company, and "CAUSE" means (i) an action or omission by you involving willful malfeasance or willful misconduct having a material adverse effect (whether economic or as to reputation) on the Company, (ii) your conviction of, or pleading nolo contendere to, a felony (other than resulting from a traffic violation or like event) or your conviction of any other crime involving intentional dishonesty or fraud, or (iii) any other action by you constituting a material breach of your employment that is not cured within fifteen days after notice from the Company thereof. In the case of clause (i) of this Cause definition, no act or omission by will be considered willful if it is done or omitted in good faith and with a reasonable belief that it was in the best interests of the Company.

c. Company Termination Without Cause; Resignation for Good Reason; Non-Renewal. If your employment hereunder is terminated by the Company without Cause, you resign for Good Reason, or the Company does not provide a notice of its intention to renew the Employment Term for the annual period through and including January 1, 2009 through December 31, 2009), the Company will have no further obligation to you under this Letter Agreement except that:

   i. Unless otherwise required by an employee benefit plan, you will be paid all Accrued Obligations to the date of termination in a lump sum (to the extent such obligations are able to be paid, under the terms of the plan for which such obligation arose, in a lump sum) in cash within thirty (30) business days after the date of termination, and, otherwise, in accordance with the terms of the applicable plan or applicable law.

   ii. You will be paid as severance pay, if such termination is prior to the expiration of the initial term, the following: (A) your then current annual base salary multiplied by a fraction where the numerator is the number of unexpired days in the initial term (provided, however, that such numerator will in no event be less than 365) and the denominator is 365, payable in a lump sum in cash within 30 business days after the date of such termination, and (B) your Incentive Compensation actually payable with respect to any part of the Initial Term (calculated in accordance with Paragraph 5(c) hereof) payable within 30 business days after calculation of the Incentive Compensation with respect to such year. If the Company does not provide you with a notice of renewal with respect to a year prior to and including the 2009 fiscal year, you will be paid as severance pay, your then current annual salary, payable in a lump sum in cash within 30 business days after the contract lapses and the annual Incentive Compensation payable with respect to that fiscal year following the non-renewal (for this purpose, the Incentive Compensation payable shall be considered to be 100% of the average annual bonus received by the Reference Five for such fiscal year) payable in cash within 30 business days after the calculation of the Incentive Compensation for such fiscal year. Should you be terminated without cause, resign for good reason and/or not be renewed after December 31, 2009, the Company shall have no severance obligation to you under this Agreement.

iii. Should you be terminated without cause (or resign with Good Reason) , any unvested options shall not vest and shall be forfeited. Should you resign with Good Reason after the expiration of the Initial Employment Term or the Company does not provide a notice of renewal for any period after the expiration of the initial Employment Term, your termination will be treated as a retirement under applicable equity plans, you will vest in full in equity-related awards with respect to shares of Company capital stock previously granted to you, and any stock options shall remain exercisable for at least three years following your employment termination, but not beyond the original term of such awards.

d. Retirement. If your employment terminates by reason of resignation without Good Reason on or after December 31, 2006 ("RETIREMENT"), the Company will have no further obligation to you under this Letter Agreement, except that, unless otherwise required by any employee benefit plan, you will be paid all Accrued Obligations to the date of termination in cash in a lump sum within 30 days after the date of termination. In addition, upon such termination (i) your Retirement will be treated as a retirement under all equity plans, (ii) any shares of Company capital stock previously granted to you and subject to restrictions will immediately vest in full, and (ii) any options to purchase shares of capital stock of the Company previously granted to you will continue to vest (but with any options remaining unvested two years and six months after such Retirement vesting on such date) and will remain exercisable for at least three years following such termination, but not beyond the original term of such awards.

e. Other. Notwithstanding the foregoing, upon your termination of employment from the Company for any reason whatsoever, you will retain your rights to indemnification as set forth in Section 10 of this Letter Agreement.

7. Treatment of Equity Due to Post-Termination Service. Notwithstanding anything to the contrary contained herein, if you serve as a director or consultant to the Company following your employment termination, equity-related awards with respect to shares of Company capital stock previously granted to you will continue to be exercisable, and, to the extent not fully vested, will continue to vest, in each case during such period, and any stock options vested at the conclusion of such period shall remain exercisable for the period specified herein upon the applicable termination of employment, but measured from the cessation of such consulting or directorship, as the case may be (but not beyond their original term).

8. Confidential Information; Noncompetition; Etc.

a. Both during and after the Employment Term, you will hold in a fiduciary capacity for the benefit of the Company and will not, without the prior written consent of the Company, communicate or divulge (other than in the regular course of the Company's business), to anyone other than the Company, its subsidiaries and those designated by it, any confidential or proprietary information, knowledge or data relating to the Company or any of its subsidiaries, or to any of their respective businesses, obtained by you before or during the Employment Term except to the extent (a) disclosure is made during the Employment Term by you in the course of your duties hereunder and you reasonably determine in good faith that it is in the best interest of the Company to do so, (b) you are compelled pursuant to an order of a court or other body having jurisdiction over such matter to do so (in which case the Company shall be given prompt written notice of such intention to so divulge not less than five days prior to such disclosure or such shorter period as the circumstances may reasonably require) or (c) such information, knowledge or data is or becomes public knowledge or is or becomes generally known within the Company's industry other than through improper disclosure by you.

b. You acknowledge and agree that the whole interest in any invention, improvement, confidential information, copyright, design, plan, drawing or data, including all worldwide rights to copyrights or any other intellectual property rights (collectively, the "RIGHTS") arising out of or resulting from performance of your duties during the Employment Term shall be the sole and exclusive property of the Company. You undertake (at the expense of the Company) to execute any document or do any reasonably necessary act to enable the Company to obtain or to assist the Company in obtaining any Rights. You hereby irrevocably appoint the Company to be your attorney-in-fact to execute in your name and on your behalf any instrument required and take any actions reasonably necessary for the purpose of giving to the Company the full benefit of the provisions of this subsection; provided, however, that the Company shall notify you prior to executing any such instruments or taking any such actions.

c. You will not (other than on behalf of the Company) directly or indirectly during the Employment Term, as an individual proprietor, partner, stockholder, officer, employee, director, joint venturer, investor, lender, or in any other capacity whatsoever (other than as the holder of not more than one percent of the total outstanding stock of a publicly held company) engage in any activity competitive with a material segment of the business of the Company. We recognize that you may serve on the boards of directors of one or more hospitals that are customers of the Company. You may serve on any such boards (including as the nonexecutive chairman or vice chairman of any such board), but you shall abstain from being involved in any purchase decisions with regard to the Company or products of a type the Company sells.

d. If any restriction set forth in this section is found by any court of competent jurisdiction or arbitrator to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

e. The restrictions contained in this section are necessary for the protection of the business and goodwill of the Company and are considered by you to be reasonable to such purpose. You acknowledge and agree that money damages would not adequately compensate the Company for any breach of this section, which would cause the Company substantial and irreparable damage. Therefore, in the event of any such breach, in addition to such other remedies which may be available, the Company shall have the right to seek specific performance and injunctive relief.

9. No Mitigation; No Set-Off. The Company agrees that if your employment with the Company is terminated prior to the Employment Expiration Date for any reason whatsoever, you are not required to seek other employment or to attempt in any way to reduce any amounts payable to you by the Company pursuant to this Letter Agreement. Further, the amount of any payment provided for in this Letter Agreement shall not be reduced by any compensation earned by you as the result of employment by another employer or otherwise. The Company's obligations to make the payments provided for in this Letter Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, or other similar right that the Company may have against you.

10. Indemnification. The Company will indemnify you (or, in the event of your death, your heirs, executors, administrators or legal representatives) and hold you harmless, in each case to the fullest extent permitted by the by-laws of the Company, against and in respect to any and all actions, suits, proceedings, claims, demands, judgments, costs, expenses (including attorney's fees), penalties, fines, settlements, losses, and damages resulting from, or in connection with, your employment with the Company, including but not limited to as an officer and director of any subsidiary or parent or as a fiduciary of any employee benefit plan. The Company will cover you under directors and officers liability insurance both during and after the termination or expiration of the Employment Term in the same amount and to the same extent as the Company covers its other senior executive officers and directors.

11. No Assignments. This Letter Agreement is personal to each of the parties hereto. Except as provided in the next sentence, no party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto. As used in this Letter Agreement, the "Company" shall mean the Company and any successors or assigns. This Letter Agreement shall inure to the benefit of and be enforceable by you and your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amount would still be payable to you hereunder had you continued to live, all such amounts, unless otherwise provided herein,

will be paid in accordance with the terms of this Letter Agreement to your estate.

12. Section Headings. The section headings used in this Letter Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Letter Agreement.

13. Miscellaneous. This Letter Agreement, together with any exhibits hereto (including the change of control agreement), sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein, and this Letter Agreement supersedes any prior written understanding entered into between the parties with respect to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, which are not expressly set forth in this Letter Agreement, have been made by either party with respect to the subject matter hereof. The validity, interpretation, construction and performance of this Letter Agreement shall be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within such State.

14. Counterparts. This Letter Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instruments.

We look forward to having you at the Company. If you find the terms of this Letter Agreement acceptable, please sign below and return it to me.

Very truly yours,

Henry Schein, Inc.	Agreed and accepted:
By /s/ STANLEY BERGMAN	/s/ Stanley Komaroff
STANLEY BERGMAN CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER	EXECUTIVE
	Date: October 10, 2003

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

October 10, 2003

Mr. Stanley Komaroff

Dear Stanley:

In recognition of the Henry Schein, Inc.'s ("HSI" or the "Company") desire to assure your continued services in the event of a pending or actual Change in Control (as hereinafter defined) of HSI, the Company's Board of Directors is pleased to offer you the Change in Control Protection outlined in this letter agreement (the "Agreement"). This Agreement amends and restates in its entirety any and all prior agreements between you and the Company relating to the subject matter hereof.

1. Term of Agreement. The term of this Agreement shall commence on date you begin your employment (the "Effective Date") and continue in full force and effect indefinitely.

2. Entitlement to Severance Benefits.

(a) Cash Severance Benefit. In the event your employment is terminated (a "Termination") by the Company without Cause or by you for Good Reason, in either case within two years following a Change in Control, you shall be entitled to receive the sum of the following, payable in a cash lump sum no later than 15 days after the Termination date: (i) Base Salary through the Termination date; (ii) a pro rata annual incentive award at target for the year in which the Termination occurs, and (iii) an amount equal to 300% of the sum of your Base Salary plus your target annual cash bonus. In addition, notwithstanding the foregoing, in the event your employment is terminated by the Company without Cause or by you for Good Reason, in either case (i) within ninety (90) days prior to the effective date of a Change in Control, or (ii) after the first public announcement of the pendency of the Change in Control, such termination shall, upon the effective date of a Change in Control, be deemed to be a "Termination" covered under the preceding sentence of this Section 3(a), and you shall be entitled to the amounts provided for under the preceding sentence.

(b) Other Severance Benefits. In the event you are entitled to the amounts provided for in Section 3(a) hereof, and notwithstanding anything to the contrary contained in any stock option or restricted stock agreement, you shall also be entitled to the following: (i) immediate vesting of all outstanding stock options to the fullest extent permitted under the applicable stock option plan; (ii) elimination of all restrictions on any restricted or deferred stock awards outstanding at the time of Termination, (iii) immediate vesting of all restricted or deferred stock awards and non-qualified retirement benefits, (iv) settlement of all deferred compensation arrangements in accordance with any then applicable deferred compensation plan or election form (v) continued participation in all HSI's welfare benefit plans (including, without limitation, health coverage and other benefit plans and programs pursuant to which benefits are provided to you as of the Termination Date) at the same benefit level at which you were participating on the Termination date for a period of 24 months unless and until the date or dates you receive substantially equivalent coverage from a subsequent employer.

(c) Section 280(G) Gross-Up Protection. In the event you become entitled to payments, all or a portion of which become subject to tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any other similar tax, but excluding any income tax of any nature) ("Excise Tax"), HSI shall pay you an additional amount ("Gross-Up Payment") such that the amount retained by you after reduction for any Excise Tax (including penalties or interest thereon) equals the amount to be paid to you by HSI hereunder prior to the imposition of such Excise Tax. The amount of the Gross-Up Payment shall be calculated by HSI's independent auditors. In the event that such Gross-Up Payment is finally determined to be less than the amount necessary to provide that the amount to be retained by you after reduction for any Excise Tax (including penalties or interest thereon) equals the amount to be paid to you by HSI hereunder prior to the imposition of such Excise Tax, HSI shall pay an additional amount to you in respect of such deficiency (including any interest and penalties). In the event that such Gross-Up Payment is finally determined to exceed the amount necessary to provide that the amount to be retained by you after reduction for any Excise Tax (including penalties or interest thereon) equals the amount to be paid to you by HSI hereunder prior to the imposition of such Excise Tax, you must promptly repay the entire amount of such excess Gross-Up Payment to HSI.

(d) No Mitigation; No Offset. In the event of any Termination, you shall be under no obligation to seek other employment and no amounts due to you under this Agreement shall be subject to offset due to any remuneration attributable to subsequent employment that you may obtain.

(e) Exclusivity of Severance Payments; Release. In the event you are entitled to the amounts provided for in Section 3(a) hereof, you shall not be entitled to any other severance payments or severance benefits, whether contractual or not, from HSI or any payments by HSI on account of any claim by you of wrongful termination, including claims under any federal, state or local human and civil rights or labor laws. Termination payments and benefits made to you are conditioned upon your execution of a release agreement, in a form reasonably satisfactory to HSI, releasing any and all claims arising out of your employment (other than enforcement of this Agreement), any rights under HSI's incentive compensation and employee benefit plans, and any claim for any non-employment related tort for personal injury.

3. Definitions. For purposes of this Agreement, the following terms shall have the meanings ascribed to them.

(a) "Base Salary" means the annualized rate of pay in effect on the Termination date, provided that if a reduction in Base Salary is the basis for a Termination for Good Reason, then "Base Salary" shall mean the rate of pay in effect immediately prior to such reduction. As used herein, the term "Base Salary" includes, without limitation, the annualized rate of any automobile allowance in effect on the date of Termination, and the amount, as applicable, of the Company's matching 401(k) contribution and/or supplemental employment retirement plan contribution for the full year preceding the date of the Change in Control.

(b) "Cause" shall exist if: (i) you are convicted of, or plead nolo contendere to, any felony which materially and adversely impacts HSI's financial condition or reputation, (ii) you engage in conduct that constitutes willful gross neglect or willful gross misconduct in carrying out your duties which materially and adversely impacts HSI's financial condition or reputation, or (iii) you violate Section 5 of this Agreement.

(c) A "Change in Control" shall be deemed to occur upon any of the following: (i) acquisition by any one "person" (as such term is defined in ss.3(a)(9) of the Securities and Exchange Act of 1934, as amended, and used in ss.13(d) and 14(d) thereof, including "group" as defined in ss.13(d) thereof) of 33% or more of the Company's voting shares without the prior express approval of the Company's Board of Directors; (ii) acquisition by any one "person" or "group" (as referred to in the preceding sentence) of more than 50% of HSI's voting shares; (iii) directors elected to the Board over any 24 month period not nominated by the HSI Nominating & Corporate Governance Committee (or a committee of the HSI Board of Directors performing functions substantially similar to a nominating committee) represent 30% or more of the total number of directors constituting the Board at the beginning of the period (or such nomination results from an actual or threatened proxy contest); (iv) any merger, consolidation or other corporate combination upon the completion of which HSI shares do not represent more than 50% of the combined voting power of the resulting entity; and (v) upon the sale of all or substantially all of the consolidated assets of HSI, other than a distribution to shareholders.

(d) "Confidential Information" shall mean all information concerning the business of HSI relating to any of their products, product development, trade secrets, customers, suppliers, finances, and business plans and strategies. Excluded from the definition of "Confidential Information" is information (i) that is or becomes part of the public domain, other than through your breach of this Agreement, or (ii) regarding HSI's business or industry properly acquired by you in the course of your career as an employee in HSI's industry and independent of your employment by HSI. For this purpose, information known or available generally within the trade or industry of HSI shall be deemed to be known or available to the public.

(e) "Good Reason" shall mean your termination of your employment based upon one or more of the following events (except as a result of a prior termination): (i) any change in your position or responsibilities or assignment of duties materially inconsistent with your status prior to the Change in Control; (ii) following a business combination related to a Change in Control, a failure to offer you a position in the combined business entity, having authority equivalent in scope to the authority in the position held by you in the Company immediately prior to such business combination; (iii) any decrease in your Base Salary, target annual incentive or long- term incentive opportunity; (iv) any breach of the terms of this Agreement by HSI after receipt of written notice from you and a reasonable opportunity to cure such breach; (v)

HSI fails to obtain any successor entity's assumption of its obligations to you hereunder; or (vi) the Company requiring you to perform your services as an employee on an ongoing basis at a location more than 75 miles distant from the location at which you perform your services as of the date immediately prior to the Change in Control.

4. Non-Disclosure; Non-Solicitation; Non-Disparagement.

(a) During the Term and thereafter, you shall not, without HSI's prior written consent disclose to anyone (except in good faith in the ordinary course of business) or make use of any Confidential Information except in the performance of your duties hereunder or when required to do so by law. In the event that you are so required by law, you shall give prompt written notice to HSI sufficient to allow HSI the opportunity to object to or otherwise resist such order.

(b) During the Term and for a period of 24 months thereafter, you shall not, without HSI's prior written consent, solicit for employment, whether directly or indirectly, any person who (i) at the time is employed by HSI or any affiliate, or (ii) was employed by HSI or any affiliate within three months prior to such solicitation.

(c) You agree that, during the Term and thereafter (including following any Termination for any reason) you will not make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any action which may, directly or indirectly, disparage or be damaging to HSI or its respective officers, directors, employees, advisors, businesses or reputations. Notwithstanding the foregoing, nothing in this Agreement shall preclude you from making truthful statements or disclosures that are required by applicable law, regulation or legal process.

5. Resolution of Disputes. Any controversy or claim arising out of or relating to this Agreement or any breach or asserted breach hereof shall be resolved by binding arbitration, to be held at an office closest to HSI's principal offices in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Pending the resolution of any arbitration or court proceeding, HSI shall continue payment of all amounts and benefits due you hereunder. All reasonable costs and expenses of any arbitration or court proceeding (including fees and disbursements of counsel) shall be promptly paid on your behalf by HSI; provided, however, that no such expense reimbursement shall be made if and to the extent the arbitrator(s) determine(s) that any of your litigation assertions or defenses were in bad faith or frivolous.

6. Effect of Agreement on Other Benefits. Except as specifically provided in this Agreement, the existence of this Agreement shall not be interpreted to prohibit or restrict your participation in any other employee benefit or other plans or programs in which you currently participate.

7. Not an Employment Agreement. This Agreement is not a contract of employment between you and HSI. HSI may terminate your employment at any time, subject to the terms hereof or any other agreement that might exist between you and HSI.

8. Assignability; Binding Nature. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs

(as applies to you) and permitted assigns. HSI agrees that in the event of a sale or transfer of assets, it shall, as a condition of such sale, require such assignee or transferee to expressly assume HSI's liabilities, obligations and duties hereunder.

9. Governing Law/Jurisdiction. This Agreement shall be governed by and construed and interpreted in accordance with the laws of New York without reference to principles of conflict of laws.

Please acknowledge your acceptance of the terms of this Agreement by executing below and returning a copy to HSI.

HENRY SCHEIN, INC.

By: /s/ Stanley M. Bergman

Stanley M. Bergman
Chairman, President and CEO

Accepted:
/s/ Stanley Komaroff

Stanley Komaroff

CERTIFICATION

I, Stanley M. Bergman, Chairman, Chief Executive Officer and President of Henry Schein, Inc. certify that:

1. I have reviewed this quarterly report on Form 10-Q of Henry Schein, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2003

/s/ Stanley M. Bergman

Stanley M. Bergman
Chairman, Chief Executive Officer and President

CERTIFICATION

I, Steven Paladino, Executive Vice President and Chief Financial Officer of Henry Schein, Inc. certify that:

1. I have reviewed this quarterly report on Form 10-Q of Henry Schein, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2003

/s/ Steven Paladino

Steven Paladino
Executive Vice President and
Chief Financial Officer

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. ss.1350, as adopted), Stanley M. Bergman, the Chairman, Chief Executive Officer and President of Henry Schein, Inc. a Delaware corporation (the "Company"), and Steven Paladino, Executive Vice President and Chief Financial Officer of the Company, each does hereby certify to the best of such officer's knowledge and belief that:

(1) the Quarterly Report of the Company on Form 10-Q for the quarter ended September 27, 2003 (the "Periodic Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition of the Company at the end of the periods covered by the Periodic Report and the results of operations of the Company for the periods covered by the Periodic Report.

Dated: November 10, 2003

/s/ Stanley M. Bergman

Stanley M. Bergman
Chairman, Chief Executive Officer and President

Dated: November 10, 2003

/s/ Steven Paladino

Steven Paladino
Executive Vice President and Chief Financial Officer