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 June 25, 2011

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)

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

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes X No __

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer X		Accelerated filer __
Non-accelerated filer __	(Do not check if a smaller reporting company)	Smaller reporting company __

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes __ No X

As of July 22, 2011, there were 92,415,293 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)

	June 25, 2011 (unaudited)	December 25, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 161,789	$ 150,348
Accounts receivable, net of reserves of $61,216 and $56,267	963,073	885,784
Inventories, net	926,722	870,206
Deferred income taxes	54,178	48,951
Prepaid expenses and other	243,248	214,013
Total current assets	2,349,010	2,169,302
Property and equipment, net	270,021	252,573
Goodwill	1,512,702	1,424,794
Other intangibles, net	447,501	405,468
Investments and other	304,525	295,334
Total assets	$ 4,883,759	$ 4,547,471
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 605,785	$ 590,029
Bank credit lines	49,236	41,508
Current maturities of long-term debt	21,186	4,487
Accrued expenses:		
Payroll and related	170,314	172,746
Taxes	125,721	91,581
Other	264,703	267,736
Total current liabilities	1,236,945	1,168,087
Long-term debt	372,924	395,309
Deferred income taxes	197,538	190,225
Other liabilities	77,368	76,753
Total liabilities	1,884,775	1,830,374
Redeemable noncontrolling interests	424,164	304,140
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value, 1,000,000 shares authorized, none outstanding	-	-
Common stock, $.01 par value, 240,000,000 shares authorized, 92,384,610 outstanding on June 25, 2011 and 91,939,477 outstanding on December 25, 2010	924	919
Additional paid-in capital	541,373	601,014
Retained earnings	1,928,138	1,779,178
Accumulated other comprehensive income	102,921	30,514
Total Henry Schein, Inc. stockholders' equity	2,573,356	2,411,625
Noncontrolling interests	1,464	1,332
Total stockholders' equity	2,574,820	2,412,957
Total liabilities, redeemable noncontrolling interests and stockholders' equity	$ 4,883,759	$ 4,547,471

See accompanying notes.

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

	Three Months Ended		Six Months Ended	
	June 25, 2011	**June 26, 2010**	**June 25, 2011**	**June 26, 2010**
Net sales	$ 2,130,640	$ 1,849,401	$ 4,078,401	$ 3,609,711
Cost of sales	1,518,416	1,303,757	2,900,355	2,551,034
Gross profit	612,224	545,644	1,178,046	1,058,677
Operating expenses:				
Selling, general and administrative	461,009	407,638	902,531	804,627
Restructuring costs	-	-	-	12,285
Operating income	151,215	138,006	275,515	241,765
Other income (expense):				
Interest income	4,192	3,508	8,125	6,896
Interest expense	(7,902)	(9,185)	(15,987)	(18,272)
Other, net	758	474	1,081	359
Income before taxes, equity in earnings of affiliates and noncontrolling interests	148,263	132,803	268,734	230,748
Income taxes	(47,340)	(41,435)	(86,493)	(73,659)
Equity in earnings of affiliates	4,133	1,795	5,786	3,326
Net income	105,056	93,163	188,027	160,415
Less: Net income attributable to noncontrolling interests	(10,581)	(9,162)	(17,057)	(15,514)
Net income attributable to Henry Schein, Inc.	$ 94,475	$ 84,001	$ 170,970	$ 144,901
Earnings per share attributable to Henry Schein, Inc.:				
Basic	$ 1.04	$ 0.93	$ 1.88	$ 1.61
Diluted	$ 1.01	$ 0.90	$ 1.83	$ 1.56
Weighted-average common shares outstanding:				
Basic	90,766	90,021	90,710	89,733
Diluted	93,446	93,352	93,330	92,984

See accompanying notes.

HENRY SCHEIN, INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share and per share data)

	Common Stock $.01 Par Value		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount					
Balance, December 25, 2010	91,939,477	$ 919	$ 601,014	$ 1,779,178	$ 30,514	$ 1,332	$ 2,412,957
Net income (excluding $16,819 attributable to Redeemable noncontrolling interests)	-	-	-	170,970	-	238	171,208
Foreign currency translation gain (excluding $2,192 attributable to Redeemable noncontrolling interests)	-	-	-	-	70,755	-	70,755
Unrealized gain from foreign currency hedging activities, net of tax of $298	-	-	-	-	1,810	-	1,810
Unrealized investment gain, net of tax benefit of $9	-	-	-	-	197	-	197
Pension adjustment loss, net of tax benefit of $29	-	-	-	-	(355)	-	(355)
Total comprehensive income							243,615
Dividends paid	-	-	-	-	-	(152)	(152)
Other adjustments	-	-	-	-	-	46	46
Change in fair value of redeemable securities	-	-	(96,740)	-	-	-	(96,740)
Initial noncontrolling interests and adjustments related to business acquisitions	-	-	(2,000)	-	-	-	(2,000)
Repurchase and retirement of common stock	(481,093)	(4)	(10,084)	(22,010)	-	-	(32,098)
Stock issued upon exercise of stock options, including tax benefit of $6,510	742,649	7	34,440	-	-	-	34,447
Stock-based compensation expense	294,383	3	17,957	-	-	-	17,960
Shares withheld for payroll taxes	(110,806)	(1)	(2,911)	-	-	-	(2,912)
Liability for cash settlement stock option awards	-	-	(303)	-	-	-	(303)
Balance, June 25, 2011	92,384,610	$ 924	$ 541,373	$ 1,928,138	$ 102,921	$ 1,464	$ 2,574,820

See accompanying notes.

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

	Six Months Ended	
	June 25, 2011	June 26, 2010
Cash flows from operating activities:		
Net income	$ 188,027	$ 160,415
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	57,469	50,344
Amortization of bond discount	-	3,135
Stock-based compensation expense	17,960	12,999
Provision for losses on trade and other accounts receivable	2,722	2,322
Benefit from deferred income taxes	(10,265)	(5,831)
Undistributed earnings of affiliates	(5,786)	(3,326)
Other	2,242	2,649
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(9,902)	(33,854)
Inventories	3,902	32,264
Other current assets	(11,100)	(18,411)
Accounts payable and accrued expenses	(49,977)	(73,718)
Net cash provided by operating activities	185,292	128,988
Cash flows from investing activities:		
Purchases of fixed assets	(20,764)	(17,542)
Payments for equity investments and business acquisitions, net of cash acquired	(143,636)	(204,598)
Purchases of available-for-sale securities	-	(26,984)
Proceeds from sales of available-for-sale securities	2,150	1,400
Proceeds from maturities of available-for-sale securities	-	11,996
Other	230	307
Net cash used in investing activities	(162,020)	(235,421)
Cash flows from financing activities:		
Proceeds from (repayments of) bank borrowings	7,671	(668)
Proceeds from issuance of long-term debt	3,101	-
Principal payments for long-term debt	(23,916)	(50,175)
Proceeds from issuance of stock upon exercise of stock options	27,938	21,036
Payments for repurchases of common stock	(32,098)	-
Excess tax benefits related to stock-based compensation	6,852	6,351
Distributions to noncontrolling shareholders	(6,417)	(7,736)
Acquisitions of noncontrolling interests in subsidiaries	(3,366)	(10,000)
Other	(90)	(180)
Net cash used in financing activities	(20,325)	(41,372)
Net change in cash and cash equivalents	2,947	(147,805)
Effect of exchange rate changes on cash and cash equivalents	8,494	(2,233)
Cash and cash equivalents, beginning of period	150,348	471,154
Cash and cash equivalents, end of period	$ 161,789	$ 321,116

See accompanying notes.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except per share data)
(unaudited)

Note 1. Basis of Presentation

Our consolidated financial statements include our accounts, as well as those of our wholly-owned and majority-owned subsidiaries. Certain prior period amounts have been reclassified to conform to the current period presentation.

Our accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnote disclosures required by U.S. GAAP for complete financial statements.

The consolidated financial statements reflect all adjustments considered necessary for a fair presentation of the consolidated results of operations and financial position for the interim periods presented. All such adjustments are of a normal recurring nature. These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes to the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 25, 2010.

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The results of operations for the six months ended June 25, 2011 are not necessarily indicative of the results to be expected for any other interim period or for the year ending December 31, 2011.

Note 2. Segment Data

We conduct our business through two reportable segments: healthcare distribution and technology. These segments offer different products and services to the same customer base. The healthcare distribution reportable segment aggregates our dental, medical, animal health and international operating segments. This segment consists of consumable products, small equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infection-control products and vitamins.

Our dental group serves office-based dental practitioners, schools and other institutions in the combined United States and Canadian dental market. Our medical group serves office-based medical practitioners, surgical centers, other alternate-care settings and other institutions throughout the United States. Our animal health group serves animal health practices and clinics throughout the United States. Our international group serves dental, medical and animal health practitioners in 23 countries outside of North America.

Our technology group provides software, technology and other value-added services to healthcare practitioners, primarily in the United States, Canada, the United Kingdom, Australia and New Zealand. Our value-added practice solutions include practice management software systems for dental and medical practitioners and animal health clinics. Our technology group offerings also include financial services on a non-recourse basis, e-services and continuing education services for practitioners.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 2. Segment Data (Continued)

The following tables present information about our reportable segments:

	Three Months Ended		Six Months Ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Net Sales:				
Healthcare distribution (1):				
Dental (2)	$ 709,338	$ 677,560	$ 1,372,121	$ 1,292,209
Medical (3)	317,263	286,291	637,058	570,880
Animal health (4)	260,307	234,734	490,872	441,380
International (5)	781,675	602,435	1,460,647	1,211,888
Total healthcare distribution	2,068,583	1,801,020	3,960,698	3,516,357
Technology (6)	62,057	48,381	117,703	93,354
Total	$ 2,130,640	$ 1,849,401	$ 4,078,401	$ 3,609,711

(1) Consists of consumable products, small equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infection-control products and vitamins.

(2) Consists of products sold in the United States and Canadian dental markets.

(3) Consists of products sold in the United States' medical market.

(4) Consists of products sold in the United States' animal health market.

(5) Consists of products sold in dental, medical and animal health markets, primarily in Europe, Australia and New Zealand.

(6) Consists of practice management software and other value-added products and services, which are distributed primarily to healthcare providers in the United States, Canada, the United Kingdom, Australia and New Zealand.

	Three Months Ended		Six Months Ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Operating Income:				
Healthcare distribution	$ 134,010	$ 121,134	$ 243,542	$ 209,972
Technology	17,205	16,872	31,973	31,793
Total	$ 151,215	$ 138,006	$ 275,515	$ 241,765

Note 3. Debt

On September 5, 2008, we entered into a $400 million revolving credit facility with a $100 million expansion feature. The $400 million credit line expires in September 2013. The interest rate, which was 0.70% during the six months ended June 25, 2011, is based on USD LIBOR plus a spread based on our leverage ratio at the end of each financial reporting quarter. The agreement provides, among other things, that we maintain certain interest coverage and maximum leverage ratios, and contains restrictions relating to subsidiary indebtedness, liens, employee and shareholder loans, disposal of businesses and certain changes in ownership. In addition to the amounts outstanding under our shelf facilities, discussed below, we have outstanding borrowings of approximately $25.0 million under our $400 million credit facility. As of June 25, 2011, there were $9.7 million of letters of credit provided to third parties.

As of June 25, 2011, we had various other short-term bank credit lines available, of which approximately $24.2 million was outstanding. As of June 25, 2011, borrowings under all of our credit lines had a weighted average interest rate of 2.12%.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 3. Debt (Continued)

On August 10, 2010, we entered into $400 million private placement shelf facilities with two insurance companies. These shelf facilities are available through August 2013 on an uncommitted basis. The facilities allow us to issue senior promissory notes to the lenders at a fixed rate based on an agreed upon spread over applicable treasury notes at the time of issuance. The term of each possible issuance will be selected by us and can range from five to 15 years (with an average life no longer than 12 years). The proceeds of any issuances under the facilities will be used for general corporate purposes, including working capital and capital expenditures, to refinance existing indebtedness and/or to fund potential acquisitions. The agreement provides, among other things, that we maintain certain maximum leverage ratios, and contains restrictions relating to subsidiary indebtedness, liens, employee and shareholder loans, disposal of businesses and certain changes in ownership. As of June 25, 2011, we have an outstanding balance under the facilities of $100.0 million at a fixed rate of 3.79%, which is due on September 2, 2020.

Effective December 31, 2009, Butler Animal Health Supply, LLC, or BAHS, a majority-owned subsidiary whose financial information is consolidated with ours, had incurred approximately $320.0 million of debt (of which $37.5 million was provided by Henry Schein, Inc.) in connection with our acquisition of a majority interest in BAHS.

On May 27, 2011, BAHS refinanced the terms and amount of its debt. The refinanced debt consists of the following three components:

- Term loan A - $100.0 million repayable in 14 quarterly installments in payment amounts ranging from $1.25 million per quarter for the period September 30, 2011 through June 30, 2012, approximately $1.88 million per quarter for the period September 30, 2012 through June 30, 2013, $2.5 million per quarter for the period September 30, 2013 through June 30, 2014, approximately $3.13 million for the quarter ended September 30, 2014 and a final installment of approximately $74.4 million due on December 31, 2014. Interest on the $100.0 million term loan is charged at LIBOR plus a margin of 3%;

- Term loan B - $216.0 million ($55.0 million provided by Henry Schein, Inc.) repayable in 17 quarterly installments of $540 thousand from September 30, 2011 through September 30, 2015, and a final installment of approximately $206.8 million due on December 31, 2015. Interest on the $216.0 million term loan is charged at LIBOR plus a margin of 3.25% with a LIBOR floor of 1.25%; and

- Revolver of $50.0 million with interest charged at LIBOR plus a margin of 3%.

The outstanding balance of $280.8 million is reflected in our consolidated balance sheet as of June 25, 2011. Borrowings incurred as part of the acquisition of BAHS are collateralized by assets of BAHS with an aggregate net carrying value of $244.3 million.

Certain of our other subsidiaries maintain credit lines which are collateralized by assets of those subsidiaries with an aggregate net carrying value of $84.8 million.

Prior to the debt refinancing discussed above, the debt incurred as part of the acquisition of BAHS was repayable in 23 quarterly installments of $0.8 million through September 30, 2015, and a final installment of $301.6 million was due on December 31, 2015. Interest on the BAHS debt was charged at LIBOR plus a margin of 3.5% with a LIBOR floor of 2%.

(in thousands, except per share data)

Note 3. Debt (Continued)

The revised debt agreement continues to provide, among other things, that BAHS maintain certain interest coverage and maximum leverage ratios, and contains restrictions relating to subsidiary indebtedness, capital expenditures, liens, employee and shareholder loans, disposal of businesses and certain changes in ownership. In addition, the revised debt agreement continues to contain provisions which, under certain circumstances, require BAHS to make prepayments based on excess cash flows of BAHS as defined in the debt agreement. The revised debt agreement also contains provisions that require BAHS to hedge risks related to potential rising interest rates. As a result, BAHS entered into a series of interest rate caps, for which we have elected hedge accounting treatment, with a notional amount of $160.0 million, protecting against LIBOR interest rates rising above 3.0% through March 30, 2012.

Note 4. Redeemable Noncontrolling Interests

Some minority shareholders in certain of our subsidiaries have the right, at certain times, to require us to acquire their ownership interest in those entities at fair value. Accounting Standards Codification (“ASC”) Topic 480-10 is applicable for noncontrolling interests where we are or may be required to purchase all or a portion of the outstanding interest in a consolidated subsidiary from the noncontrolling interest holder under the terms of a put option contained in contractual agreements. The components of the change in the Redeemable noncontrolling interests for the six months ended June 25, 2011 and the year ended December 25, 2010 are presented in the following table:

	June 25, 2011	December 25, 2010
Balance, beginning of period	$ 304,140	$ 178,570
Net increase in redeemable noncontrolling interests due to business acquisitions, net of redemptions	10,354	62,314
Net income attributable to redeemable noncontrolling interests	16,819	26,054
Dividends declared	(6,081)	(12,360)
Effect of foreign currency translation attributable to redeemable noncontrolling interests	2,192	(2,281)
Change in fair value of redeemable securities	96,740	51,843
Balance, end of period	$ 424,164	$ 304,140

Changes in the estimated redemption amounts of the noncontrolling interests subject to put options are adjusted at each reporting period with a corresponding adjustment to Additional paid-in capital. Future reductions in the carrying amounts are subject to a “floor” amount that is equal to the fair value of the redeemable noncontrolling interests at the time they were originally recorded. The recorded value of the redeemable noncontrolling interests cannot go below the floor level. These adjustments do not impact the calculation of earnings per share.

Some prior owners of such acquired subsidiaries are eligible to receive additional purchase price cash consideration if certain financial targets are met. For acquisitions completed prior to 2009, we accrue liabilities that may arise from these transactions when we believe that the outcome of the contingency is determinable beyond a reasonable doubt. Starting in our 2009 fiscal year, as required by ASC Topic 805, “Business Combinations,” we have accrued liabilities for the estimated fair value of additional purchase price adjustments at the time of the acquisition. Any adjustments to these accrual amounts will be recorded in our consolidated statement of income. For the six months ended June 25, 2011, there were no material adjustments recorded in our consolidated statement of income relating to changes in estimated contingent purchase price liabilities.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 5. Comprehensive Income

Comprehensive income includes certain gains and losses that, under U.S. GAAP, are excluded from net income as such amounts are recorded directly as an adjustment to stockholders' equity. Our comprehensive income is primarily comprised of net income, foreign currency translation adjustments, unrealized gains (losses) on hedging and investment activity and pension adjustments.

The following table summarizes our Accumulated other comprehensive income, net of applicable taxes as of:

	June 25, 2011	December 25, 2010
Attributable to Redeemable noncontrolling interests:		
Foreign currency translation adjustment	$ 1,328	$ (864)
Attributable to Henry Schein, Inc.:		
Foreign currency translation adjustment	$ 111,893	$ 41,138
Unrealized gain (loss) from foreign currency hedging activities	750	(1,060)
Unrealized investment loss	(979)	(1,176)
Pension adjustment loss	(8,743)	(8,388)
Accumulated other comprehensive income	$ 102,921	$ 30,514
Total Accumulated other comprehensive income	$ 104,249	$ 29,650

The following table summarizes other comprehensive income attributable to our Redeemable noncontrolling interests, net of applicable taxes as follows:

	Three Months Ended		Six Months Ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Foreign currency translation adjustment	$ 300	$ (4,209)	$ 2,192	$ (7,696)

The following table summarizes our total comprehensive income, net of applicable taxes as follows:

	Three Months Ended		Six Months Ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Comprehensive income attributable to Henry Schein, Inc.	$ 107,560	$ 50,845	$ 243,377	$ 76,858
Comprehensive income attributable to noncontrolling interests	143	20	238	33
Comprehensive income attributable to Redeemable noncontrolling interests	10,738	4,933	19,011	7,785
Comprehensive income	$ 118,441	$ 55,798	$ 262,626	$ 84,676

Note 6. Fair Value Measurements

ASC Topic 820 "Fair Value Measurements and Disclosures" ("ASC Topic 820") establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. ASC Topic 820 applies under other previously issued accounting pronouncements that require or permit fair value measurements but does not require any new fair value measurements.

ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs).

The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

- Level 1— Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

- Level 2— Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3— Inputs that are unobservable for the asset or liability.

The following section describes the valuation methodologies that we used to measure different financial instruments at fair value.

Cash equivalents and trade receivables

Due to the short-term maturity of such investments, the carrying amounts are a reasonable estimate of fair value.

Long-term investments and notes receivable

There are no quoted market prices available for investments in unconsolidated affiliates and long-term notes receivable; however, we believe the carrying amounts are a reasonable estimate of fair value.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 6. Fair Value Measurements (Continued)

Auction-rate securities

As of June 25, 2011, we have approximately $12.9 million ($11.4 million net of temporary impairments) invested in auction-rate securities ("ARS"), consisting of investments backed by student loans that are backed by the federal government and investments in closed-end municipal bond funds, which are included as part of Investments and other within our consolidated balance sheets. ARS are publicly issued securities that represent long-term investments, typically 10-30 years, in which interest rates had reset periodically (typically every 7, 28 or 35 days) through a "dutch auction" process. Our ARS portfolio is comprised of investments that are rated AAA by major independent rating agencies. Since the middle of February 2008, ARS auctions have failed to settle due to an excess number of sellers compared to buyers. The failure of these auctions has resulted in our inability to liquidate our ARS in the near term. We are currently not aware of any defaults or financial conditions that would negatively affect the issuers' ability to continue to pay interest and principal on our ARS. We continue to earn and receive interest at contractually agreed upon rates.

During the six months ended June 25, 2011, we received approximately $2.2 million of redemptions of our ARS. As of June 25, 2011, we have continued to classify our ARS as Level 3 within the fair value hierarchy due to the lack of observable inputs and the absence of significant refinancing activity.

Based upon the information currently available and the use of a discounted cash flow model, including assumptions for estimated interest rates, timing and amount of cash flows and expected holding period for the ARS portfolio, in accordance with applicable authoritative guidance, our previously recorded cumulative temporary impairment at December 25, 2010 of $1.7 million related to our ARS decreased by $0.2 million during the six months ended June 25, 2011. The temporary impairment has been recorded as part of Accumulated other comprehensive income within the equity section of our consolidated balance sheet.

Accounts payable and accrued expenses

Financial liabilities with carrying values approximating fair value include accounts payable and other accrued liabilities. The carrying value of these financial instruments approximates fair value due to their short maturities.

Debt

The fair value of our debt is estimated based on quoted market prices for our traded debt and on market prices of similar issues for our private debt. The fair value of our debt as of June 25, 2011 and December 25, 2010 was estimated at $443.3 million and $441.3 million, respectively.

Derivative contracts

Derivative contracts are valued using quoted market prices and significant other observable and unobservable inputs. We use derivative instruments to minimize our exposure to fluctuations in interest rates and foreign currency exchange rates. Our derivative instruments primarily include interest rate caps related to our long-term floating rate debt and foreign currency forward agreements related to intercompany loans and certain forecasted inventory purchase commitments with suppliers.

The fair values for the majority of our foreign currency and interest rate derivative contracts are obtained by comparing our contract rate to a published forward price of the underlying market rates, which is based on market rates for comparable transactions and are classified within Level 2 of the fair value hierarchy.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 6. Fair Value Measurements (Continued)

Redeemable noncontrolling interests

Some minority shareholders in certain of our subsidiaries have the right, at certain times, to require us to acquire their ownership interest in those entities at fair value based on third-party valuations. The noncontrolling interests subject to put options are adjusted to their estimated redemption amounts each reporting period with a corresponding adjustment to Additional paid-in capital. Future reductions in the carrying amounts are subject to a "floor" amount that is equal to the fair value of the redeemable noncontrolling interests at the time they were originally recorded. The recorded value of the redeemable noncontrolling interests cannot go below the floor level. These adjustments will not impact the calculation of earnings per share. The details of the changes in Redeemable noncontrolling interests are presented in Note 4.

The following table presents our assets and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of June 25, 2011 and December 25, 2010:

	June 25, 2011			
	Level 1	Level 2	Level 3	Total
Assets:				
Available-for-sale securities	$ -	$ -	$ 11,405	$ 11,405
Derivative contracts	-	1,463	-	1,463
Total assets	$ -	$ 1,463	$ 11,405	$ 12,868
Liabilities:				
Derivative contracts	$ -	$ 1,057	$ -	$ 1,057
Total liabilities	$ -	$ 1,057	$ -	$ 1,057
Redeemable noncontrolling interests	$ -	$ -	$ 424,164	$ 424,164

	December 25, 2010			
	Level 1	Level 2	Level 3	Total
Assets:				
Available-for-sale securities	$ -	$ -	$ 13,367	$ 13,367
Derivative contracts	-	1,213	-	1,213
Total assets	$ -	$ 1,213	$ 13,367	$ 14,580
Liabilities:				
Derivative contracts	$ -	$ 2,771	$ -	$ 2,771
Total liabilities	$ -	$ 2,771	$ -	$ 2,771
Redeemable noncontrolling interests	$ -	$ -	$ 304,140	$ 304,140

(in thousands, except per share data)

Note 6. Fair Value Measurements (Continued)

The following table presents a reconciliation of our assets and liabilities measured at fair value on a recurring basis using unobservable inputs (Level 3):

	Level 3 (1)
Balance, December 25, 2010	$ 317,507
Change in redeemable noncontrolling interests	120,024
Redemptions at par	(2,150)
Gain reported in accumulated other comprehensive income	188
Balance, June 25, 2011	$ 435,569

	Level 3 (1)
Balance, December 26, 2009	$ 199,164
Change in redeemable noncontrolling interests	162,529
Redemptions at par	(3,080)
Gain reported in accumulated other comprehensive income	102
Balance, June 26, 2010	$ 358,715

(1) Level 3 amounts consist of closed-end municipal bond funds, student loan backed auction-rate securities and redeemable noncontrolling interests. See Note 4 for the components of the changes in Redeemable noncontrolling interests.

Note 7. Business Acquisitions

The operating results of all acquisitions are reflected in our financial statements from their respective acquisition dates.

On December 31, 2010, we acquired 100% of the outstanding shares of Provet Holdings Limited (ASX: PVT), Australia's largest distributor of veterinary products with sales in its 2010 fiscal year of approximately $278 million, for approximately $91 million, in a cash-for-stock exchange.

We completed other acquisitions during the six months ended June 25, 2011, the operating results of which are reflected in our financial statements from their respective acquisition dates. All acquisitions individually and in the aggregate had an immaterial impact on our reported operating results. Total acquisition costs incurred in the six months ended June 25, 2011 were immaterial to our financial results.

(in thousands, except per share data)

Note 7. Business Acquisitions (Continued)

Effective December 31, 2009, we acquired a majority interest in Butler Animal Health Holding Company, LLC (“Butler Holding”), the holding company of BAHS, a distributor of companion animal health supplies to veterinarians. BAHS further complements our domestic and international animal health operations and accordingly has been included in our Animal health operating segment, which is reported as part of Healthcare distribution. We contributed certain assets and liabilities with a net book value of approximately $86.0 million related to our United States animal health business to BAHS and paid approximately $42.0 million in cash to acquire 50.1% of the equity interests in Butler Holding indirectly through W.A. Butler Company, a holding company that is partially owned by Oak Hill Capital Partners (“OHCP”). As part of a recapitalization at closing, BAHS combined with our animal health business to form Butler Schein Animal Health (“BSAH”), while incurring approximately $127.0 million in incremental debt used primarily to finance Butler Holding stock redemptions. As a result, BSAH had incurred $320.0 million of debt at closing, $37.5 million of which was provided by Henry Schein, Inc. and is eliminated in the accompanying consolidated financial statements. See below for a discussion of the refinancing of debt incurred as part of the acquisition of BAHS.

Total consideration for the acquisition of BAHS, including $96.1 million of value for noncontrolling interests, was $351.1 million, summarized as follows:

Net cash consideration paid by Henry Schein, Inc.	$	41,990
Net book value of the United States animal health operations' assets and liabilities contributed		86,048
Fair value of noncontrolling interest in BAHS		96,110
Incremental debt incurred		127,000
Total consideration	$	351,148

We estimated the $96.1 million fair value of noncontrolling interest in BAHS as of the acquisition date by applying an income approach as our valuation technique. Our income approach followed a discounted cash flow method, which applied our best estimates of future cash flows and an estimated terminal value discounted to present value at a rate of return taking into account the relative risk of the cash flows. To confirm the reasonableness of the value derived from the income approach, we also analyzed the values of comparable companies which are publicly traded.

The total consideration of $351.1 million was allocated as follows:

Net assets of BAHS at fair value:		
Current assets	$	164,789
Intangible assets:		
Trade name (useful life 3 years)		10,000
Customer relationships (useful life 12 years)		140,000
Non-compete agreements (useful life 2 years)		2,600
Goodwill		270,714
Other assets		14,138
Current liabilities		(62,770)
Bank indebtedness		(200,100)
Deferred income tax liabilities		(74,271)
Net book value of our assets and liabilities contributed		86,048
Total allocation of consideration	$	351,148

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 7. Business Acquisitions (Continued)

The goodwill recognized is primarily attributable to expected synergies and the assembled workforce of BAHS. The goodwill is not expected to be tax deductible for income tax purposes. As a result of our contributed business being under the control of Henry Schein, Inc. before and after the transaction, the assets and liabilities of this business remain at their original historical accounting basis in the accompanying consolidated financial statements.

In connection with the acquisition of a majority interest in BAHS, we entered into (i) a Put Rights Agreement with OHCP and Butler Holding (the "Oak Hill Put Rights Agreement"), and (ii) a Put Rights Agreement with Burns Veterinary Supply, Inc. ("Burns") and Butler Holding (the "Burns Put Rights Agreement" and together with the Oak Hill Put Rights Agreement, the "Put Rights Agreements"), which provide each of OHCP and Burns with certain rights to require us to purchase their respective direct and indirect ownership interests in Butler Holding at fair value based on third-party valuations ("Put Rights"). Our maximum annual payment to OHCP under the Oak Hill Put Rights Agreement will not exceed $125.0 million for the first year during which OHCP can exercise its rights, $137.5 million for the second year and $150.0 million for the third year and for each year thereafter. Pursuant to the Burns Put Rights Agreement, Burns can exercise its Put Rights from and after December 31, 2014, at which time Burns will be permitted to sell to us up to 20% of its closing date ownership interest in Butler Holding each year. If OHCP still holds ownership interests in Butler Holding at the time the Burns Put Rights begin, then the put amounts payable by us to OHCP and Burns in any year will not exceed $150.0 million in the aggregate. As a result of the Put Right Agreements, the noncontrolling interest in BAHS has been reflected as part of Redeemable noncontrolling interests in the accompanying consolidated balance sheet.

On May 27, 2011, BAHS refinanced the terms and amount of its debt. The refinanced debt consists of the following three components:

- Term loan A - $100.0 million repayable in 14 quarterly installments in payment amounts ranging from $1.25 million per quarter for the period September 30, 2011 through June 30, 2012, approximately $1.88 million per quarter for the period September 30, 2012 through June 30, 2013, $2.5 million per quarter for the period September 30, 2013 through June 30, 2014, approximately $3.13 million for the quarter ended September 30, 2014 and a final installment of approximately $74.4 million due on December 31, 2014. Interest on the $100.0 million term loan is charged at LIBOR plus a margin of 3%;

- Term loan B - $216.0 million ($55.0 million provided by Henry Schein, Inc.) repayable in 17 quarterly installments of $540 thousand from September 30, 2011 through September 30, 2015, and a final installment of approximately $206.8 million due on December 31, 2015. Interest on the $216.0 million term loan is charged at LIBOR plus a margin of 3.25% with a LIBOR floor of 1.25%; and

- Revolver of $50.0 million with interest charged at LIBOR plus a margin of 3%.

Prior to the debt refinancing discussed above, the debt incurred as part of the acquisition of BAHS was repayable in 23 quarterly installments of $0.8 million through September 30, 2015, and a final installment of $301.6 million was due on December 31, 2015. Interest on the BAHS debt was charged at LIBOR plus a margin of 3.5% with a LIBOR floor of 2%.

The revised debt agreement continues to contain provisions which, under certain circumstances, require BAHS to make prepayments based on excess cash flows of BAHS as defined in the debt agreement. The revised debt agreement also continues to contain provisions that require BAHS to hedge risks related to potential rising interest rates. As a result, BAHS entered into a series of interest rate caps, for which we have elected hedge accounting treatment, with a notional amount of $160.0 million, protecting against LIBOR interest rates rising above 3.0% through March 30, 2012.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 8. Plan of Restructuring

During the first quarter of 2010, we completed a restructuring in order to reduce operating expenses. This restructuring included headcount reductions of 184 positions, as well as the closing of a number of smaller locations.

For the six months ended June 26, 2010, we recorded restructuring costs of approximately $12.3 million (approximately $8.3 million after taxes) consisting of employee severance pay and benefits, facility closing costs, representing primarily lease termination and asset write-off costs, and outside professional and consulting fees directly related to the restructuring plan.

The costs associated with these restructurings are included in a separate line item, “Restructuring costs” within our consolidated statements of income.

The following table shows the amounts expensed and paid for restructuring costs that were incurred during our 2010 fiscal year and the remaining accrued balance of restructuring costs as of June 25, 2011, which is included in Accrued expenses: Other and Other liabilities within our consolidated balance sheet:

	Balance at December 25, 2010	Provision	Payments and Other Adjustments	Balance at June 25, 2011
Severance costs (1)	$ 1,992	$ -	$ 1,015	$ 977
Facility closing costs (2)	2,351	-	829	1,522
Total	$ 4,343	$ -	$ 1,844	$ 2,499

(1) Represents salaries and related benefits for employees separated from the Company.

(2) Represents costs associated with the closing of certain smaller facilities (primarily lease termination costs) and property and equipment write-offs.

The following table shows, by reportable segment, the restructuring costs incurred during our 2010 fiscal year and the remaining accrued balance of restructuring costs as of June 25, 2011:

	Balance at December 25, 2010	Provision	Payments and Other Adjustments	Balance at June 25, 2011
Healthcare distribution	$ 4,343	$ -	$ 1,844	$ 2,499
Technology	-	-	-	-
Total	$ 4,343	$ -	$ 1,844	$ 2,499

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 9. Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to Henry Schein, Inc. by the weighted-average number of common shares outstanding for the period. Our diluted earnings per share is computed similarly to basic earnings per share, except that it reflects the effect of common shares issuable upon vesting of restricted stock and upon exercise of stock options using the treasury stock method in periods in which they have a dilutive effect.

For the three and six months ended June 26, 2010, diluted earnings per share includes the effect of common shares issuable upon conversion of our convertible debt. During this period, the debt was convertible at a premium as a result of the conditions of the debt. As a result, the amount in excess of the principal is presumed to be settled in common shares and is reflected in our calculation of diluted earnings per share.

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

	Three Months Ended		Six Months Ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Basic	90,766	90,021	90,710	89,733
Effect of dilutive securities:				
Stock options, restricted stock and restricted units	2,680	2,286	2,620	2,289
Effect of assumed conversion of convertible debt	-	1,045	-	962
Diluted	93,446	93,352	93,330	92,984

Weighted-average options to purchase 990 thousand shares of common stock at exercise prices ranging from $59.89 to $62.05 per share that were outstanding during the three months ended June 26, 2010 were excluded from the computation of diluted earnings per share. Weighted-average options to purchase 6 thousand shares of common stock at an exercise price of $69.45 and 990 thousand shares of common stock at exercise prices ranging from $59.89 to $62.05 per share that were outstanding during the six months ended June 25, 2011 and June 26, 2010, respectively, were excluded from the computation of diluted earnings per share. In each of these periods, such options' exercise prices exceeded the average market price of our common stock, thereby causing the effect of such options to be anti-dilutive.

On September 3, 2010, we redeemed all of our 3% convertible contingent notes originally due in 2034 (the "Convertible Notes") for approximately $240 million in cash and issued 732 thousand shares of our common stock. The effect of assumed conversion of our Convertible Notes, as it relates to the impact on diluted earnings per share, was included through September 3, 2010.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 10. Income Taxes

For the six months ended June 25, 2011, our effective tax rate from operations was 32.2% compared to 31.9% for the prior year period. The difference between our effective tax rates and the federal statutory tax rates for both periods primarily relates to state and foreign income taxes.

The total amount of unrecognized tax benefits as of June 25, 2011 was approximately $29.0 million, all of which would affect the effective tax rate if recognized. It is expected that the amount of unrecognized tax benefits will change in the next 12 months; however, we do not expect the change to have a material impact on our consolidated financial statements.

The total amounts of interest and penalties were approximately $6.1 million and $0, respectively, for the six months ended June 25, 2011.

The tax years subject to examination by major tax jurisdictions include the years 2006 and forward by the U.S. Internal Revenue Service, the years 1997 and forward for certain states and the years 2003 and forward for certain foreign jurisdictions.

Note 11. Derivatives and Hedging Activities

We are exposed to market risks, which include changes in interest rates, as well as changes in foreign currency exchange rates as measured against the U.S. dollar and each other, and changes to the credit markets. We attempt to minimize these risks by primarily using interest rate cap agreements, foreign currency forward contracts and by maintaining counter-party credit limits. These hedging activities provide only limited protection against interest rate, currency exchange and credit risks. Factors that could influence the effectiveness of our hedging programs include interest rate volatility, currency markets and availability of hedging instruments and liquidity of the credit markets. All foreign currency forward and interest rate cap contracts that we enter into are components of hedging programs and are entered into for the sole purpose of hedging an existing or anticipated interest rate and currency exposure. We do not enter into such contracts for speculative purposes and we manage our credit risks by diversifying our investments, maintaining a strong balance sheet and having multiple sources of capital.

Fluctuations in the value of certain foreign currencies as compared to the U.S. dollar may positively or negatively affect our revenues, gross margins, operating expenses and retained earnings, all of which are expressed in U.S. dollars. Where we deem it prudent, we engage in hedging programs using primarily foreign currency forward and interest rate caps contracts aimed at limiting the impact of foreign currency exchange rate and interest rate fluctuations on earnings. We purchase short-term (i.e., 12 months or less) foreign currency forward contracts to protect against currency exchange risks associated with intercompany loans due from our international subsidiaries and the payment of merchandise purchases to our foreign suppliers. We purchase interest rate caps to protect against interest rate risk on variable rate debt payable to third parties. We do not hedge the translation of foreign currency profits into U.S. dollars, as we regard this as an accounting exposure, not an economic exposure. The impact of our hedging activities has historically not had a material impact on our consolidated financial statements. Accordingly, additional disclosures related to derivatives and hedging activities required by ASC Topic 815 have been omitted.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 12. Stock-Based Compensation

Our accompanying unaudited consolidated statements of income reflect share-based pretax compensation expense of $9.6 million ($6.5 million after-tax) and $18.0 million ($12.2 million after-tax) for the three and six months ended June 25, 2011, respectively, and $6.9 million ($4.8 million after-tax) and $13.0 million ($8.9 million after-tax) for the three and six months ended June 26, 2010, respectively.

Stock-based compensation represents the cost related to stock-based awards granted to employees and non-employee directors. We measure stock-based compensation at the grant date, based on the estimated fair value of the award, and recognize the cost (net of estimated forfeitures) as compensation expense on a straight-line basis over the requisite service period. Our stock-based compensation expense is reflected in selling, general and administrative expenses in our consolidated statements of income.

Stock-based awards are provided to certain employees and non-employee directors under the terms of our 1994 Stock Incentive Plan, as amended, and our 1996 Non-Employee Director Stock Incentive Plan, as amended (together, the “Plans”). The Plans are administered by the Compensation Committee of the Board of Directors. Prior to March 2009, awards under the Plans principally included a combination of at-the-money stock options and restricted stock (including restricted stock units). In March 2009, March 2010 and March 2011, equity-based awards were granted solely in the form of restricted stock and restricted stock units, with the exception of stock options for certain pre-existing contractual obligations.

Grants of restricted stock are common stock awards granted to recipients with specified vesting provisions. We issue restricted stock that vests solely based on the recipient’s continued service over time (four-year cliff vesting) and restricted stock that vests based on our achieving specified performance measurements and the recipient’s continued service over time (three-year cliff vesting).

With respect to time-based restricted stock, we estimate the fair value on the date of grant based on our closing stock price. With respect to performance-based restricted stock, the number of shares that ultimately vest and are received by the recipient is based upon our performance as measured against specified targets over a three-year period as determined by the Compensation Committee of the Board of Directors. Although there is no guarantee that performance targets will be achieved, we estimate the fair value of performance-based restricted stock, based on our closing stock price at time of grant.

The Plans provide for adjustments to the performance-based restricted stock targets for significant events such as acquisitions, divestitures, new business ventures and share repurchases. Over the performance period, the number of shares of common stock that will ultimately vest and be issued and the related compensation expense is adjusted upward or downward based upon our estimation of achieving such performance targets. The ultimate number of shares delivered to recipients and the related compensation cost recognized as an expense will be based on our actual performance metrics as defined under the Plans.

Restricted stock units are awards that we grant to certain employees that entitle the recipient to shares of common stock upon vesting. We grant restricted stock units with the same time-based and performance-based vesting that we use for restricted stock. The fair value of restricted stock units is determined on the date of grant, based on our closing stock price.

Total unrecognized compensation cost related to non-vested awards as of June 25, 2011 was $84.2 million, which is expected to be recognized over a weighted-average period of approximately 2.4 years.

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 12. Stock-Based Compensation (Continued)

The following weighted-average assumptions were used in determining the fair values of stock options using the Black-Scholes valuation model:

	2011	2010
Expected dividend yield	0%	0%
Expected stock price volatility	20%	20%
Risk-free interest rate	2.13%	2.37%
Expected life of options (years)	4.75	4.5

The following table summarizes stock option activity under the Plans during the six months ended June 25, 2011:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Outstanding at beginning of period	5,012	$ 43.05		
Granted	10	69.45		
Exercised	(743)	37.85		
Forfeited	(15)	39.72		
Outstanding at end of period	4,264	$ 44.02	4.4	$ 108,750
Options exercisable at end of period	3,972	$ 42.92	4.2	$ 105,655

The following tables summarize the status of our non-vested restricted stock/units for the six months ended June 25, 2011:

	Time-Based Restricted Stock/Units		
	Shares/Units	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at beginning of period	743	$ 34,804	
Granted	230	15,981	
Vested	(85)	(4,369)	
Forfeited	(8)	(381)	
Outstanding at end of period	880	$ 46,035	$ 61,212

	Performance-Based Restricted Stock/Units		
	Shares/Units	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at beginning of period	1,347	$ 42,083	
Granted	451	32,339	
Vested	(45)	(2,720)	
Forfeited	(7)	(349)	
Outstanding at end of period	1,746	$ 71,353	$ 121,350

HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(in thousands, except per share data)
(unaudited)

Note 13. Supplemental Cash Flow Information

Cash paid for interest and income taxes was:

	Six Months Ended	
	June 25, 2011	June 26, 2010
Interest	$ 16,159	$ 9,824
Income taxes	81,235	62,642

During the six months ended June 25, 2011, we had a $2.1 million non-cash net unrealized gain related to hedging activities. During the six months ended June 26, 2010, we had a $23.0 million non-cash net unrealized loss related to hedging activities.

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

Cautionary Note Regarding Forward-Looking Statements

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are identified by the use of such terms as "may," "could," "expect," "intend," "believe," "plan," "estimate," "forecast," "project," "anticipate" or other comparable terms.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: recently enacted healthcare legislation; effects of a highly competitive market; changes in the healthcare industry; changes in regulatory requirements; risks from expansion of customer purchasing power and multi-tiered costing structures; risks associated with our international operations; fluctuations in quarterly earnings; our dependence on third parties for the manufacture and supply of our products; transitional challenges associated with acquisitions, including the failure to achieve anticipated synergies; financial risks associated with acquisitions; regulatory and litigation risks; the dependence on our continued product development, technical support and successful marketing in the technology segment; risks from disruption to our information systems; general economic conditions; decreased customer demand and changes in vendor credit terms; disruptions in financial markets; our dependence upon sales personnel, manufacturers and customers; our dependence on our senior management; possible increases in the cost of shipping our products or other service issues with our third-party shippers; risks from rapid technological change; possible volatility of the market price of our common stock; certain provisions in our governing documents that may discourage third-party acquisitions of us; and changes in tax legislation. The order in which these factors appear should not be construed to indicate their relative importance or priority.

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

Executive-Level Overview

We believe we are the largest distributor of healthcare products and services primarily to office-based healthcare practitioners. We serve more than 700,000 customers worldwide, including dental practitioners and laboratories, physician practices and animal health clinics, as well as government and other institutions. We believe that we have a strong brand identity due to our more than 78 years of experience distributing healthcare products.

We are headquartered in Melville, New York, employ more than 14,000 people (of which over 6,500 are based outside the United States) and have operations in the United States, Australia, Austria, Belgium, Canada, China, the Czech Republic, France, Germany, Hong Kong SAR, Ireland, Israel, Italy, Luxembourg, the Netherlands, New Zealand, Portugal, Slovakia, Spain, Switzerland and the United Kingdom. We also have affiliates in Iceland, Saudi Arabia, Turkey and the United Arab Emirates.

We have established strategically located distribution centers to enable us to better serve our customers and increase our operating efficiency. This infrastructure, together with broad product and service offerings at competitive prices, and a strong commitment to customer service, enables us to be a single source of supply for our customers' needs. Our infrastructure also allows us to provide convenient ordering and rapid, accurate and complete order fulfillment.

We conduct our business through two reportable segments: healthcare distribution and technology. These segments offer different products and services to the same customer base. The healthcare distribution reportable segment aggregates our dental, medical, animal health and international operating segments. This segment consists of consumable products, small equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infection-control products and vitamins.

Our dental group serves office-based dental practitioners, schools and other institutions in the combined United States and Canadian dental market. Our medical group serves office-based medical practitioners, surgical centers, other alternate-care settings and other institutions throughout the United States. Our animal health group serves animal health practices and clinics throughout the United States. Our international group serves dental, medical and animal health practitioners in 23 countries outside of North America and is what we believe to be a leading European healthcare supplier serving office-based practitioners.

Our technology group provides software, technology and other value-added services to healthcare practitioners, primarily in the United States, Canada, the United Kingdom, Australia and New Zealand. Our value-added practice solutions include practice management software systems for dental and medical practitioners and animal health clinics. Our technology group offerings also include financial services on a non-recourse basis, e-services and continuing education services for practitioners.

Industry Overview

In recent years, the healthcare industry has increasingly focused on cost containment. This trend has benefited distributors capable of providing a broad array of products and services at low prices. It also has accelerated the growth of HMOs, group practices, other managed care accounts and collective buying groups, which, in addition to their emphasis on obtaining products at competitive prices, tend to favor distributors capable of providing specialized management information support. We believe that the trend towards cost containment has the potential to favorably affect demand for technology solutions, including software, which can enhance the efficiency and facilitation of practice management.

Our operating results in recent years have been significantly affected by strategies and transactions that we undertook to expand our business, domestically and internationally, in part to address significant changes in the healthcare industry, including consolidation of healthcare distribution companies, potential healthcare reform, trends toward managed care, cuts in Medicare and collective purchasing arrangements.

Our current and future results have been and could be impacted by the current economic environment and uncertainty, particularly impacting overall demand for our products and services.

Industry Consolidation

The healthcare products distribution industry, as it relates to office-based healthcare practitioners, is highly fragmented and diverse. This industry, which encompasses the dental, medical and animal health markets, was estimated to produce revenues of approximately $28 billion in 2010 in the combined North American, European and Australian/New Zealand markets. The industry ranges from sole practitioners working out of relatively small offices to group practices or service organizations ranging in size from a few practitioners to a large number of practitioners who have combined or otherwise associated their practices.

Due in part to the inability of office-based healthcare practitioners to store and manage large quantities of supplies in their offices, the distribution of healthcare supplies and small equipment to office-based healthcare practitioners has been characterized by frequent, small quantity orders, and a need for rapid, reliable and substantially complete order fulfillment. The purchasing decisions within an office-based healthcare practice are typically made by the practitioner or an administrative assistant. Supplies and small equipment are generally purchased from more than one distributor, with one generally serving as the primary supplier.

We believe that consolidation within the industry will continue to result in a number of distributors, particularly those with limited financial and marketing resources, seeking to combine with larger companies that can provide growth opportunities. This consolidation also may continue to result in distributors seeking to acquire companies that can enhance their current product and service offerings or provide opportunities to serve a broader customer base.

Our trend with regard to acquisitions and joint ventures has been to expand our role as a provider of products and services to the healthcare industry. This trend has resulted in expansion into service areas that complement our existing operations and provide opportunities for us to develop synergies with, and thus strengthen, the acquired businesses.

As industry consolidation continues, we believe that we are positioned to capitalize on this trend, as we believe we have the ability to support increased sales through our existing infrastructure.

As the healthcare industry continues to change, we continually evaluate possible candidates for merger or acquisition and intend to continue to seek opportunities to expand our role as a provider of products and services to the healthcare industry. There can be no assurance that we will be able to successfully pursue any such opportunity or consummate any such transaction, if pursued. If additional transactions are entered into or consummated, we would incur merger and/or acquisition-related costs, and there can be no assurance that the integration efforts associated with any such transaction would be successful.

Aging Population and Other Market Influences

The healthcare products distribution industry continues to experience growth due to the aging population, increased healthcare awareness, the proliferation of medical technology and testing, new pharmacology treatments and expanded third-party insurance coverage, partially offset by the affects of increased unemployment on insurance coverage. In addition, the physician market continues to benefit from the shift of procedures and diagnostic testing from acute care settings to alternate-care sites, particularly physicians' offices.

The U.S. Census Bureau's "Statistical Abstract of the United States: 2011," reports that, in 2010, more than five million Americans were aged 85 or older, the segment of the population most in need of long-term care and elder-care services. By the year 2050, that number is projected to more than triple to more than 19 million. The population aged 65 to 84 years is projected to more than double in the same time period.

As a result of these market dynamics, annual expenditures for healthcare services continue to increase in the United States. Given current operating, economic and industry conditions, we believe that demand for our products and services will grow at slower rates. The Centers for Medicare and Medicaid Services, or CMS, published "National Health Expenditure Projections 2009 – 2019" indicating that total national healthcare spending reached approximately $2.5 trillion in 2009, or 17.3% of the nation's gross domestic product, the benchmark measure for annual production of goods and services in the United States. Healthcare spending is projected to reach approximately $4.6 trillion in 2019, approximately 19.6% of the nation's gross domestic product.

Government

The healthcare industry is subject to extensive government regulation, licensure and operating compliance procedures. Additionally, government and private insurance programs fund a large portion of the total cost of medical care. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or MMA, was the largest expansion of the Medicare program since its inception, and provided participants with voluntary outpatient prescription drug benefits beginning in 2006. The MMA also included provisions relating to medication management programs, generic substitution and provider reimbursement.   The Patient Protection and Affordable Care Act, enacted in March 2010, generally known as The Health Care Reform Bill or PPACA, increased federal oversight of private health insurance plans and included a number of provisions designed to reduce Medicare expenditures and the cost of healthcare generally, to reduce fraud and abuse, and to provide access to health coverage for an additional

32 million people. PPACA also imposes (i) a 2.3% excise tax on domestic sales of medical devices by manufacturers and importers beginning in 2013, and a "fee" on branded prescription drugs and biologics beginning in 2011, which may affect sales, (ii) mandates pharmacy benefit manager transparency regarding rebates, discounts and price concessions, which could affect pricing and competition and (iii) reduces the amount of out-of-pocket liability for patients participating in the Medicare outpatient drug benefit program created by the MMA. Certain federal district courts have declared PPACA, or portions of it, to be unconstitutional, while certain other courts have affirmed its constitutionality. Appeals are pending, and the matter is expected to be determined by the Supreme Court of the United States.

In addition to the foregoing, PPACA imposed new reporting and disclosure requirements for pharmaceutical and device manufacturers with regard to payments or other transfers of value made to certain practitioners, including physicians and dentists, and teaching hospitals beginning in January 2012. Implementing regulations have not yet been issued, but it is possible that such regulations, when issued, will treat us or one or more of our subsidiaries as a "manufacturer" subject to these reporting requirements. In addition, several states require pharmaceutical and/or device companies to report expenses relating to the marketing and promotion of products as well as gifts and payments to individual practitioners in the states, or prohibit certain marketing related activities. Other states, such as California, Nevada, Massachusetts and Connecticut, require pharmaceutical and/or device companies to implement compliance programs or marketing codes. Wholesale distributors are covered by the laws in certain of these states. In others, it is possible that our activities, including on behalf of manufacturers, or the activities of one or more of our subsidiaries, will subject us to the state's reporting requirements and prohibitions.

Regulations adopted under the federal Prescription Drug Marketing Act, or PDMA, effective December 2006, require the identification and documentation of transactions involving the receipt and distribution of prescription drugs, that is, drug pedigree information. These requirements include tracking sales and distribution of prescription drug products from distributors and potentially manufacturers. In early December 2006, the federal District Court for the Eastern District of New York issued a preliminary injunction enjoining the implementation of certain of the federal drug pedigree requirements, including the requirement to identify transactions back to the manufacturer. Nonetheless, prescription drug pedigrees are required under federal regulations and the PDMA, and the pedigree must track back to the last authorized distributor of record, or ADR, that handled the drug.

Many states have implemented or are considering similar drug pedigree laws and regulations. There have been increasing efforts by various levels of government, including state departments of health, state boards of pharmacy and comparable agencies, to regulate the pharmaceutical distribution system in order to prevent the introduction of counterfeit, adulterated or mislabeled pharmaceuticals into the distribution system. Approximately 21 states, including Florida, have already implemented pedigree requirements, including drug tracking requirements, that are intended to protect the integrity of the pharmaceutical distribution system. California has enacted a statute that, beginning in 2015, will require manufacturers to identify each package of a prescription pharmaceutical with a standard, machine-readable unique numerical identifier, and will require manufacturers and distributors to participate in an electronic track-and-trace system and provide or receive an electronic pedigree for each transaction in the drug distribution chain. Other states have passed or are reviewing the same type of requirements. Bills have been proposed in Congress that would impose similar requirements at the federal level.

The Combat Methamphetamine Enhancement Act of 2010, which became effective in April 2011, requires retail sellers of products containing certain chemicals, such as pseudoephedrine, to self certify to the Drug Enforcement Administration ("DEA") that they are in compliance with the laws and regulations regarding such sales. The law also prohibits distributors from selling these products to retailers who are not registered with the DEA or who have not self-certified compliance with the laws and regulations. The Secure and Responsible Drug Disposal Act of 2010, signed by President Obama in October 2010, is intended to allow patients to deliver unused controlled substances to designated entities to more easily and safely dispose of controlled substances while reducing the chance of diversion. The law authorizes the DEA to promulgate regulations to allow, but not require, designated entities to receive unused controlled substances.

There may be additional legislative initiatives in the future impacting healthcare.

E-Commerce

Traditional healthcare supply and distribution relationships are being challenged by electronic online commerce solutions. Our distribution business is characterized by rapid technological developments and intense competition. The advancement of online commerce will require us to cost-effectively adapt to changing technologies, to enhance existing services and to develop and introduce a variety of new services to address the changing demands of consumers and our customers on a timely basis, 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, our name recognition and large customer base built on solid customer relationships position 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.

Results of Operations

The following table summarizes the significant components of our operating results for the three and six months ended June 25, 2011and June 26, 2010 and cash flows for the six months ended June 25, 2011 and June 26, 2010 (in thousands):

	Three Months Ended		Six Months Ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Operating results:				
Net sales	$ 2,130,640	$ 1,849,401	$ 4,078,401	$ 3,609,711
Cost of sales	1,518,416	1,303,757	2,900,355	2,551,034
Gross profit	612,224	545,644	1,178,046	1,058,677
Operating expenses:				
Selling, general and administrative	461,009	407,638	902,531	804,627
Restructuring costs	-	-	-	12,285
Operating income	$ 151,215	$ 138,006	$ 275,515	$ 241,765
Other expense, net	$ (2,952)	$ (5,203)	$ (6,781)	$ (11,017)
Net income	105,056	93,163	188,027	160,415
Net income attributable to Henry Schein, Inc.	94,475	84,001	170,970	144,901
Cash flows:				
Net cash provided by operating activities			$ 185,292	$ 128,988
Net cash used in investing activities			(162,020)	(235,421)
Net cash used in financing activities			(20,325)	(41,372)

Plan of Restructuring

During the first quarter of 2010, we completed a restructuring in order to reduce operating expenses. This restructuring included headcount reductions of 184 positions, as well as the closing of a number of smaller locations.

During the six months ended June 26, 2010, we recorded restructuring costs of approximately $12.3 million (approximately $8.3 million after taxes). These costs primarily consisted of employee severance pay and benefits, facility closing costs, representing primarily lease termination and asset write-off costs, and outside professional and consulting fees directly related to the restructuring plans. The costs associated with these restructurings are included in a separate line item, “Restructuring costs,” within our consolidated statements of income.

Three Months Ended June 25, 2011 Compared to Three Months Ended June 26, 2010

Net Sales

Net sales for the three months ended June 25, 2011 and June 26, 2010 were as follows (in thousands):

	June 25, 2011	% of Total	June 26, 2010	% of Total	Increase $	Increase %
Healthcare distribution (1):						
Dental (2)	$ 709,338	33.3%	$ 677,560	36.6%	$ 31,778	4.7%
Medical (3)	317,263	14.9	286,291	15.5	30,972	10.8
Animal health (4)	260,307	12.2	234,734	12.7	25,573	10.9
International (5)	781,675	36.7	602,435	32.6	179,240	29.8
Total healthcare distribution	2,068,583	97.1	1,801,020	97.4	267,563	14.9
Technology (6)	62,057	2.9	48,381	2.6	13,676	28.3
Total	$ 2,130,640	100.0%	$ 1,849,401	100.0%	$ 281,239	15.2

(1) Consists of consumable products, small equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infection-control products and vitamins.

(2) Consists of products sold in the United States and Canadian dental markets.

(3) Consists of products sold in the United States' medical market.

(4) Consists of products sold in the United States' animal health market.

(5) Consists of products sold in the dental, medical and animal health markets, primarily in Europe, Australia and New Zealand.

(6) Consists of practice management software and other value-added products and services, which are distributed primarily to healthcare providers in the United States, Canada, the United Kingdom, Australia and New Zealand.

The $281.2 million, or 15.2%, increase in net sales for the three months ended June 25, 2011 includes an increase of 10.1% local currency growth (5.6% increase in internally generated revenue and 4.5% growth from acquisitions) as well as an increase of 5.1% related to foreign currency exchange.

The $31.8 million, or 4.7%, increase in dental net sales for the three months ended June 25, 2011 includes an increase of 4.0% in local currencies (3.4% increase in internally generated revenue and 0.6% growth from acquisitions) as well as an increase of 0.7% related to foreign currency exchange. The 4.0% increase in local currency sales was due to increases in dental equipment sales and service revenues of 1.3% (all internally generated) and dental consumable merchandise sales growth of 4.8% (4.0% increase in internally generated revenue and 0.8% growth from acquisitions).

The $31.0 million, or 10.8%, increase in medical net sales for the three months ended June 25, 2011 includes an increase in internally generated revenue of 8.7% and acquisition growth of 2.1%.

The $25.5 million, or 10.9%, increase in animal health net sales for the three months ended June 25, 2011 was all internally generated.

The $179.2 million, or 29.8%, increase in international net sales for the three months ended June 25, 2011 includes sales growth of 15.1% in local currencies (3.8% internally generated revenue and 11.3% growth from acquisitions) as well as an increase of 14.7% related to foreign currency exchange.

The $13.7 million, or 28.3%, increase in technology net sales for the three months ended June 25, 2011 includes an increase of 26.3% local currency growth (12.6% internally generated growth and 13.7% growth from acquisitions) as well as a increase of 2.0% related to foreign currency exchange.

Gross Profit

Gross profit and gross margin percentages by segment and in total for the three months ended June 25, 2011 and June 26, 2010 were as follows (in thousands):

	June 25, 2011	Gross Margin %	June 26, 2010	Gross Margin %	Increase $	Increase %
Healthcare distribution	$ 571,990	27.7%	$ 512,147	28.4%	$ 59,843	11.7%
Technology	40,234	64.8	33,497	69.2	6,737	20.1
Total	$ 612,224	28.7	$ 545,644	29.5	$ 66,580	12.2

For the three months ended June 25, 2011, gross profit increased $66.6 million, or 12.2%, from the comparable prior year period. As a result of different practices of categorizing costs associated with distribution networks throughout our industry, our gross margins may not necessarily be comparable to other distribution companies. Additionally, we realize substantially higher gross margin percentages in our technology segment than in our healthcare distribution segment. These higher gross margins result from being both the developer and seller of software products and services, as well as certain financial services. The software industry typically realizes higher gross margins to recover investments in research and development.

Within our healthcare distribution segment, gross profit margins may vary from one period to the next. Changes in the mix of products sold as well as changes in our customer mix have been the most significant drivers affecting our gross profit margin. For example, sales of pharmaceutical products are generally at lower gross profit margins than other products. Conversely, sales of our private label products achieve gross profit margins that are better than average. With respect to customer mix, sales to our large-group customers are typically completed at lower gross margins due to the higher volumes sold as opposed to the gross margin on sales to office-based practitioners who normally purchase lower volumes at higher frequencies.

Healthcare distribution gross profit increased $59.8 million, or 11.7%, for the three months ended June 25, 2011 compared to the prior year period. Healthcare distribution gross profit margin decreased to 27.7% for the three months ended June 25, 2011 from 28.4% for the comparable prior year period. The decrease in our healthcare distribution gross profit margin is primarily due to growth in sales within our animal health businesses, which typically include a greater percentage of pharmaceutical products than our other operating units. The increase in animal health sales results from internal growth in the United States and the acquisition of Provet Holdings Limited (see Note 7 "Business Acquisitions" within our notes to our consolidated financial statements) at the beginning of our 2011 fiscal year.

Technology gross profit increased $6.7 million, or 20.1%, for the three months ended June 25, 2011 compared to the prior year period. Technology gross profit margin decreased to 64.8% for the three months ended June 25, 2011 from 69.2% for the comparable prior year period, primarily due to changes in the product sales mix. Specifically, revenues generated from network installations, which generally are completed at a lower than average gross margin, grew at a greater rate than electronic services (claims processing, statements generation, etc.), which typically generate higher than average gross margins.

Selling, General and Administrative

Selling, general and administrative expenses by segment and in total for the three months ended June 25, 2011 and June 26, 2010 were as follows (in thousands):

	June 25, 2011	% of Respective Net Sales	June 26, 2010	% of Respective Net Sales	Increase $	Increase %
Healthcare distribution	$ 437,980	21.1%	$ 391,012	21.7%	$ 46,968	12.0%
Technology	23,029	37.1	16,626	34.4	6,403	38.5
Total	$ 461,009	21.6	$ 407,638	22.0	$ 53,371	13.1

Selling, general and administrative expenses increased $53.4 million, or 13.1%, to $461.0 million for the three months ended June 25, 2011 from the comparable prior year period. As a percentage of net sales, selling, general and administrative expenses decreased to 21.6% from 22.0% for the comparable prior year period.

As a component of selling, general and administrative expenses, selling expenses increased $31.9 million, or 11.9%, to $300.0 million for the three months ended June 25, 2011 from the comparable prior year period. As a percentage of net sales, selling expenses decreased to 14.1% from 14.5% for the comparable prior year period.

As a component of selling, general and administrative expenses, general and administrative expenses increased $21.5 million, or 15.4%, to $161.0 million for the three months ended June 25, 2011 from the comparable prior year period. As a percentage of net sales, general and administrative expenses increased to 7.6% from 7.5% for the comparable prior year period.

Other Expense, Net

Other expense, net, for the three months ended June 25, 2011 and June 26, 2010 were as follows (in thousands):

	June 25, 2011	June 26, 2010	Increase $	Increase %
Interest income	$ 4,192	$ 3,508	$ 684	19.5%
Interest expense	(7,902)	(9,185)	1,283	14.0
Other, net	758	474	284	59.9
Other expense, net	$ (2,952)	$ (5,203)	$ 2,251	43.3

Other expense, net decreased $2.3 million for the three months ended June 25, 2011 from the comparable prior year period. Interest income increased $0.7 million primarily due to higher investment income. Interest expense decreased $1.3 million primarily due to reduced interest expense from the redemption of our Convertible Notes on September 3, 2010, partially offset by increased interest expense related to borrowings under our private placement shelf facilities and debt associated with the acquisition of a majority interest in Butler Animal Health Supply, LLC, or BAHS, as well as interest expense related to our credit lines. In addition, Other, net increased by $0.3 million due primarily to proceeds received from a legal settlement, partially offset by the impact of foreign currency exchange.

Income Taxes

For the three months ended June 25, 2011, our effective tax rate was 31.9% compared to 31.2% for the prior year period. The difference between our effective tax rates and the federal statutory tax rates for both periods primarily relates to state and foreign income taxes.

Six Months Ended June 25, 2011 Compared to Six Months Ended June 26, 2010

Net Sales

Net sales for the six months ended June 25, 2011 and June 26, 2010 were as follows (in thousands):

	June 25, 2011	% of Total	June 26, 2010	% of Total	Increase $	Increase %
Healthcare distribution (1):						
Dental (2)	$ 1,372,121	33.7%	$ 1,292,209	35.8%	$ 79,912	6.2%
Medical (3)	637,058	15.6	570,880	15.8	66,178	11.6
Animal health (4)	490,872	12.0	441,380	12.2	49,492	11.2
International (5)	1,460,647	35.8	1,211,888	33.6	248,759	20.5
Total healthcare distribution	3,960,698	97.1	3,516,357	97.4	444,341	12.6
Technology (6)	117,703	2.9	93,354	2.6	24,349	26.1
Total	$ 4,078,401	100.0%	$ 3,609,711	100.0%	$ 468,690	13.0

(1) Consists of consumable products, small equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infection-control products and vitamins.

(2) Consists of products sold in the United States and Canadian dental markets.

(3) Consists of products sold in the United States' medical market.

(4) Consists of products sold in the United States' animal health market.

(5) Consists of products sold in the dental, medical and animal health markets, primarily in Europe, Australia and New Zealand.

(6) Consists of practice management software and other value-added products and services, which are distributed primarily to healthcare providers in the United States, Canada, the United Kingdom, Australia and New Zealand.

The $468.7 million, or 13.0%, increase in net sales for the six months ended June 25, 2011 includes an increase of 10.0% local currency growth (4.7% increase in internally generated revenue and 5.3% growth from acquisitions) as well as an increase of 3.0% related to foreign currency exchange.

The $79.9 million, or 6.2%, increase in dental net sales for the six months ended June 25, 2011 includes an increase of 5.5% in local currencies (3.2% increase in internally generated revenue and 2.3% growth from acquisitions) as well as an increase of 0.7% related to foreign currency exchange. The 5.5% increase in local currency sales was due to increases in dental equipment sales and service revenues of 1.3% (all internally generated) and dental consumable merchandise sales growth of 6.7% (3.7% increase in internally generated revenue and 3.0% growth from acquisitions).

The $66.2 million, or 11.6%, increase in medical net sales for the six months ended June 25, 2011 includes an increase in internally generated revenue of 9.3% and acquisition growth of 2.3%.

The $49.5 million, or 11.2%, increase in animal health net sales for the six months ended June 25, 2011 includes an increase in internally generated revenue of 9.3% and acquisition growth of 1.9%.

The $248.8 million, or 20.5%, increase in international net sales for the six months ended June 25, 2011 includes sales growth of 12.4% in local currencies (1.9% increase in internally generated revenue and 10.5% growth from acquisitions) as well as an increase of 8.1% related to foreign currency exchange.

The $24.3 million, or 26.1%, increase in technology net sales for the six months ended June 25, 2011 includes an increase of 24.7% local currency growth (13.2% internally generated growth and 11.5% growth from acquisitions) as well as a increase of 1.4% related to foreign currency exchange.

Gross Profit

Gross profit and gross margin percentages by segment and in total for the six months ended June 25, 2011 and June 26, 2010 were as follows (in thousands):

	June 25, 2011	Gross Margin %	June 26, 2010	Gross Margin %	Increase $	Increase %
Healthcare distribution	$ 1,101,030	27.8%	$ 994,157	28.3%	$ 106,873	10.8%
Technology	77,016	65.4	64,520	69.1	12,496	19.4
Total	$ 1,178,046	28.9	$ 1,058,677	29.3	$ 119,369	11.3

For the six months ended June 25, 2011, gross profit increased $119.4 million, or 11.3%, from the comparable prior year period.

Within our healthcare distribution segment, gross profit margins may vary from one period to the next. Changes in the mix of products sold as well as changes in our customer mix have been the most significant drivers affecting our gross profit margin. For example, sales of pharmaceutical products are generally at lower gross profit margins than other products. Conversely, sales of our private label products achieve gross profit margins that are better than average. With respect to customer mix, sales to our large-group customers are typically completed at lower gross margins due to the higher volumes sold as opposed to the gross margin on sales to office-based practitioners who normally purchase lower volumes at higher frequencies.

Healthcare distribution gross profit increased $106.9 million, or 10.8%, for the six months ended June 25, 2011 compared to the prior year period. Healthcare distribution gross profit margin decreased to 27.8% for the six months ended June 25, 2011 from 28.3% for the comparable prior year period. The decrease in our healthcare distribution gross profit margin is primarily due to growth in sales within our animal health businesses, which typically include a greater percentage of pharmaceutical products than our other operating units. The increase in animal health sales results from internal growth in the United States and the acquisition of Provet Holdings Limited (see Note 7 “Business Acquisitions” within our notes to our consolidated financial statements) at the beginning of our 2011 fiscal year.

Technology gross profit increased $12.5 million, or 19.4%, for the six months ended June 25, 2011 compared to the prior year period. Technology gross profit margin decreased to 65.4% for the six months ended June 25, 2011 from 69.1% for the comparable prior year period, primarily due to changes in the product sales mix. Specifically, revenues generated from network installations, which generally are completed at a lower than average gross margin, grew at a greater rate than electronic services (claims processing, statements generation, etc.), which typically generate higher than average gross margins.

Selling, General and Administrative

Selling, general and administrative expenses by segment and in total for the six months ended June 25, 2011 and June 26, 2010 were as follows (in thousands):

	June 25, 2011	% of Respective Net Sales	June 26, 2010	% of Respective Net Sales	Increase $	Increase %
Healthcare distribution	$ 857,488	21.6%	$ 772,122	22.0%	$ 85,366	11.1%
Technology	45,043	38.3	32,505	34.8	12,538	38.6
Total	$ 902,531	22.1	$ 804,627	22.3	$ 97,904	12.2

Selling, general and administrative expenses increased $97.9 million, or 12.2%, to $902.5 million for the six months ended June 25, 2011 from the comparable prior year period. As a percentage of net sales, selling, general and administrative expenses decreased to 22.1% from 22.3% for the comparable prior year period.

As a component of selling, general and administrative expenses, selling expenses increased $59.4 million, or 11.2%, to $588.1 million for the six months ended June 25, 2011 from the comparable prior year period. As a percentage of net sales, selling expenses decreased to 14.4% from 14.7% for the comparable prior year period.

As a component of selling, general and administrative expenses, general and administrative expenses increased $38.5 million, or 14.0%, to $314.4 million for the six months ended June 25, 2011 from the comparable prior year period. As a percentage of net sales, general and administrative expenses increased to 7.7% from 7.6% for the comparable prior year period.

Other Expense, Net

Other expense, net, for the six months ended June 25, 2011 and June 26, 2010 were as follows (in thousands):

	June 25, 2011	June 26, 2010	Increase $	Increase %
Interest income	$ 8,125	$ 6,896	$ 1,229	17.8%
Interest expense	(15,987)	(18,272)	2,285	12.5
Other, net	1,081	359	722	201.1
Other expense, net	$ (6,781)	$ (11,017)	$ 4,236	38.4

Other expense, net decreased $4.2 million for the six months ended June 25, 2011 from the comparable prior year period. Interest income increased $1.2 million primarily due to higher investment income. Interest expense decreased $2.3 million primarily due to reduced interest expense from the redemption of our Convertible Notes on September 3, 2010, partially offset by increased interest expense related to borrowings under our private placement shelf facilities and debt associated with the acquisition of a majority interest in BAHS, as well as interest expense related to our credit lines. In addition, Other, net increased by $0.7 million due primarily to proceeds received from a legal settlement.

Income Taxes

For the six months ended June 25, 2011, our effective tax rate was 32.2% compared to 31.9% for the prior year period. The difference between our effective tax rates and the federal statutory tax rates for both periods primarily relates to state and foreign income taxes.

Liquidity and Capital Resources

Our principal capital requirements include funding of acquisitions, repayments of debt principal, the funding of working capital needs, purchases of securities and fixed assets and repurchases of common stock. Working capital requirements generally result from increased sales, special inventory forward buy-in opportunities and payment terms for receivables and payables. Historically, sales have tended to be stronger during the third and fourth quarters and special inventory forward buy-in opportunities have been most prevalent just before the end of the year, causing our working capital requirements to have 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 cash generated from our operations, revolving credit facilities and debt placements. Our ability to generate sufficient cash flows from operations is dependent on the continued demand of our customers for our products and services, and access to products and services from our suppliers.

Our business requires a substantial investment in working capital, which is susceptible to fluctuations 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 and our desired level of inventory. We anticipate future increases in our working capital requirements.

We finance our business to provide adequate funding for at least 12 months. Funding requirements are based on forecasted profitability and working capital needs, which, on occasion, may change. Consequently, we may change our funding structure to reflect any new requirements.

We believe that our cash and cash equivalents, our ability to access private debt markets and public equity markets, and our available funds under existing credit facilities provide us with sufficient liquidity to meet our currently foreseeable short-term and long-term capital needs. We have no off-balance sheet arrangements.

Net cash flow provided by operating activities was $185.3 million for the six months ended June 25, 2011, compared to $129.0 million for the comparable prior year period. This net change of $56.3 million was primarily attributable to favorable working capital changes as well as net income improvements, after taking into account depreciation and amortization, stock-based compensation expense and deferred taxes.

Net cash used in investing activities was $162.0 million for the six months ended June 25, 2011, compared to $235.4 million for the comparable prior year period. The net change of $73.4 million was primarily due to decreases in payments for equity investments and business acquisitions and in purchases of available-for-sale securities. We expect to invest approximately $30 million to $40 million during the remainder of the fiscal year in capital projects to modernize and expand our facilities and computer systems and to integrate certain operations into our existing structure.

Net cash used by financing activities was $20.3 million for the six months ended June 25, 2011, compared to $41.4 million for the comparable prior year period. The net change of $21.1 million was primarily due to lower payments for long-term debt, increased proceeds from bank borrowings, increased proceeds from stock option exercises and a reduction in acquisitions of noncontrolling interests in subsidiaries, partially offset by increased repurchases of common stock.

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

	June 25, 2011	December 25, 2010
Cash and cash equivalents	$ 161,789	$ 150,348
Available-for-sale securities - long-term	11,405	13,367
Working capital	1,112,065	1,001,215
Debt:		
Bank credit lines	$ 49,236	$ 41,508
Current maturities of long-term debt	21,186	4,487
Long-term debt	372,924	395,309
Total debt	$ 443,346	$ 441,304

Our cash and cash equivalents consist of bank balances and investments in money market funds representing overnight investments with a high degree of liquidity.

Available-for-sale securities

As of June 25, 2011, we have approximately $12.9 million ($11.4 million net of temporary impairments) invested in auction-rate securities (“ARS”), consisting of investments backed by student loans that are backed by the federal government and investments in closed-end municipal bond funds. ARS are publicly issued securities that represent long-term investments, typically 10-30 years, in which interest rates had reset periodically (typically every 7, 28 or 35 days) through a “dutch auction” process. Our ARS portfolio is comprised of investments that are rated AAA by major independent rating agencies. Since the middle of February 2008, these auctions have failed to settle due to an excess number of sellers compared to buyers. The failure of these auctions has resulted in our inability to liquidate our ARS in the near term. We are currently not aware of any defaults or financial conditions that would negatively affect the issuers’ ability to continue to pay interest and principal on our ARS. We continue to earn and receive interest at contractually agreed upon rates. We believe that the current lack of liquidity related to our ARS investments will have no impact on our ability to fund our ongoing operations and growth opportunities. As of June 25, 2011, we have classified ARS holdings as long-term, available-for-sale and they are included in the Investments and other line within our consolidated balance sheets.

Accounts receivable days sales outstanding and inventory turns

Our accounts receivable days sales outstanding from operations increased to 41.5 days as of June 25, 2011 from 39.7 days as of June 26, 2010. Our inventory turns from operations remained constant at 6.4 as of June 25, 2011 compared to the comparable prior year period. Our working capital accounts may be impacted by current and future economic conditions.

Debt

On September 5, 2008, we entered into a $400.0 million revolving credit facility with a $100.0 million expansion feature. The $400.0 million credit line expires in September 2013. The interest rate, which was 0.7% during the six months ended June 25, 2011, is based on the USD LIBOR plus a spread based on our leverage ratio at the end of each financial reporting quarter. In addition to the amounts outstanding under our shelf facilities, as discussed below, we have outstanding borrowings of approximately $25.0 million under our $400.0 million credit facility. As of June 25, 2011, we had various other short-term bank credit lines available, of which approximately $24.2 million was outstanding. As of June 25, 2011, there were $9.7 million of letters of credit provided to third parties.

On August 10, 2010, we entered into $400.0 million private placement facilities with two insurance companies. These shelf facilities are available through August 2013 on an uncommitted basis. The facilities allow us to issue senior promissory notes to the lenders at a fixed rate based on an agreed upon spread over applicable treasury notes at the time of issuance. The term of each possible issuance will be selected by us and can range from five to 15 years (with an average life no longer than 12 years). The proceeds of any issuances under the facilities will be used for general corporate purposes, including working capital and capital expenditures, to refinance existing indebtedness and/or to fund potential acquisitions. As of June 25, 2011, we have an outstanding balance under the facilities of $100.0 million at a fixed rate of 3.79%, which is due on September 2, 2020.

Effective December 31, 2009, BAHS, a majority-owned subsidiary whose financial information is consolidated with ours, had incurred approximately $320.0 million of debt (of which $37.5 million was provided by Henry Schein, Inc.) in connection with our acquisition of a majority interest in BAHS.

On May 27, 2011, BAHS refinanced the terms and amount of its debt. The refinanced debt consists of the following three components:

- Term loan A - $100.0 million repayable in 14 quarterly installments in payment amounts ranging from $1.25 million per quarter for the period September 30, 2011 through June 30, 2012, approximately $1.88 million per quarter for the period September 30, 2012 through June 30, 2013, $2.5 million per quarter for the period September 30, 2013 through June 30, 2014, approximately $3.13 million for the quarter ended September 30, 2014 and a final installment of approximately $74.4 million due on December 31, 2014. Interest on the $100.0 million term loan is charged at LIBOR plus a margin of 3%;

- Term loan B - $216.0 million ($55.0 million provided by Henry Schein, Inc.) repayable in 17 quarterly installments of $540 thousand from September 30, 2011 through September 30, 2015, and a final installment of approximately $206.8 million due on December 31, 2015. Interest on the $216.0 million term loan is charged at LIBOR plus a margin of 3.25% with a LIBOR floor of 1.25%; and

- Revolver of $50.0 million with interest charged at LIBOR plus a margin of 3%.

The outstanding balance of $280.8 million is reflected in our consolidated balance sheet as of June 25, 2011.

Prior to the debt refinancing discussed above, the debt incurred as part of the acquisition of BAHS was repayable in 23 quarterly installments of $0.8 million through September 30, 2015, and a final installment of $301.6 million was due on December 31, 2015. Interest on the BAHS debt was charged at LIBOR plus a margin of 3.5% with a LIBOR floor of 2%.

The revised debt agreement continues to contain provisions which, under certain circumstances, require BAHS to make prepayments of the loan commitment based on excess cash flows of BAHS as defined in the debt agreement. The revised debt agreement also continues to contain provisions that require BAHS to hedge risks related to potential rising interest rates. As a result, BAHS entered into a series of interest rate caps, for which we elected hedge accounting treatment, with a notional amount of $160.0 million, protecting against LIBOR interest rates rising above 3.0% through March 30, 2012.

Acquisitions

On December 31, 2010, we acquired 100% of the outstanding shares of Provet Holdings Limited (ASX: PVT), Australia's largest distributor of veterinary products with sales in its 2010 fiscal year of approximately $278 million, for approximately $91 million, in a cash-for-stock exchange.

Stock repurchases

From June 21, 2004 through June 25, 2011, we repurchased $332.1 million, or 7,120,914 shares, under our common stock repurchase programs. On November 16, 2010, our Board of Directors authorized an additional $100.0 million for additional repurchases of our common stock, $67.9 million of which is available as of June 25, 2011 for future common stock share repurchases.

Redeemable noncontrolling interests

Some minority shareholders in certain of our subsidiaries have the right, at certain times, to require us to acquire their ownership interest in those entities at fair value. ASC Topic 480-10 is applicable for noncontrolling interests where we are or may be required to purchase all or a portion of the outstanding interest in a consolidated subsidiary from the noncontrolling interest holder under the terms of a put option contained in contractual agreements. The components of the change in the Redeemable noncontrolling interests for the six months ended June 25, 2011 and the year ended December 25, 2010 are presented in the following table:

	June 25, 2011	December 25, 2010
Balance, beginning of period	$ 304,140	$ 178,570
Net increase in redeemable noncontrolling interests due to business acquisitions, net of redemptions	10,354	62,314
Net income attributable to redeemable noncontrolling interests	16,819	26,054
Dividends declared	(6,081)	(12,360)
Effect of foreign currency translation attributable to redeemable noncontrolling interests	2,192	(2,281)
Change in fair value of redeemable securities	96,740	51,843
Balance, end of period	$ 424,164	$ 304,140

Changes in the estimated redemption amounts of the noncontrolling interests subject to put options are adjusted at each reporting period with a corresponding adjustment to Additional paid-in capital. Future reductions in the carrying amounts are subject to a “floor” amount that is equal to the fair value of the redeemable noncontrolling interests at the time they were originally recorded. The recorded value of the redeemable noncontrolling interests cannot go below the floor level. These adjustments do not impact the calculation of earnings per share.

Additionally, some prior owners of such acquired subsidiaries are eligible to receive additional purchase price cash consideration if certain financial targets are met. For acquisitions completed prior to 2009, we accrue liabilities that may arise from these transactions when we believe that the outcome of the contingency is determinable beyond a reasonable doubt. For 2009 and future acquisitions, as required by ASC Topic 805, “Business Combinations,” we have and will accrue liabilities for the estimated fair value of additional purchase price adjustments at the time of the acquisition. Any adjustments to these accrual amounts will be recorded in our consolidated statement of income.

Critical Accounting Policies and Estimates

There have been no material changes in our critical accounting policies and estimates from those disclosed in Item 7 of our Annual Report on Form 10-K for the year ended December 25, 2010.

Recently Issued Accounting Standards

In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income" which requires an entity to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In the two-statement approach, the first statement should present total net income and its components followed consecutively by a second statement that should present total other comprehensive income, the components of other comprehensive income and the total of comprehensive income. This update, which should be applied retrospectively, is effective for annual periods beginning after December 15, 2011 and is thus effective for us beginning with our fiscal year ended December 29, 2012. We will determine if we will present other comprehensive income in a single continuous statement of comprehensive income or in two separate but consecutive statements.

In May 2011, the FASB issued ASU 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRS) of Fair Value Measurement – Topic 820." ASU 2011-04 is intended to provide a consistent definition of fair value and improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The amendments include those that clarify the FASB's intent about the application of existing fair value measurement and disclosure requirements, as well as those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. This update is effective for annual periods beginning after December 15, 2011 and is thus effective for us beginning with our fiscal year ended December 29, 2012. We are currently evaluating the impact of adoption of ASU 2011-04 on our consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our exposure to market risk from that disclosed in Item 7A of our Annual Report on Form 10-K for the year ended December 25, 2010.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this annual report as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on this evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures were effective as of June 25, 2011 to ensure that all material information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to them as appropriate to allow timely decisions regarding required disclosure and that all such information is recorded, processed, summarized and reported as specified in the SEC’s rules and forms.

Changes in Internal Control Over Financial Reporting

The combination of continued acquisition activity, ongoing acquisition integrations and systems implementations undertaken during the quarter and carried over from prior quarters, when considered in the aggregate, represents a material change in our internal control over financial reporting.

During the quarter ended June 25, 2011, we completed the acquisition of a North American Medical business with approximate aggregate annual revenues of $10.0 million. In addition, post-acquisition related activities continued for the North American Animal Health business we acquired during 2010 as well as the North American Technology and International Animal Health and Dental businesses acquired during 2011, representing aggregate annual revenues of approximately $1,171.0 million. These acquisitions, which utilize separate information and financial accounting systems, have been included in our consolidated financial statements. System integration activities were also completed during the quarter ended June 25, 2011 for an existing North American Medical business with aggregate annual revenues of approximately $55.0 million.

Systems implementation activities related to the Field Sales Order Entry tool were completed during the quarter ended June 25, 2011 for our European Dental business with aggregate annual revenues of approximately $157.0 million. Finally, for our Dental business in the United States, post-implementation related activities continued for the new sales compensation system which supports accounting for annual sales commissions of approximately $131.0 million.

All acquisitions, acquisition integrations and systems implementations involved necessary and appropriate change-management controls that are considered in our annual assessment of the design and operating effectiveness of our internal control over financial reporting.

Limitations of the Effectiveness of Internal Control

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may become a party to legal proceedings, including, without limitation, product liability claims, employment matters, commercial disputes and other matters arising out of the ordinary course of our business. In our opinion, pending matters will not have a material adverse effect on our financial condition or results of operations.

We have various insurance policies, including product liability insurance, covering risks in amounts that 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 insurance 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.

As of June 25, 2011, we had accrued our best estimate of potential losses relating to product liability and other claims that were probable to result in a liability and for which we were able to reasonably estimate a loss. This accrued amount, as well as related expenses, 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 probable recoveries from third parties.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in Part 1, Item 1A, of our Annual Report on Form 10-K for the year ended December 25, 2010.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of equity securities by the issuer

Our current share repurchase program, announced on June 21, 2004, originally allowed us to repurchase up to $100.0 million of shares of our common stock, which represented approximately 3.5% of the shares outstanding at the commencement of the program. On October 31, 2005, March 28, 2007 and November 16, 2010, our Board of Directors authorized an additional $100.0 million, for a total of $400.0 million, of shares of our common stock to be repurchased under this program. As of June 25, 2011, we had repurchased $332.1 million of common stock (7,120,914 shares) under this initiative, with $67.9 million available for future common stock share repurchases.

The following table summarizes repurchases of our common stock under our stock repurchase program during the fiscal quarter ended June 25, 2011:

Fiscal Month	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Our Publicly Announced Program	Maximum Number of Shares that May Yet Be Purchased Under Our Program (2)
03/27/11 through 04/23/11	42,000	$ 69.43	42,000	991,731
04/24/11 through 05/28/11	29,338	71.03	29,338	958,533
05/29/11 through 06/25/11	-	$ -	-	976,733
	71,338		71,338	

(1) All repurchases were executed in the open market under our existing publicly announced authorized program.

(2) The maximum number of shares that may yet be purchased under this program is determined at the end of each month based on the closing price of our common stock at that time.

ITEM 6. EXHIBITS

Exhibits.

10.1 Second Amendment dated as of May 27, 2011 to the Credit Agreement dated as of December 31, 2009 among Butler Animal Health Supply, LLC, as borrower, the several lenders from time to time parties thereto, and JPMorgan Chase Bank, N.A., as administrative agent.+

10.2 Amendment Number Four to the Henry Schein, Inc. 1994 Stock Incentive Plan (as amended and restated effective as of March, 27, 2007).+

10.3 Amendment Number Five to the Henry Schein, Inc. 1994 Stock Incentive Plan (as amended and restated effective as of March 27, 2007).+

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.+

\+ Filed herewith

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 and
Chief Financial Officer
(Authorized Signatory and Principal Financial
and Accounting Officer)

Dated: August 2, 2011

Exhibit 10.1

Execution Version

SECOND AMENDMENT

Dated as of May 27, 2011

TO

CREDIT AGREEMENT

Dated as of December 31, 2009

among

BUTLER ANIMAL HEALTH SUPPLY, LLC,

as Borrower,

The Several Lenders from Time to Time Parties Hereto,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

J. P. Morgan Securities LLC, as Sole Lead Arranger and Sole Bookrunner

SECOND AMENDMENT

SECOND AMENDMENT, dated as of May 27, 2011 (this "Amendment"), to the Credit Agreement, dated as of December 31, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Butler Animal Health Supply, LLC (the "Borrower"), JPMorgan Chase Bank, N.A., as the administrative agent (in such capacity, the "Administrative Agent"), and the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"). J.P. Morgan Securities LLC is acting as the sole lead arranger and sole bookrunner (in such capacities, the "Sole Lead Arranger") in connection with this Amendment and the Tranche A Term Loans, Tranche B Term Loans and the New Revolving Commitments referred to below.

W I T N E S S E T H

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make, and have made, certain loans and other extensions of credit to the Borrower.

WHEREAS, the Borrower has requested the Credit Agreement be amended to, among other things, provide for (i) a new tranche of term loans (the "Tranche B Term Loans") to replace and refinance, together with the Tranche A Term Loans (as defined below), the existing Term Loans (the "Existing Term Loans"), which Tranche B Term Loans are intended to be Replacement Term Loans, as contemplated in the fifth paragraph of Section 11.1 of the Credit Agreement, (ii) a new tranche of term loans in an aggregate principal amount of $100,000,000 (the "Tranche A Term Loans", together with the Tranche B Term Loans, the "New Term Loans"), the proceeds of which, together with the Tranche B Term Loans, will be used to fully repay and refinance the Existing Term Loans and (iii) new commitments in an aggregate principal amount of $50,000,000 (the "New Revolving Commitments") to make Revolving Loans, and to acquire participations in Letters of Credit and Swingline Loans, a portion of which will replace all existing Revolving Commitments (the "Existing Revolving Commitments"). Except as otherwise provided herein, the New Revolving Commitments will have the same terms as the Existing Revolving Commitments (with any outstanding Letters of Credit and Swingline Loans under the Existing Revolving Commitments to be deemed outstanding under the New Revolving Commitments upon the effectiveness thereof).

WHEREAS, each Person that executes and delivers a signature page to this Amendment (a "Lender Addendum") and agrees in connection therewith to make a Tranche B Term Loan (collectively, the "New Tranche B Term Lenders") will thereby (i) agree to the terms of this Amendment, (ii) agree to all provisions of the Credit Agreement, as amended hereby, and to be a party to the Credit Agreement as a Lender and (iii) commit to provide Tranche B Term Loans to the Borrower on the Effective Date in such amount (not in excess of any such commitment) as is determined by the Administrative Agent and notified to such New Tranche B Term Lender. The amount of the Tranche B Term Loan facility shall be $216,000,000.

WHEREAS, each Person that executes and delivers a Lender Addendum and agrees in connection therewith to make a Tranche A Term Loan (collectively, the "Tranche A Term Lenders") will thereby (i) agree to the terms of this Amendment, (ii) agree to all provisions of the Credit Agreement, as amended hereby, and to be a party to the Credit Agreement as a Lender and (iii) commit to provide Tranche A Term Loans to the Borrower on the Effective Date in such amount (not in excess of any such commitment) as is determined by the Administrative Agent and notified to such Tranche A Term Lender. The amount of the Tranche A Term Loan shall be $100,000,000.

WHEREAS, each existing Revolving Lender (an "Existing Revolving Lender") that executes and delivers a Lender Addendum and in connection therewith agrees to convert all or a portion of its Existing Revolving Commitment into New Revolving Commitments (such Existing Revolving Lenders, collectively, the "Continuing Revolving Lenders") will thereby (i) agree to the terms of this Amendment and (ii) agree to convert its Existing Revolving Commitments into New Revolving Commitments in a principal amount equal to the aggregate principal amount of such Existing Revolving Commitments so converted.

WHEREAS, each Person (other than a Continuing Revolving Lender in its capacity as such) that executes and delivers a Lender Addendum and agrees in connection therewith to make New Revolving Commitments (collectively, the "New Revolving Lenders") will thereby (i) agree to the terms of this Amendment, (ii) agree to all provisions of the Credit Agreement, as amended hereby, and to be a party to the Credit Agreement as a Lender and (iii) commit to provide New Revolving Commitments to the Borrower on the Effective Date in such amount (not in excess of any such commitment) as is determined by the Administrative Agent and notified to such New Revolving Lender. The amount of the New Revolving Commitments shall be $50,000,000.

WHEREAS, the New Term Loans and the New Revolving Commitments shall be made available to the Borrower, subject to the satisfaction of the conditions set forth herein, and this Amendment shall become effective at such time, with the Continuing Revolving Lenders, the New Tranche B Term Lenders party hereto, and the New Revolving Lenders party hereto being part of the Required Lenders whose consent is necessary for this Amendment to become effective.

WHEREAS, the proceeds of the New Term Loans will be used by the Borrower to repay in full the outstanding principal amount of the Existing Term Loans.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

SECTION 2. Amendments to Cover Page and Section 1.

(a) The cover page to the Credit Agreement is hereby replaced in its entirety with the new cover page attached as Exhibit A to this Amendment.

(b) Section 1.1 of the Credit Agreement is hereby amended as of the Effective Date by inserting, in its proper alphabetical order, the following new definitions:

"Repricing Transaction": (a) any prepayment of the Tranche B Term Loans using proceeds of Indebtedness incurred by the Borrower from a substantially concurrent incurrence of term loans for which the all-in yield (giving effect to interest rate margins, original issue discount (based on an assumed four-year average life), upfront fees and Eurodollar/Base Rate Floors) on the date of such prepayment is lower than the interest rate or the all-in yield (as determined by the Administrative Agent on the same basis) of the Tranche B Term Loans on the date of such prepayment, provided that the primary purpose of such prepayment is to refinance the Tranche B Term Loans at a lower interest rate or (b) any repricing of the Tranche B Term Loans pursuant to an amendment hereto resulting in the interest rate payable thereon on the date of such amendment being lower than the Eurodollar Rate on the date of such prepayment plus the Applicable Margin with respect to the Tranche B Term Loans on the date of such prepayment.

"Second Amendment": the Second Amendment to this Agreement, dated the Second Amendment Effective Date.

"Second Amendment Effective Date": the "Effective Date", as defined in the Second Amendment, which date is May 27, 2011.

"Tranche A Term Commitment": as to any Lender, the obligation of such Lender, if any, to make a Tranche A Term Loan to the Borrower hereunder on the Second Amendment Effective Date in a principal amount not to exceed the amount set forth under such Lender's name on Schedule 1.1 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Tranche A Term Commitment is $100,000,000.

"Tranche A Term Lender": each Lender that holds a Tranche A Term Loan.

"Tranche A Term Loan": a Loan made pursuant to a Tranche A Term Commitment.

"Tranche A Term Percentage": as to any Tranche A Term Lender at any time, the percentage which such Lender's Tranche A Term Commitment then constitutes of the aggregate Tranche A Term Commitments (or, at any time after the Second Amendment Effective Date, the percentage which the aggregate principal amount of such Lender's Tranche A Term Loans then outstanding constitutes of the aggregate principal amount of the Tranche A Term Loans then outstanding).

"Tranche A Termination Date": December 31, 2014.

"Tranche B Term Commitment": as to any Lender, the obligation of such Lender, if any, to make a Tranche B Term Loan to the Borrower hereunder on the Second Amendment Effective Date in a principal amount not to exceed the amount set forth under such Lender's name on Schedule 1.1 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Tranche B Term Commitment is $216,000,000.

"Tranche B Term Lender": each Lender that holds a Tranche B Term Loan.

"Tranche B Term Loan": a Loan made pursuant to a Tranche B Term Commitment.

"Tranche B Term Percentage": as to any Tranche B Term Lender at any time, the percentage which such Lender's Tranche B Term Commitment then constitutes of the aggregate Tranche B Term Commitments (or, at any time after the Second Amendment Effective Date, the percentage which the aggregate principal amount of such Lender's Tranche B Term Loans then outstanding constitutes of the aggregate principal amount of the Tranche B Term Loans then outstanding).

"Tranche B Termination Date": December 31, 2015.

(c) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by replacing in the definition of "Applicable Margin" with the following definition:

"Applicable Margin": (a) for any Tranche B Term Loan, (i) with respect to any Base Rate Loans, 2.25% per annum and (ii) with respect to any Eurodollar Loans, 3.25% per annum, (b) for any Revolving Loan or Swingline Loan, the rate per annum set forth under the relevant column heading in the grid below under the caption "Revolving Loans and Swingline Loans" and (c) for any Tranche A Term Loan, the rate per annum set forth under the relevant column heading in the grid below under the caption "Tranche A Term Loans":

	Revolving Loans and Swingline Loans	
Consolidated Leverage Ratio	Applicable Margin for Eurodollar Revolving Loans and Swingline Loans	Applicable Margin for Base Rate Revolving Loans and Swingline Loans
Greater than or equal to 3.25:1.00	3.00%	2.00%
Less than 3.25 but greater than or equal to 2.75:1.00	2.75%	1.75%
Less than 2.75:1.00	2.50%	1.50%

	Tranche A Term Loans	
Consolidated Leverage Ratio	Applicable Margin for Eurodollar Tranche A Term Loans	Applicable Margins for Base Rate Tranche A Term Loans
Greater than or equal to 3.25:1.00	3.00%	2.00%
Less than 3.25 but greater than or equal to 2.75:1.00	2.75%	1.75%
Less than 2.75:1.00	2.50%	1.50%

For the purposes of the Pricing Grid, changes in the Applicable Margin resulting from changes in the Consolidated Leverage Ratio shall become effective on the date that is three Business Days after the date on which financial statements are delivered to the Administrative Agent and the Lenders pursuant to Section 7.1 and shall remain in effect until the next changes to be effected pursuant to this paragraph. If any financial statements referred to above are not delivered within the time periods specified in Section 7.1, then, until the date that is three Business Days after the date on which such financial statements are delivered, the highest rate set forth in each column of the Pricing Grid above shall apply. In addition, at all times while an Event of Default shall have occurred and be continuing, the highest rate set forth in each column of the Pricing Grid shall apply. Each determination of the Consolidated Leverage Ratio pursuant to the Pricing Grid shall be made in a manner consistent with the determination thereof pursuant to Section 8.1(a).

(d) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by inserting at the end of the definition of "Base Rate" the following: "Notwithstanding the rate calculated in accordance with the foregoing, at no time shall the Base Rate with respect to the Tranche B Term Loans be less than 2.25% per annum."

(e) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by replacing the definition of "Commitment" with the following definition:

"Commitment": as to any Lender, the sum of the Tranche A Term Commitment, the Tranche B Term Commitment and the Revolving Commitment of such Lender.

(f) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by replacing the definition of "Commitment Fee Rate" with the following definition:

"Commitment Fee Rate": 0.50% per annum.

(g) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by replacing the definition of "Eurodollar Base Rate" with the following definition:

"Eurodollar Base Rate": (a) with respect to each day during each Interest Period pertaining to a Eurodollar Loan that is not a Tranche B Term Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on the Reuters Screen LIBOR01 Page as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period and (b) with respect to each day during each Interest Period pertaining to a Tranche B Term Loan that is a Eurodollar Loan, the higher of (i) the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on the Reuters Screen LIBOR01 Page as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period and (ii) 1.25%. In the event that such rate does not appear on such page (or otherwise on such screen), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

(h) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by replacing the definition of "Facility" with the following definition:

"Facility": each of (a) the Tranche A Term Commitments and the Tranche A Term Loans made thereunder (the "Tranche A Facility"), (b) the Tranche B Term Commitments and the Tranche B Term Loans made thereunder (together with the Tranche A Facility, the "Term Facility") and (b) the Revolving Commitments and the extensions of credit made thereunder (the "Revolving Facility").

(i) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by replacing the phrase "Termination Date" in clause (g) of the definition of "Indebtedness" and inserting in lieu thereof "Tranche B Termination Date".

(j) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by amending the definition of "Interest Period" (i) by inserting the words "one week (with respect only to Revolving Loans) or" immediately before the words "one, two, three or six months" in the third and seventh lines thereof and (ii) by inserting "other than with respect to a one-week Interest Period," at the beginning of subclause (iii) therof .

(k) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by amending the definition of "Loan Documents" by inserting ", the First Amendment, the Second Amendment," immediately after the words "the Security Documents".

(l) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by amending the definition of "Revolving Commitments" by deleting the last sentence thereto and inserting in its place the following: "As of the Second Amendment Effective Date, the Total Revolving Commitments is $50,000,000."

(m) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by amending the definition of "Swingline Commitment" by deleting the amount "$5,000,000" and inserting in its place "$12,500,000."

(n) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by deleting the definitions of "Term Commitment" and "Term Termination Date" in their entirety.

(o) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by replacing the definition of "Term Loan" with the following new definition:

"<u>Term Loans</u>": the collective reference to the Tranche A Term Loans and the Tranche B Term Loans.

(p) Section 1.1 of the Credit Agreement is hereby further amended as of the Effective Date by replacing the definition of "Term Percentages" with the following definition:

"<u>Term Percentages</u>": (a) the Tranche A Term Percentage or (b) the Tranche B Term Percentage, as applicable.

SECTION 3. <u>Amendments to Section 2.</u>

(a) Section 2.1 of the Credit Agreement is hereby replaced with the following new Section 2.1:

2.1 <u>Term Loans</u>. (a) On the Second Amendment Effective Date, subject to the terms and conditions of this Agreement and the Second Amendment, each Tranche A Term Lender severally agrees to make a Tranche A Term Loan to the Borrower in an amount not to exceed the amount of the Tranche A Term Commitment of such Lender.

(b) On the Second Amendment Effective Date, subject to the terms and conditions of this Agreement and the Second Amendment, each Tranche B Term Lender severally agrees to make a Tranche B Term Loan to the Borrower in an amount not to exceed the amount of the Tranche B Term Commitment of such Lender.

(c) The Term Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 4.3.

(b) Section 2.2 of the Credit Agreement is hereby replaced with the following new Section 2.2:

2.2. <u>Procedures for Term Loan Borrowing</u>. The Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 10:00 A.M., New York City time, one Business Day prior to the anticipated Second Amendment Effective Date) requesting that the Term Lenders make the Tranche A Term Loans or the Tranche B Term Loans on the Second Amendment Effective Date and specifying the amount to be borrowed and the Type of Loan. The Term Loans made on the Second Amendment Effective Date shall initially be Eurodollar Loans with an Interest Period of one month. Upon receipt of such notice the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 12:00 noon, New York City time, on the Second Amendment Effective Date, each Tranche A Term Lender and Tranche B Term Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the Tranche A Term Loan and the Tranche B Term Loan to be made by such Lender.

(c) Section 2.3 of the Credit Agreement is hereby replaced with the following:

2.3 Repayment of Term Loans.

(a) Tranche A Term Loans. The Tranche A Term Loan of each Lender shall mature and be repaid during the period commencing September 30, 2011 and ending December 31, 2014 in 14 consecutive quarterly installments. The Borrower shall repay the Tranche A Term Loans on each date set forth below in an amount equal to the percentage of the aggregate principal amount of the Tranche A Term Loans made on the Second Amendment Effective Date set forth opposite such date:

Date	Percentage of Original Principal Amount
September 30, 2011	1.25%
December 31, 2011	1.25%
March 31, 2012	1.25%
June 30, 2012	1.25%
September 30, 2012	1.875%
December 31, 2012	1.875%
March 31, 2013	1.875%
June 30, 2013	1.875%
September 30, 2013	2.50%
December 31, 2013	2.50%
March 31, 2014	2.50%
June 30, 2014	2.50%
September 30, 2014	3.125%
December 31, 2014	74.375%

(b) Tranche B Term Loans. The Tranche B Term Loan of each Lender shall mature and be repaid (i) during the period commencing September 30, 2011 and ending September 30, 2015, in 17 equal consecutive quarterly installments each in the amount of one quarter of one percent (0.25%) per annum of the aggregate principal amount of the Tranche B Term Loans made on the Second Amendment Effective Date and (ii) by a final installment equal to the remaining unpaid principal balance of the Tranche B Term Loans on the Tranche B Termination Date.

SECTION 4. Amendmenets to Section 4.

(a) Section 4.1 of the Credit Agreement is hereby amended as of the Effective Date by inserting the following parenthetical immediately following the phrase “without premium or penalty” in the first sentence thereof: “(other than as set forth in the last two sentences of this Section 4.1)”.

(b) Section 4.1 of the Credit Agreement is hereby further amended as of the Effective Date by inserting the following sentence immediately following the last sentence thereof:

Notwithstanding anything to the contrary in this Section 4.1, any prepayment or repricing of the Tranche B Term Loans effected on or prior to the first anniversary of the Second Amendment Effective Date as a result of a Repricing Transaction shall be accompanied by a fee equal to 1.00% of the principal amount of Tranche B Term Loans prepaid or repriced. If in connection with a Repricing Transaction on or prior to such first anniversary any Lender is replaced as a result of its being a Non-Consenting Lender in respect of such Repricing Transaction pursuant to Section 4.13, such Lender shall be entitled to the fee provided under this Section 4.1.

(c) Section 4.8(a) of the Credit Agreement is hereby amended as of the Effective Date by deleting the words "Term Percentages" and inserting in lieu thereof "Tranche A Term Percentages, Tranche B Term Percentages".

(d) Section 4.8(b) of the Credit Agreement is hereby amended as of the Effective Date by deleting the second sentence thereto and inserting in lieu thereof the following: "The amount of each principal prepayment of the Term Loans shall be applied to reduce the then remaining installments of the Tranche A Term Loans and Tranche B Term Loans, as the case may be, pro rata based upon the respective then remaining principal amounts thereof."

SECTION 5. Amendment to Section 5. Section 5 is hereby amended as of the Effective Date by replacing Section 5.16 in its entirety with the following new Section 5.16:

5.16 Use of Proceeds. The proceeds of the Tranche A Term Loans and Tranche B Term Loans shall be used to refinance the Existing Term Loans (as defined in the Second Amendment) and to pay related fees and expenses. The proceeds of the Revolving Loans, together with the proceeds of the Swingline Loans and the Letters of Credit, shall be used to finance working capital needs and for general corporate purposes of the Borrower and its Subsidiaries.

SECTION 6. Amendments to Section 7.

(a) Section 7.2 of the Credit Agreement is hereby amended as of the Effective Date by adding the following new paragraph (h) at the end thereof:

(h) (i) within 5 Business Days after delivering financial statements pursuant to Section 7.1 (or such other date as may be agreed by the Administrative Agent) notify the Administrative Agent and the Lenders of the date and time for a quarterly conference call (including a question and answer session) for the benefits of the Lenders with senior management of the Borrower to discuss the financial condition, performance, results of operations and prospects of Borrower and its Subsidiaries and other topics reasonably requested by the Lenders (a "Lender Conference Call") and (ii) within 5 Business Days (but not less than one Business Day) after delivery of each such notice, conduct a Lender Conference Call.

(b) Section 7.8(a) of the Credit Agreement is hereby amended as of the Effective Date by deleting the words "Term Termination Date" in the first sentence thereof and replacing in lieu thereof "Tranche B Termination Date".

SECTION 7. Amendments to Section 8.

(a) Section 8.2(n) of the Credit Agreement is hereby amended as of the Effective Date by deleting the words "Term Termination Date" and replacing in lieu thereof "Tranche B Termination Date".

(b) Section 8.6(c) of the Credit Agreement is hereby amended as of the Effective Date by deleting “$10,000” and replacing in lieu thereof “$10,000,000”.

SECTION 8. Amendment to Section 11. Section 11.1 of the Credit Agreement is hereby amended as of the Effective date by replacing the fifth paragraph thereof with the following new paragraph:

> In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing, replacement or modification of all outstanding Tranche A Term Loans or all outstanding Tranche B Term Loans (“Replaced Term Loans”) with one or more replacement term loan tranches hereunder (“Replacement Term Loans”), provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Replaced Term Loans, (b) the Applicable Margin for such Replacement Term Loans shall not be higher than the Applicable Margin for such Replaced Term Loans and (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Replaced Term Loans at the time of such refinancing.

SECTION 9. Amendment to Schedule 1.1. Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety in the form attached to the Amendment as Exhibit B.

SECTION 10. Amendment to Exhibit A. Exhibit A to the Credit Agreement is hereby amended and restated in its entirety in the form attached to the Amendment as Exhibit C.

SECTION 11. Conditions to Effectiveness of Amendment. This Amendment shall become effective on the date on which the following conditions precedent have been satisfied or waived (the “Effective Date”):

(a) Amendment Documentation. The Administrative Agent shall have received (i) a counterpart of this Amendment, executed and delivered by a duly authorized officer of the Borrower, (ii) Lender Addenda, executed and delivered by the Required Lenders (subject to the last sentence of this paragraph (a)), (iii) Lender Addenda, executed and delivered by New Tranche B Term Lenders, representing commitments to provide the full amount of the Tranche B Term Loan, (iv) Lender Addenda, executed and delivered by Tranche A Term Lenders, representing commitments to provide the full amount of the Tranche A Term Loan and (v) Lender Addenda from Existing Revolving Lenders and New Revolving Lenders, representing commitments to provide the full amount of the New Revolving Commitments. Pursuant to and in accordance with Sections 4.13 and 11.1 of the Credit Agreement, if any Existing Revolving Lender is a Non-Consenting Lender (as defined in the Credit Agreement), the Borrower will have the right to accept Revolving Commitments from Lenders and third party financial institutions reasonably satisfactory to the Borrower and the Administrative Agent to replace any such Non-Consenting Revolving Lender.

(b) Legal Opinion. The Administrative Agent shall have received a legal opinion from Proskauer Rose LLP, counsel to the Loan Parties, and each special and local counsel as may be reasonably requested by the Administrative Agent. Each such legal opinion shall cover such customary matters relating to the Loan Parties, the Amendment and other matters incidental to the Amendment as the Administrative may request and shall be in form and substance reasonably satisfactory to the Administrative Agent.

(c) Resolutions and Incumbency Certificates. The Administrative Agent shall have received resolutions and incumbency certificates of each Loan Party, dated the Effective Date, substantially in the form of the resolutions and incumbency certificates delivered on the Closing Date.

(d) Lien Searches. The Administrative Agent shall have received the results of a recent Uniform Commercial Code lien search in Delaware with respect to the Borrower, and such search shall reveal no Liens on any of the Property of the Borrower, except for Liens permitted under Section 8.3 of the Credit Agreement or Liens to be discharged prior to or at the Effective Date.

(e) Collateral. The Borrower and the other Loan Parties shall have executed an instrument of acknowledgement and confirmation reasonably satisfactory to the Administrative Agent with respect to the guarantees, security interests and liens created under the Guarantee and Collateral Agreement and the other Security Documents and the effectiveness and enforceability thereof for the benefit of the New Term Loans and the New Revolving Commitments.

(f) Prepayment of the Existing Term Loans. The Existing Term Loans, including all accrued, unpaid interest thereon, shall be paid simultaneously in full in cash.

(g) Fees. The Administrative Agent shall have been reimbursed for all reasonable expenses then due and payable for which invoices have been presented (including reasonable fees, disbursements and other charges of counsel to the Administrative Agent) and shall have received all fees required to be paid in connection herewith including for the account of:

(i) each Tranche A Term Lender executing and delivering a Lender Addendum providing that it shall be a Tranche A Term Lender for Tranche A Term Loans in an amount equal to its commitment to make Tranche A Term Loans prior to 9:00 a.m. (EST) on May 27, 2011, an upfront fee equal to 100 basis points of the amount of such commitment to provide Tranche A Term Loans; and

(ii) each New Revolving Lender executing and delivering a Lender Addendum prior to 9:00 a.m. (EST) on May 27, 2011, an upfront fee equal to 100 basis points of the amount of its New Revolving Commitment as set forth on such Lender Addendum. For the avoidance of doubt, any Existing Revolving Lender providing New Revolving Commitments in excess of such Lender's Existing Revolving Commitment shall be entitled to an upfront fee pursuant to this paragraph (ii) on such excess commitment amount.

All such amounts will be paid with cash on hand of the Borrower and its Subsidiaries or with proceeds of Loans made on the Effective Date and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Effective Date.

SECTION 12. New Term Loans. (a) Subject to the terms and conditions set forth herein, each Tranche A Term Lender agrees to make a Tranche A Term Loan on the Effective Date to the Borrower in a principal amount equal to its New Term Loan Commitment and (ii) each New Tranche B Term Lender agrees to make a Tranche B Term Loan on the Effective Date to the Borrower in a principal amount equal to its New Term Loan Commitment. The "New Term Loan Commitment" (i) of any New Tranche B Term Lender will be such amount of Tranche B Term Loans set forth on such Lender's Lender Addendum or such lesser amount allocated to it by the Administrative Agent and notified to it prior to the Effective Date and (ii) of any Tranche A Term Lender will be such amount of Tranche A Term Loans set forth on such Lender's Lender Addendum or such lesser amount allocated to it by the Administrative Agent and notified to it prior to the Effective Date.

(b) For purposes hereof, a Person may become a party to the Credit Agreement as amended hereby and a New Tranche B Term Lender or a Tranche A Term Lender, as the case may be, as of the Effective Date by executing and delivering to the Administrative Agent, on or prior to the Effective Date, a Lender Addendum in its capacity as a Tranche A Term Lender or a New Tranche B Term Lender. The Borrower shall give notice to the Administrative Agent of the proposed Effective Date not later than one Business Day prior thereto, and the Administrative Agent shall notify each Existing Term Loan Lender, each New Tranche B Term Lender and each Tranche A Term Lender thereof.

(c) Each Tranche A Term Lender will make its Tranche A Term Loan on the Effective Date and each New Tranche B Term Lender will make its Tranche B Term Loan on the Effective Date, by making available to the Administrative Agent, in the manner contemplated by Section 2.2 of the Credit Agreement (as amended hereby), an amount equal to such Lender's New Term Loan Commitment. The commitments of the Tranche A Term Lenders and the New Tranche B Term Lenders are several and no such Lender will be responsible for any other such Lender's failure to make its New Term Loan. The New Term Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Borrower and notified to the Administrative Agent as contemplated by Sections 2.2 and 4.3 of the Credit Agreement. The Lenders having Existing Term Loans that are prepaid in connection with the making of the New Term Loans shall be entitled to the benefits of Section 4.11 of the Credit Agreement with respect thereto.

(d) The obligation of each Tranche A Term Lender and New Tranche B Term Lender to make New Term Loans on the Effective Date is subject to the satisfaction of the conditions set forth in Section 11 of this Amendment.

(e) On and after the Effective Date, each reference in the Credit Agreement to "Term Loans" shall be deemed a reference to the New Term Loans contemplated hereby, except as the context may otherwise require. Notwithstanding the foregoing, the provisions of the Credit Agreement with respect to indemnification, reimbursement of costs and expenses, increased costs and break funding payments (other than to the extent set forth in Section 12 of this Amendment) shall continue in full force and effect with respect to, and for the benefit of, each Existing Term Loan Lender in respect of such Lender's Existing Term Loans.

SECTION 13. Representations and Warranties. The Borrower hereby represents and warrants that (a) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be, after giving effect to this Amendment, true and correct in all material respects as if made on and as of the Effective Date, except to the extent such representations and warranties expressly relate to an earlier time, in which case such representations and warranties were true and correct in all material respects as of such earlier time; provided that, to the extent any such representation and warranty is already qualified by materiality or by reference to material adverse effect, such representation shall be true and correct in all respects; provided further that, each reference to the Credit Agreement therein shall be deemed to be a reference to the Credit Agreement after giving effect to this Amendment and (b) after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

SECTION 14. Effects on Loan Documents. Except as specifically amended herein, all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Except as otherwise expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of the Loan Documents.

SECTION 15. GOVERNING LAW; WAIVER OF JURY TRIAL. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. EACH PARTY HERETO HEREBY AGREES AS SET FORTH FURTHER IN SECTION 11.12 OF THE CREDIT AGREEMENT AS IF SUCH SECTION WAS SET FORTH IN FULL HEREIN.

SECTION 16. Loan Document. This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 17. Amendments; Execution in Counterparts. This Amendment shall not constitute an amendment of any other provision of the Credit Agreement not referred to herein and shall not be construed as a waiver or consent to any further or future action on the part of the Credit Parties that would require a waiver or consent of the Required Lenders or the Administrative Agent. Except as expressly amended hereby, the provisions of the Credit Agreement are and shall remain in full force and effect. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, including by means of facsimile or electronic transmission, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

BUTLER ANIMAL HEALTH SUPPLY, LLC,
as Borrower

By: /s/Meryl B. Weinstein
Name: Meryl B. Weinstein
Title: Executive Vice President and Chief Financial Officer

[SIGNATURE PAGE TO SECOND AMENDMENT]

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: /s/Michelle Cipriani

Name: Michelle Cipriani

Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

TRANCHE A TERM LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Tranche A Term Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $13,333,333.33

Executing as a Tranche A Term Lender:

TD Bank, N.A.
(Name of Institution)

By: /s/Marla Willner
Name: Marla Willner
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

<u>NEW REVOLVING LENDER</u>
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "<u>Lender Addendum</u>") is referred to in, and is a signature page to, the Second Amendment (the "<u>Amendment</u>"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "<u>Borrower</u>"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "<u>Administrative Agent</u>"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "<u>Credit Agreement</u>"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **<u>New Revolving Lender</u>**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is <u>not</u> also a Continuing Revolving Lender – New Revolving Commitment: $6,666,666.67

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment (i.e., amount in addition to such Lender's Existing Revolving Commitment): $_________________________

Executing as a New Revolving Lender:

TD Bank, N.A.
(Name of Institution)

By: /s/Marla Willner
Name: Marla Willner
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

TRANCHE A TERM LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Tranche A Term Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $13,333,333.35

Executing as a Tranche A Term Lender:

JPMorgan Chase Bank, N.A.
(Name of Institution)

By: /s/Michelle Cipriani
Name: Michelle Cipriani
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

<u>NEW REVOLVING LENDER</u>
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "<u>Lender Addendum</u>") is referred to in, and is a signature page to, the Second Amendment (the "<u>Amendment</u>"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "<u>Borrower</u>"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "<u>Administrative Agent</u>"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "<u>Credit Agreement</u>"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **<u>New Revolving Lender</u>**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is <u>not</u> also a Continuing Revolving Lender – New Revolving Commitment: $___________________

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment: $6,666,666.65

Executing as a New Revolving Lender:

JPMorgan Chase Bank, N.A.
(Name of Institution)

By: /s/Michelle Cipriani
Name: Michelle Cipriani
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

<u>NEW TRANCHE B TERM LENDER</u>
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "<u>Lender Addendum</u>") is referred to in, and is a signature page to, the Second Amendment (the "<u>Amendment</u>"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "<u>Borrower</u>"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "<u>Administrative Agent</u>"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "<u>Credit Agreement</u>"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **<u>New Tranche B Term Lender</u>**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche B Term Loans on the Second Amendment Effective Date in the amount of such New Tranche B Term Lender's Tranche B Term Commitment.

From and after the Second Amendment Effective Date, each New Tranche B Term Lender will be a Lender and a Tranche B Term Lender under the Credit Agreement. Each New Tranche B Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche B Term Commitment: $214,518,750.00

Executing as a Tranche B Term Lender:

JPMorgan Chase Bank, N.A.
(Name of Institution)

By: /s/Michelle Cipriani
Name: Michelle Cipriani
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

<u>TRANCHE A TERM LENDER</u>
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "<u>Lender Addendum</u>") is referred to in, and is a signature page to, the Second Amendment (the "<u>Amendment</u>"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "<u>Borrower</u>"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "<u>Administrative Agent</u>"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "<u>Credit Agreement</u>"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **<u>Tranche A Term Lender</u>**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $13,333,333.33

Executing as a Tranche A Term Lender:

Bank of America N.A.
(Name of Institution)

By: /s/Steven J. Melicharek
Name: Steven J. Melicharek
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

NEW REVOLVING LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **New Revolving Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is not also a Continuing Revolving Lender – New Revolving Commitment: $6,666,666.67

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment (i.e., amount in addition to such Lender's Existing Revolving Commitment): $_________________________

Executing as a Tranche B Term Lender:

Bank of America N.A.
(Name of Institution)

By: /s/Steven J. Melicharek
Name: Steven J. Melicharek
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

TRANCHE A TERM LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Tranche A Term Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $13,333,333.33

Executing as a Tranche A Term Lender:

RBS Citizens, N.A.
(Name of Institution)

By: /s/Paul Darrigo
Name: Paul Darrigo
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

<u>NEW REVOLVING LENDER</u>
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "<u>Lender Addendum</u>") is referred to in, and is a signature page to, the Second Amendment (the "<u>Amendment</u>"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "<u>Borrower</u>"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "<u>Administrative Agent</u>"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "<u>Credit Agreement</u>"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **<u>New Revolving Lender</u>**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is <u>not</u> also a Continuing Revolving Lender – New Revolving Commitment: $6,666,666.67

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment (i.e., amount in addition to such Lender's Existing Revolving Commitment): $_________________________

Executing as a New Revolving Lender:

RBS Citizens, N.A.
(Name of Institution)

By: /s/Paul Darrigo
Name: Paul Darrigo
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

TRANCHE A TERM LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Tranche A Term Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $10,000,000

Executing as a Tranche A Term Lender:

Raymond James Bank, FSB
(Name of Institution)

By: /s/Steven Paley
Name: Steven Paley
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

CONTINUING REVOLVING LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Continuing Revolving Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to continue its Existing Revolving Commitment as a New Revolving Commitment on the Second Amendment Effective Date in such amount equal to the undersigned's Existing Revolving Commitment as set forth on the Administrative Agent's Register (as defined in the Credit Agreement).

From and after the Second Amendment Effective Date, each Continuing Revolving Lender will continue to be a Lender and a Revolving Lender under the Credit Agreement. Each Continuing Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Executing as a Continuing Revolving Lender:

Raymond James Bank, FSB
(Name of Institution)

By: /s/Steven Paley
Name: Steven Paley
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

NEW REVOLVING LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **New Revolving Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is not also a Continuing Revolving Lender – New Revolving Commitment: $___________________

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment (i.e., amount in addition to such Lender's Existing Revolving Commitment): $500,000

Executing as a New Revolving Lender:

Raymond James Bank, FSB
(Name of Institution)

By: /s/Steven Paley
Name: Steven Paley
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

TRANCHE A TERM LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Tranche A Term Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $10,000,000

Executing as a Tranche A Term Lender:

HSBC Bank USA, N.A.
(Name of Institution)

By: /s/William Conlan
Name: William Conlan
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

<u>NEW REVOLVING LENDER</u>
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "<u>Lender Addendum</u>") is referred to in, and is a signature page to, the Second Amendment (the "<u>Amendment</u>"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "<u>Borrower</u>"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "<u>Administrative Agent</u>"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "<u>Credit Agreement</u>"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **<u>New Revolving Lender</u>**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is <u>not</u> also a Continuing Revolving Lender – New Revolving Commitment: $5,000,000

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment (i.e., amount in addition to such Lender's Existing Revolving Commitment): $_________________________

Executing as a New Revolving Lender:

HSBC Bank USA, N.A.
(Name of Institution)

By: /s/William Conlan
Name: William Conlan
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

TRANCHE A TERM LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Tranche A Term Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $7,333,333.33

Executing as a Tranche A Term Lender:

The Bank of Tokyo-Mitsubishi UFJ
(Name of Institution)

By: /s/B. McNany
Name: B. McNany
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

<u>NEW REVOLVING LENDER</u>
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "<u>Lender Addendum</u>") is referred to in, and is a signature page to, the Second Amendment (the "<u>Amendment</u>"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "<u>Borrower</u>"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "<u>Administrative Agent</u>"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "<u>Credit Agreement</u>"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **<u>New Revolving Lender</u>**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is <u>not</u> also a Continuing Revolving Lender – New Revolving Commitment: $___________________

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment: $3,666,666.67

Executing as a New Revolving Lender:

The Bank of Tokyo-Mitsubishi UFJ
(Name of Institution)

By: /s/B. McNany
Name: B. McNany
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

TRANCHE A TERM LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Tranche A Term Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $7,333,333.33

Executing as a Tranche A Term Lender:

U.S. Bank, N.A.
(Name of Institution)

By: /s/Christopher T. Kordes
Name: Christopher T. Kordes
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

<u>NEW REVOLVING LENDER</u>
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "<u>Lender Addendum</u>") is referred to in, and is a signature page to, the Second Amendment (the "<u>Amendment</u>"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "<u>Borrower</u>"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "<u>Administrative Agent</u>"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "<u>Credit Agreement</u>"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **<u>New Revolving Lender</u>**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is <u>not</u> also a Continuing Revolving Lender – New Revolving Commitment: $___________________

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment: $3,666,666.67

Executing as a New Revolving Lender:

U.S. Bank, N.A.
(Name of Institution)

By: /s/Christopher T. Kordes
Name: Christopher T. Kordes
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

TRANCHE A TERM LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Tranche A Term Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $6,666,666.67

Executing as a Tranche A Term Lender:

UniCredit Bank AG, New York Branch
(Name of Institution)

By: /s/Kimberly Sousa
Name: Kimberly Sousa
Title: Director

By: /s/Pranav Surendranath
Name: Pranav Surendranath
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

<u>NEW REVOLVING LENDER</u>
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "<u>Lender Addendum</u>") is referred to in, and is a signature page to, the Second Amendment (the "<u>Amendment</u>"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "<u>Borrower</u>"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "<u>Administrative Agent</u>"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "<u>Credit Agreement</u>"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **<u>New Revolving Lender</u>**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is <u>not</u> also a Continuing Revolving Lender – New Revolving Commitment: $3,333,333.33

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment (i.e., amount in addition to such Lender's Existing Revolving Commitment): $__________________________

Executing as a New Revolving Lender:

UniCredit Bank AG, New York Branch
(Name of Institution)

By: /s/Kimberly Sousa
Name: Kimberly Sousa
Title: Director

By: /s/Pranav Surendranath
Name: Pranav Surendranath
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT]

NEW REVOLVING LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **New Revolving Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to provide a New Revolving Commitment on and as of the Second Amendment Effective Date in the amount set forth below (or, if such New Revolving Lender is also a Continuing Revolving Lender, the amount of such Continuing Revolving Lender's Supplemental New Revolver Commitment in the amount set forth below).

From and after the Second Amendment Effective Date, each New Revolving Lender will be a Lender and a Revolving Lender under the Credit Agreement. Each New Revolving Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

For New Revolving Lender that is not also a Continuing Revolving Lender – New Revolving Commitment: $2,666,666.67

For New Revolving Lender that is also a Continuing Revolving Lender – Supplemental New Revolving Commitment (i.e., amount in addition to such Lender's Existing Revolving Commitment): $_________________________

Executing as a New Revolving Lender:

Siemens Financial Services, Inc.
(Name of Institution)

By: /s/Anthony Casciano
Name: Anthony Casciano
Title: Senior Vice President

By: /s/Doug Maher
Name: Doug Maher

[SIGNATURE PAGE TO SECOND AMENDMENT]

TRANCHE A TERM LENDER
LENDER ADDENDUM TO THE
SECOND AMENDMENT OF THE
CREDIT AGREEMENT
DATED AS OF DECEMBER 31, 2009

This Lender Addendum (this "Lender Addendum") is referred to in, and is a signature page to, the Second Amendment (the "Amendment"), dated as of May 27, 2011, among Butler Animal Health Supply, LLC (the "Borrower"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), with reference to the Credit Agreement, dated as of December 31, 2009 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the lenders party thereto, the Administrative Agent, and the other agents party thereto. Capitalized terms used but not defined in this Lender Addendum have the meanings assigned to such terms in the Amendment.

By executing this Lender Addendum as a **Tranche A Term Lender**, the undersigned institution agrees on the terms and subject to the conditions set forth in the Amendment and the Credit Agreement as amended thereby, to make and fund Tranche A Term Loans on the Second Amendment Effective Date in the amount of such Tranche A Term Lender's Tranche A Term Commitment.

From and after the Second Amendment Effective Date, each Tranche A Term Lender will be a Lender and a Tranche A Term Lender under the Credit Agreement. Each Tranche A Term Lender party hereto also consents to the Second Amendment and agrees that its execution and delivery of this Lender Addendum constitutes, and shall be deemed to constitute, its execution and delivery of the Second Amendment in the form of the Execution Copy thereof posted to Intra-Links.

Tranche A Term Commitment: $5,333,333.33

Executing as a Tranche A Term Lender:

Siemens Financial Services, Inc.
(Name of Institution)

By: /s/Anthony Casciano
Name: Anthony Casciano
Title: Senior Vice President

By: /s/Doug Maher
Name: Doug Maher

[SIGNATURE PAGE TO SECOND AMENDMENT]

Exhibit A

Revised Cover Page

EXECUTION VERSION

CREDIT AGREEMENT

among

BUTLER ANIMAL HEALTH SUPPLY, LLC,
as Borrower,

The Several Lenders
from Time to Time Parties Hereto,

<u>and</u>

BANK OF AMERICA, N.A.,

RAYMOND JAMES BANK, FSB,

RBS CITIZENS, N.A.,

and

TD SECURITIES (USA) LLC,
as Co-Documentation Agents,

<u>and</u>

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

Dated as of December 31, 2009

J.P. MORGAN SECURITIES INC.,
as Sole Lead Arranger and Sole Bookrunner

Exhibit B

Schedule 1.1

Schedule 1.1

Commitments

Lender	Revolving Commitment	Tranche A Term Loan	Tranche B Term Loan
JPMorgan Chase Bank, N.A.	$6,666,666.65	$13,333,333.35	$214,518,750.0
Bank of America, N.A.	$6,666,666.67	$13,333,333.33	$0.0
RBS Citizens, N.A.	$6,666,666.67	$13,333,333.33	$0.0
TD Bank, N.A.	$6,666,666.67	$13,333,333.33	$0.0
HSBC Bank USA, N.A.	$5,000,000.00	$10,000,000.00	$0.0
Raymond James Bank, FSB	$5,000,000.00	$10,000,000.00	$0.0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	$3,666,666.67	$7,333,333.33	$0.0
U.S. Bank, N.A.	$3,666,666.67	$7,333,333.33	$0.0
UniCredit Bank AG, New York Branch	$3,333,333.33	$6,666,666.67	$0.0
Siemens Financial Services, Inc.	$2,666,666.67	$5,333,333.33	$0.0
Marathon CLO I Ltd.	$0.0	$0.0	$1,481,250.00
TOTAL:	$50,000,000.00	$100,000,000.00	$216,000,000.00

Exhibit C

Form of Assignment and Assumption

EXHIBIT A

FORM OF
ASSIGNMENT AND ASSUMPTION

Reference is made to the Credit Agreement, dated as of December 31, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Butler Animal Health Supply, LLC (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Assignor identified on Schedule l hereto (the "Assignor") and the Assignee identified on Schedule l hereto (the "Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule 1 hereto (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement with respect to those credit facilities contained in the Credit Agreement as are set forth on Schedule 1 hereto (individually, an "Assigned Facility"; collectively, the "Assigned Facilities"), in a principal amount for each Assigned Facility as set forth on Schedule 1 hereto.

2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Subsidiaries, any of its Affiliates or any other obligor or the performance or observance by the Borrower, any of its Subsidiaries, any of its Affiliates or any other obligor of any of their respective obligations under the Credit Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto.

3. The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Assumption; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements delivered pursuant to Section 5.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption; (c) agrees that it will, independently and without reliance upon the Assignor, the Agents or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Agents to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Agents by the terms thereof, together with such powers as are incidental thereto; (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender including, if it is organized under the laws of a jurisdiction outside the United States, its obligation pursuant to Section 4.10(d) of the Credit Agreement; (f) confirms that it is a financial institution or an entity that has and will continue to have the ability to fund Loans in the ordinary course of its business; and (g) confirms that it is not a competitor of the Borrower or an Affiliate of any such competitor.

4. The effective date of this Assignment and Assumption shall be the Effective Date of Assignment described in Schedule 1 hereto (the "Effective Date"). Following the execution of this Assignment and Assumption, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to the Effective Date and to the Assignee for amounts which have accrued subsequent to the Effective Date.

6. From and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Assumption, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Assumption, relinquish its rights and be released from its obligations under the Credit Agreement.

7. THIS ASSIGNMENT AND ASSUMPTION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to Assignment and Assumption with respect to
the Credit Agreement, dated as of December 31, 2009,
among Butler Animal Health Supply, LLC, as Borrower,
the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent

Name of Assignor: _______________________

Name of Assignee: _______________________

Effective Date of Assignment: _________________

Credit Facility Assigned	Principal Amount Assigned	Commitment Percentage Assigned[1]
[Revolving Loans][Tranche A Term Loans][Tranche B Term Loans]	$__________	_____.__________%

[Name of Assignee]

By: ______________________
Name:
Title:

[Name of Assignor]

By: ______________________
Name:
Title:

[1] Calculate the Commitment Percentage to at least 15 decimal places and show as a percentage of the aggregate commitments of all Lenders.

Accepted for Recordation in the Register:

JPMorgan Chase Bank, N.A., as
Administrative Agent

By: ______________________________
Name :
Title :

Required Consents (if any):

[Butler Animal Health Supply, LLC]

By: ______________________________
Name :
Title :

[JPMorgan Chase Bank, N.A., as
Administrative Agent]

By: ______________________________
Name :
Title :

Exhibit 10.2

AMENDMENT NUMBER FOUR
TO THE
HENRY SCHEIN, INC.
1994 STOCK INCENTIVE PLAN
(As Amended and Restated Effective as of March 27, 2007)

WHEREAS, Henry Schein, Inc. (the "Company") maintains the Henry Schein, Inc. 1994 Stock Incentive Plan (as amended and restated effective as of March 27, 2007), as amended (the "Plan");

WHEREAS, pursuant to Section 13 of the Plan, the Company has reserved the right to amend the Plan;

WHEREAS, the Company desires to amend the Plan in certain respects; and

WHEREAS, pursuant to Section 13 of the Plan, approval by the Company's stockholders is required with respect to this amendment.

NOW, **THEREFORE**, the Plan is hereby amended effective as of November 19, 2010, subject to stockholder approval at the 2011 annual stockholders' meeting, and solely with respect to Awards granted on or after November 19, 2010, as follows:

1. The definition of "Subsidiary" in Section 2(qq) of the Plan is amended in its entirety to read as follows:

   "(qq) "Subsidiary" means each of the following: (i) any "subsidiary corporation" within the meaning of Section 424(f) of the Code; (ii) any entity, trade or business (including, without limitation, a partnership or limited liability company) that is directly or indirectly controlled 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by HSI or one of its Subsidiaries; and (iii) any other entity in which HSI or any of its Subsidiaries has a material equity interest and which is designated as an "Subsidiary" by resolution of the Committee; provided that, unless otherwise determined by the Committee, the Common Stock subject to any Award constitutes "service recipient stock" for purposes of Section 409A of the Code or otherwise does not subject the Award to Section 409A of the Code. An entity shall be deemed a Subsidiary of HSI only for such periods as the requisite ownership relationship is maintained unless otherwise determined by the Committee."

2. Section 6(a) of the Plan is amended in its entirety to read as follows:

   "(a) *Grant*. The Committee may grant Options to Key Employees and Consultants of the Company. Notwithstanding the foregoing, Options intended to be Incentive Stock Options shall be granted only to Key Employees of HSI or any Subsidiary that constitutes a "subsidiary corporation" within the meaning of Section 424(f) of the Code."

3. The following sentences are hereby added to the end of Section 6(e) of the Plan as follows:

“Any Incentive Stock Option will not qualify as such, among other events (i) if the Key Employee disposes of the Common Stock acquired pursuant to the Incentive Stock Option at any time during the two (2) year period following the grant date or the one (1) year period following the date on which the Incentive Stock Option is exercised, or (ii) except in the event of the Key Employee’s death or disability, as defined in Section 22(e)(3) of the Code, if the Key Employee is not employed by the HSI or any Subsidiary that constitutes a “subsidiary corporation” within the meaning of Section 424(f) of the Code at all times during the period beginning on the grant date and ending three months before the date of exercise of the Incentive Stock Option. To the extent that any Option does not qualify as an Incentive Stock Option (whether because of its provisions or the time or manner of its exercise or otherwise), it shall not effect the validity of the Option and such Option or the portion thereof which does not qualify shall constitute a separate non-qualified option.”

4. Except as amended hereby and expressly provided herein, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this amendment has been executed February 15, 2011.

HENRY SCHEIN, INC.

By: /s/ Michael S. Ettinger

Name: Michael S. Ettinger
Title: Senior Vice President

Exhibit 10.3

AMENDMENT NUMBER FIVE
TO THE
HENRY SCHEIN, INC.
1994 STOCK INCENTIVE PLAN
(As Amended and Restated Effective as of March 27, 2007)

WHEREAS, Henry Schein, Inc. (the “Company”) maintains the Henry Schein, Inc. 1994 Stock Incentive Plan (as amended and restated effective as of March 27, 2007), as amended (the “Plan”);

WHEREAS, pursuant to Section 13 of the Plan, the Company has reserved the right to amend the Plan;

WHEREAS, the Company desires to amend the Plan to define the duration of stockholder authorization for grants to French participants in order to comply with applicable French legal requirements as commented by the French tax administration guidelines and ensure eligibility for favorable tax and social security treatment for awards made to French participants; and

WHEREAS, pursuant to Section 13 of the Plan, approval by the Company’s stockholders is required with respect to this amendment.

NOW, **THEREFORE**, the Plan is hereby amended effective as of March 9, 2011, subject to stockholder approval at the 2011 annual stockholders’ meeting, as follows:

1. The following sentences are hereby added to the end of Section 3 of the Plan as follows:

   “Without limiting the foregoing or Section 5, subject to stockholder approval of the Plan at the 2011 Annual Stockholders' Meeting, no Award shall be granted to a Key Employee or Consultant who is a resident of France or subject to the social security scheme in France (a “French Participant”) on or after the fifth anniversary of stockholder approval of this amendment, unless: (i) the stockholders approve a new term for Awards to French Participants after such five year term; or (ii) this limitation is not required under applicable French law, regulation or other authority.”

2. Except as amended hereby and expressly provided herein, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this amendment has been executed March 9, 2011.

HENRY SCHEIN, INC.

By: /s/ Michael S. Ettinger
Name: Michael S. Ettinger
Title: Senior Vice President

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stanley M. Bergman, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. 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

   d. 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.

Dated: August 2, 2011

/s/ Stanley M. Bergman

Stanley M. Bergman
Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven Paladino, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. 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

   d. 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.

Dated: August 2, 2011

/s/ Steven Paladino

Steven Paladino
Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of Henry Schein, Inc. (the “Company”) for the period ending June 25, 2011, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stanley M. Bergman, the Chairman and Chief Executive Officer of the Company, and I, Steven Paladino, Executive Vice President and Chief Financial Officer of the Company, do hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

(1) the 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 2, 2011	/s/ Stanley M. Bergman Stanley M. Bergman Chairman and Chief Executive Officer
Dated: August 2, 2011	/s/ Steven Paladino Steven Paladino Executive Vice President and Chief Financial Officer

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.