



SIGNATURES

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

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

Dated: March 3, 2004

HENRY SCHEIN  
NEWS RELEASE

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

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FOR IMMEDIATE RELEASE

HENRY SCHEIN REPORTS FOURTH QUARTER DILUTED EPS  
OF \$0.79, UP 18% ON A COMPARABLE BASIS

Net sales increase 27% to \$946.9 million;  
internal sales growth of 18% in local currencies

MELVILLE, N.Y. - March 2, 2004 - Henry Schein, Inc. (Nasdaq NM: HSIC), the largest provider of healthcare products and services to office-based practitioners in the combined North American and European markets, today reported financial results for the quarter and year ended December 27, 2003.

Net sales for the fourth quarter of 2003 were a record \$946.9 million, an increase of 26.7% from the fourth quarter of 2002. In local currencies, net sales increased 22.9% including 18.0% internal growth.

Dental sales increased 16.8%, or 15.6% in local currencies (11.6% internal growth). In local currencies, Dental consumable merchandise sales increased 12.7% (7.4% internal growth) and Dental equipment sales were up 23.8%, all internally generated.

Medical sales increased 34.7% (29.8% internal growth), International sales improved 38.3% or 18.0% in local currencies (10.0% internal growth), and Technology and Value-Added Services sales grew 4.0%.

Net income for the fourth quarter of 2003 was \$35.5 million or \$0.79 per diluted share. Both net income and diluted EPS were up approximately 15%, or approximately 18% on a comparable basis. (See Exhibit B for details.)

"Excellent growth in sales and earnings during the fourth quarter concludes a year of outstanding financial performance, marking the 14th consecutive quarter of net income and EPS growth in the high teens to 20% range on a comparable basis," said Stanley M. Bergman, Chairman, Chief Executive Officer and President of Henry Schein. "I am extremely pleased to report market share gains in our Dental, Medical and International Business Groups, with internal sales growth at a multiple of estimated market growth rates. This internal growth was complemented by our strategic acquisitions of Damer & Cartwright Pharmaceutical and American Medical Services, both completed in the fourth

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quarter of 2003, which provide us entree into the high-growth specialty and oncology pharmaceutical distribution markets. Also, our strategic acquisitions of Colonial Surgical and Hager Dental, completed in mid-year 2003, expand our market share in the important glove product category and strengthen our European operations specifically in the German equipment full service sector, respectively," continued Mr. Bergman.

Operating margin for the fourth quarter reflects a change in product sales mix in our Technology and Value Added Services group and the injectable pharmaceutical component of our Medical group, as well as strategic investments in expanding our European technology and infrastructure. "Our increasing presence in the injectable pharmaceutical marketplace expands our product offerings and brings additional benefits in sales of companion products" commented Mr. Bergman, "while the European investments will facilitate the continued success of our International strategy."

For the full year 2003, net sales were \$3.35 billion, an increase of 18.7% from 2002. In local currencies, net sales increased 15.4% including 13.0% internal growth. Highlighting the full year sales growth were local currency internal sales growth of 8% for our Dental Group (including 5% growth in merchandise and 17% growth in equipment sales and service revenue) and 21% internal growth for our Medical Group. "Sales at our Dental and Medical Groups were bolstered by a growing number of field sales consultants, a continued commitment to education and sales training, and our investments in technology. Medical Group sales were further impacted by our growing presence in the injectable pharmaceutical distribution marketplace," said Mr. Bergman.

For the year, International local currency internal sales growth of 7% was highlighted by particular strength in France, Spain, and Austria. "Including completed and announced acquisitions, our International Group is becoming increasingly important to our company as our global presence continues to expand. We continue to expect a mid-year closing for the acquisition of the demedis/EDH Group, which we announced in early January." Mr. Bergman added.

Net income from continuing operations for the full year 2003 was \$139.5 million, up 18.3% (19.5% on a comparable basis) compared with 2002. Diluted EPS for 2003 was \$3.10, up 17.9% (19.3% on a comparable basis) over the prior year.

"This past year also marked a strengthening of our board of directors with the appointments of Dr. Margaret Hamburg and Dr. Louis Sullivan, both leaders in the healthcare field. We look forward to benefiting from their valuable insight and contributions," Mr. Bergman concluded.

The Company reported that under a repurchase program of up to two million shares of common stock announced on March 12, 2003, during the fourth quarter

51,500 shares were repurchased at an average price of \$67.85 per share. The impact of this share repurchase on fourth quarter diluted EPS was not significant. Through the close of the fourth quarter, the Company has repurchased 1,335,000 shares under this initiative.

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#### 2004 EPS Guidance

Henry Schein confirmed 2004 financial guidance as previously announced on January 8, 2004. Assuming the acquisition of the demedis/EDH Group closes by the end of the second quarter of 2004, Henry Schein expects full-year 2004 earnings per diluted share of \$3.57 to \$3.63. This represents growth of 15% to 17% compared with 2003 results. The Company noted that this 2004 EPS guidance is for current operations and the acquisition of the demedis/EDH Group, and does not include the impact of other potential future acquisitions.

#### Fourth Quarter Conference Call Webcast

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

#### About Henry Schein

Henry Schein, Inc. is the largest distributor of healthcare products and services to office-based practitioners in the combined North American and European markets. Recognized for its excellent customer service and low prices, the Company's four business groups--Dental, Medical, International and Technology--serve more than 425,000 customers worldwide, including dental practices and laboratories, physician practices and veterinary clinics, as well as government and other institutions. The Company's sales reached a record \$3.4 billion in 2003.

The Company operates through a centralized and automated distribution network, which provides customers in more than 125 countries with a comprehensive selection of over 90,000 national and Henry Schein private-brand products.

Henry Schein also offers a wide range of innovative value-added practice solutions, including such leading practice management software systems as DENTRIX(R) and Easy Dental(R) for dental practices, and AVImark(R) for veterinary clinics, which are installed in over 50,000 practices; and ArubA(R), Henry Schein's electronic catalog and ordering system.

Headquartered in Melville, N.Y., Henry Schein employs nearly 8,000 people in 16 countries. For more information, visit the Henry Schein Web site at [www.henryschein.com](http://www.henryschein.com).

Certain information contained herein includes information that is forward-looking. The matters referred to in forward-looking statements may be affected by the risks and uncertainties involved in the Company's business. These forward-looking statements are qualified in their entirety by the cautionary statements contained in the Company's Securities and Exchange Commission filings.

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

	Three Months Ended		Years Ended	
	December 27, 2003	December 28, 2002	December 27, 2003	December 28, 2002
	----- (unaudited)	----- (unaudited)	-----	-----
Net sales .....	\$ 946,924	\$ 747,403	\$ 3,353,805	\$ 2,825,001
Cost of sales .....	693,176	539,757	2,426,611	2,030,097
	-----	-----	-----	-----
Gross profit .....	253,748	207,646	927,194	794,904
Operating expenses:				
Selling, general and administrative .....	194,664	157,849	693,475	598,635
Merger, integration and restructuring costs ....	--	(734)	--	(734)
	-----	-----	-----	-----
Operating income .....	59,084	50,531	233,719	197,003
Other income (expense) (1):				
Interest income .....	2,236	2,990	8,746	10,446
Interest expense .....	(4,171)	(3,978)	(18,311)	(17,960)
Other, net .....	367	(77)	1,622	940
	-----	-----	-----	-----
Income before taxes, minority interest, equity in earnings of affiliates and loss on sale of discontinued operation .....	57,516	49,466	225,776	190,429
Taxes on income from continuing operations .....	(21,396)	(17,982)	(84,378)	(70,510)
Minority interest in net income of subsidiaries ....	(833)	(753)	(2,807)	(2,591)
Equity in earnings of affiliates .....	255	232	931	659
	-----	-----	-----	-----
Net income from continuing operations .....	35,542	30,963	139,522	117,987
Loss on sale of discontinued operation, net of tax .....	--	--	(2,012)	--
	-----	-----	-----	-----
Net income .....	\$ 35,542	\$ 30,963	\$ 137,510	\$ 117,987
	=====	=====	=====	=====
Net income from continuing operations per common share:				
Basic .....	\$ 0.81	\$ 0.70	\$ 3.19	\$ 2.71
	=====	=====	=====	=====
Diluted .....	\$ 0.79	\$ 0.69	\$ 3.10	\$ 2.63
	=====	=====	=====	=====
Loss on sale of discontinued operation, net of tax per common share:				
Basic .....	\$ --	\$ --	\$ (0.04)	\$ --
	=====	=====	=====	=====
Diluted .....	\$ --	\$ --	\$ (0.04)	\$ --
	=====	=====	=====	=====
Net income per common share:				
Basic .....	\$ 0.81	\$ 0.70	\$ 3.15	\$ 2.71
	=====	=====	=====	=====
Diluted .....	\$ 0.79	\$ 0.69	\$ 3.06	\$ 2.63
	=====	=====	=====	=====
Weighted average common shares outstanding:				
Basic .....	43,717	43,956	43,709	43,489
	=====	=====	=====	=====
Diluted .....	45,045	45,101	44,988	44,872
	=====	=====	=====	=====

(1) Reflects elimination of intercompany interest income and interest expense for the three months and twelve months ended December 27, 2003 that was not eliminated in our press release issued March 2, 2004. This elimination had no effect on any other item on the consolidated statements of income including net income or earnings per share.

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

	December 27, 2003	December 28, 2002
	-----	-----
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 157,351	\$ 200,651
Marketable securities .....	3,012	31,209
Accounts receivable, net of reserves of \$43,203 and \$36,200 ..	467,085	368,263
Inventories, net .....	385,846	323,080
Deferred income taxes .....	30,559	29,919
Prepaid expenses and other .....	112,631	74,407
	-----	-----
Total current assets .....	1,156,484	1,027,529
Property and equipment, net .....	154,205	142,532
Goodwill .....	398,888	302,687
Other intangibles, net .....	37,551	7,661
Investments and other .....	72,242	77,643
	-----	-----
Total assets .....	\$ 1,819,370	\$ 1,558,052
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable .....	\$ 278,163	\$ 243,166
Bank credit lines .....	6,059	4,790
Current maturities of long-term debt .....	3,253	2,662
Accruals:		
Payroll and related expenses .....	68,214	53,954
Taxes .....	45,969	32,196
Other expenses .....	117,530	86,562
	-----	-----
Total current liabilities .....	519,188	423,330
Long-term debt .....	247,100	242,561
Other liabilities .....	37,432	24,196
Minority interest .....	11,532	6,748
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value, 1,000,000 authorized, none outstanding .....	--	--
Common stock, \$.01 par value, 120,000,000 authorized, 43,761,973 and 44,041,591 outstanding .....	438	440
Additional paid-in capital .....	445,118	436,554
Retained earnings .....	533,654	430,389
Treasury stock, at cost, 0 and 62,479 shares .....	--	(1,156)
Accumulated other comprehensive income (loss) .....	24,999	(4,794)
Deferred compensation .....	(91)	(216)
	-----	-----
Total stockholders' equity .....	1,004,118	861,217
	-----	-----
Total liabilities and stockholders' equity .....	\$ 1,819,370	\$ 1,558,052
	=====	=====

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

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

	Three Months Ended		Years Ended	
	December 27, 2003	December 28, 2002	December 27, 2002	December 28, 2003
	(unaudited)	(unaudited)		
Cash flows from operating activities of continuing operations:				
Net income .....	\$ 35,542	\$ 30,963	\$ 137,510	\$ 117,987
Loss on sale of discontinued operation, net of tax .....	--	--	2,012	--
Net income from continuing operations .....	35,542	30,963	139,522	117,987
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:				
Depreciation and amortization .....	10,887	8,186	36,843	28,272
Provision for losses and allowances on trade receivables .....	2,174	3,848	6,548	8,962
Stock issued to ESOP trust .....	--	--	2,300	1,340
Provision for deferred income taxes .....	(1,438)	2,373	5,524	226
Undistributed earnings of affiliates .....	(255)	(232)	(931)	(659)
Minority interest in net income of subsidiaries .....	833	753	2,807	2,591
Other .....	2,107	176	2,005	145
Changes in operating assets and liabilities, net of effect of acquisitions:				
Accounts receivable .....	46,130	46,244	(69,543)	(6,714)
Inventories, net .....	(1,325)	(4,939)	(28,781)	(23,075)
Other current assets .....	(21,850)	(9,783)	(16,957)	(18,445)
Accounts payable and accruals .....	37,947	(8,570)	49,506	24,039
Net cash provided by operating activities of continuing operations .....	110,752	69,019	128,843	134,669
Cash flows from investing activities:				
Purchases of capital expenditures .....	(9,933)	(11,283)	(38,978)	(47,543)
Payments for business acquisitions, net of cash acquired .....	(50,383)	(1,337)	(118,180)	(36,224)
Purchases of marketable securities .....	(528)	(4,918)	(39,667)	(55,211)
Proceeds from sales of marketable securities .....	20,515	--	40,619	--
Proceeds from maturities of marketable securities .....	900	--	39,030	--
Other, including discontinued operation .....	(275)	(733)	(946)	(3,780)
Net cash used in investing activities .....	(39,704)	(18,271)	(118,122)	(142,758)
Cash flows from financing activities:				
Principal payments on long-term debt .....	(1,481)	(553)	(8,667)	(14,941)
Proceeds from issuance of stock upon exercise of stock options .....	3,970	1,369	22,348	34,122
Net (payments on) proceeds from bank borrowings .....	(862)	(1,349)	(180)	394
Payments for repurchases of common stock .....	(4,027)	--	(61,754)	--
Other .....	(4)	1,865	(122)	(892)
Net cash (used in) provided by financing activities .....	(2,404)	1,332	(48,375)	18,683
Net change in cash and cash equivalents .....	68,644	52,080	(37,654)	10,594
Effect of exchange rate changes on cash and cash equivalents .....	(4,150)	(728)	(5,646)	(3,310)
Cash and cash equivalents, beginning of period .....	92,857	149,299	200,651	193,367
Cash and cash equivalents, end of period .....	\$ 157,351	\$ 200,651	\$ 157,351	\$ 200,651
	=====	=====	=====	=====

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



HENRY SCHEIN, INC.  
 2003 Fourth Quarter and Full Year  
 Details of "Comparable Basis" Growth Comparison  
 Net Sales by Category  
 (in thousands)  
 (unaudited)

	Fourth Quarter		%	Full Year		%
	2003	2002	Growth	2003	2002	Growth
<b>Net Sales As Reported</b>						
Dental	\$ 379,494	\$ 324,991	16.8%	\$1,364,812	\$1,227,273	11.2%
Medical	380,175	282,322	34.7%	1,338,084	1,093,956	22.3%
International	167,447	121,043	38.3%	576,628	437,046	31.9%
Technology	19,808	19,047	4.0%	74,281	66,726	11.3%
<b>Total</b>	<b>\$ 946,924</b>	<b>\$ 747,403</b>	<b>26.7%</b>	<b>\$3,353,805</b>	<b>\$2,825,001</b>	<b>18.7%</b>

## Add: Technology Sales Methodology (1)

Dental	--	--		--	\$ 1,449	
Medical	--	--		--	--	
International	--	--		--	--	
Technology	--	--		--	2,031	
<b>Total</b>	<b>--</b>	<b>--</b>		<b>--</b>	<b>3,480</b>	

## Net Sales Comparable Basis

Dental	\$ 379,494	\$ 324,991	16.8%	\$1,364,812	\$1,228,722	11.1%
Medical	380,175	282,322	34.7%	1,338,084	1,093,956	22.3%
International	167,447	121,043	38.3%	576,628	437,046	31.9%
Technology	19,808	19,047	4.0%	74,281	68,757	8.0%
<b>Total</b>	<b>\$ 946,924</b>	<b>\$ 747,403</b>	<b>26.7%</b>	<b>\$3,353,805</b>	<b>\$2,828,481</b>	<b>18.6%</b>

(1) As part of the Company's Dental marketing initiative, MarketOne, effective at the beginning of the third quarter of 2002, certain technology and equipment products are being sold directly to end-user customers rather than through resellers. This had no impact on net income since the increase in net sales was directly offset by an increase in commission expense.

HENRY SCHEIN, INC.  
 2003 Fourth Quarter and Full Year  
 Details of "Comparable Basis" Growth Comparison  
 Income Statement Summary  
 (in thousands, except per share data)  
 (unaudited)

	Fourth Quarter		%	Full Year		%
	2003	2002	Growth	2003	2002	Growth
<b>As Reported</b>						
Net Sales	\$ 946,924	\$ 747,403	26.7%	\$3,353,805	\$2,825,001	18.7%
Operating Income	59,084	50,531	16.9%	233,719	197,003	18.6%
Margin	6.2%	6.8%	-52 bp	7.0%	7.0%	0 bp
Net Income from Continuing Operations	\$ 35,542	\$ 30,963	14.8%	\$ 139,522	\$ 117,987	18.3%
Diluted EPS from Continuing Operations	0.79	0.69	14.5%	3.10	2.63	17.9%
Net Income	35,542	30,963	14.8%	137,510	117,987	16.5%
Diluted EPS	0.79	0.69	14.5%	3.06	2.63	16.3%
<b>Add: Technology Sales Methodology (1)</b>						
Net Sales	--	--		--	\$ 3,480	
Operating Income	--	--		--	--	
Net Income from Continuing Operations	--	--		--	--	
Diluted EPS from Continuing Operations	--	--		--	--	
Net Income	--	--		--	--	
Diluted EPS	--	--		--	--	
<b>Subtract: Gains on Real Estate Transactions (2)</b>						
Net Sales	--	--		--	--	
Operating Income	--	--		--	--	
Net Income from Continuing Operations	--	--		\$ (454)	\$ (890)	
Diluted EPS from Continuing Operations	--	--		(0.01)	(0.02)	
Net Income	--	--		(454)	(890)	
Diluted EPS	--	--		(0.01)	(0.02)	
<b>Subtract: Restructuring Accrual Reversal (3)</b>						
Net Sales	--	--		--	--	
Operating Income	--	\$ (734)		--	\$ (734)	
Net Income from Continuing Operations	--	(734)		--	(734)	
Diluted EPS from Continuing Operations	--	(0.02)		--	(0.02)	
Net Income	--	(734)		--	(734)	
Diluted EPS	--	(0.02)		--	(0.02)	
<b>Comparable Basis</b>						
Net Sales	\$ 946,924	\$ 747,403	26.7%	\$3,353,805	\$2,828,481	18.6%
Operating Income	59,084	49,797	18.6%	233,719	196,269	19.1%
Margin	6.2%	6.7%	-42 bp	7.0%	6.9%	3 bp
Net Income from Continuing Operations	\$ 35,542	\$ 30,229	17.6%	\$ 139,068	\$ 116,363	19.5%
Diluted EPS from Continuing Operations	0.79	0.67	17.9%	3.09	2.59	19.3%
Net Income	35,542	30,229	17.6%	137,056	116,363	17.8%
Diluted EPS	0.79	0.67	17.9%	3.05	2.59	17.8%

(1) As part of the Company's Dental marketing initiative, MarketOne, effective at the beginning of the third quarter of 2002, certain technology and equipment products are being sold directly to end-user customers rather than through resellers. This had no impact on net income since the increase in net sales was directly offset by an increase in commission expense.

(2) In the third quarter of 2002, there was a \$1.4 million pre-tax (\$890 thousand after-tax) gain primarily related to the settlement of a real estate transaction. In the first quarter of 2003, there was a \$726 thousand pre-tax (\$454 thousand after-tax) gain also related to a real estate transaction. Both gains were included in the "Other, net" line on the income statements.

(3) In the fourth quarter of 2002, we recorded a net credit related to a reversal of previously accrued merger, integration and restructuring costs.

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