

Henry Schein Animal Health Enters Into Agreement To Acquire SmartPak, Expands Its Equine Offering

May 22, 2014

Provider of Equine Supplements and Horse Supplies Brings Unique SmartPak™ Supplement Feeding System

MELVILLE, N.Y., May 22, 2014 /PRNewswire/ -- Henry Schein, Inc. (NASDAQ: HSIC), the world's largest provider of health care products and services to office-based dental, animal health and medical practitioners, announced today that its U.S. Animal Health business, Henry Schein Animal Health, has entered into an agreement to acquire an approximate 60 percent ownership position in SmartPak, the leading provider of equine supplements and horse supplies across the United States. SmartPak had sales in 2013 of approximately \$105 million and expands Henry Schein's product and service offering to the equine community. Henry Schein Animal Health is a leading companion animal health distribution company in the United States.

As part of this transaction, Oak Hill Capital Partners, a leading private equity firm with extensive experience in the animal health market, and SmartPak's existing management team will own SmartPak's remaining equity. Financial terms of the transaction, expected to close in June, were not disclosed. Henry Schein expects the transaction to be neutral to its earnings per share for the second half of 2014 and full-year 2015 and accretive to earnings per share in 2016 by \$0.02-\$0.03.

Headquartered in Plymouth, Mass., the Company launched its pioneering SmartPak supplement delivery system in 1999. Led since its inception by President and Chief Executive Officer, Paal Gisholt, SmartPak has grown to include 325 team members. SmartPak is widely recognized for its expertise and innovation in creating highly targeted digital sales and marketing initiatives. Its primary product is the patented SmartPak™ supplement feeding system, which provides equine supplements in customized daily dose packaging. The company offers over 250 branded equine supplements, including SmartSupplements™, its own proprietary brand. SmartPak also offers a broad range of equestrian supplies and accessories, including apparel and riding equipment, pharmaceuticals and other equine and canine focused products.

"We are fortunate to be acquiring a majority ownership position in a fast-growing company with a deep commitment to equine health and keen expertise in sales and digital marketing to those who care for horses," said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein. "The SmartPak team, led by Paal Gisholt, is highly capable and has established an enviable position in the equine market. We look forward to working together and welcoming our 'SmartPaker' colleagues to Team Schein."

Over the past decade, SmartPak has been recognized at both the national and local levels, including ranking on the *Inc.* 500 /5000 lists of America's Fastest Growing Private Businesses for nine consecutive years; being ranked as #249 on the *Internet Retailer* 500 and #35 on the *Internet Retailer* Social Media 500; selected as one of only 66 companies nationally to earn *Bizrate's* Circle of Excellence Award (Bizrate powers Google's reviews); earning *StellaService's* highest possible service rating: Elite; ranking among the *Boston Globe's* annual Top Places to Work in Massachusetts; and receiving the Innovation Award from the *Smaller Business Association of New England* (SBANE). Mr. Gisholt received the Ernst and Young Entrepreneur of the Year award for Consumer Products in the New England Region and has also been named one of the "Best Bosses" by Fortune Small Business and Winning Workplaces.

"Building SmartPak over the past 14 years has been a passion for the entire SmartPak team, so choosing the right partner was a critical decision for us. We decided to partner with Henry Schein Animal Health because of its focus on providing the best products and services for delivering the highest level of quality clinical care to animals," said Mr. Gisholt. "We recognize the essential role of the veterinarian in enhancing the health of horses, and have designed our programs to complement the care that horses require from equine veterinarians. We look forward to bringing these programs to Henry Schein Animal Health's veterinary customers."

"As someone who has spent most of his life serving veterinary professionals, I am very excited to welcome SmartPak to Henry Schein Animal Health," said Kevin Vasquez, Chairman, President and Chief Executive Officer of Henry Schein Animal Health. "SmartPak and Henry Schein share a strong commitment to supporting animal nutrition and raising awareness of nutrition's vital impact on overall horse health. Innovative programs such as ColiCare™, which helps promote the importance of digestive health and regular veterinary visits, demonstrate SmartPak's commitment to improving horse health, the same goal that Henry Schein Animal Health shares with all of the veterinarians we are proud to serve across the United States."

"We are delighted to be partnering with Henry Schein Animal Health. Having successfully invested in this sector and worked with the Henry Schein team in the past, we are excited about this opportunity to help SmartPak realize its vision for expanding access to its unique product offering," said Steven B. Gruber, a Managing Partner of Oak Hill Capital Partners.

According to the American Horse Council, there are 9.2 million horses in the United States, including horses used for racing, showing, competition, sport, breeding, recreation and work. An estimated 4.6 million Americans are involved in the industry as horse owners, service providers, employees and volunteers, including two million people who own horses.

Henry Schein is the leading global distributor of products and services to veterinarians. In addition to Henry Schein's U.S. Animal Health business, the Company is the leading distributor to veterinary customers in Australia and New Zealand, as well as in 12 European countries, including Austria, Belgium, the Czech Republic, France, Germany, Holland, Ireland, Poland, Portugal, Spain, Switzerland and the United Kingdom. In 2013, Henry Schein's Global Animal Health business had sales of approximately \$2.6 billion.

About SmartPak

From the feed room to the tack room, SmartPak offers innovative solutions to help riders take great care of their horses. SmartPak was founded in 1999 with the introduction of the patented SmartPak supplement feeding system. The revolutionary, daily dose SmartPaks are custom-made for your horse, individually labeled and sealed for freshness. With the success of this simple and convenient feeding system, SmartPak has continued to expand its offering of quality products, including its own line of more than 55 supplement formulas called SmartSupplements, and a wide variety of tack, equipment, and supplies. The company has grown rapidly each year and is now the largest retailer of equestrian products in the United States. SmartPak's success has been powered by a passion for delivering an unbeatable customer experience, and the company has been recognized with a

Bizrate Circle of Excellence award as well as an "Elite" rating from STELLAService. A nine-time Inc. 500/5000 honoree, SmartPak is the only equine company ever named to the Inc. 500 list.

About Oak Hill Capital Partners

Oak Hill Capital Partners is a private equity firm with more than \$8 billion of initial capital commitments from leading entrepreneurs, endowments, foundations, corporations, pension funds, and global financial institutions. Since inception 28 years ago, the professionals at Oak Hill Capital and its predecessors have invested in more than 70 significant private equity transactions across broad segments of the U.S. and global economies. Oak Hill Capital applies an industry-focused, theme-based approach to investing in the following sectors: Consumer, Retail & Distribution; Industrials; Media & Communications; and Services. Oak Hill Capital works actively in partnership with management to implement strategic and operational initiatives to create franchise value.

About Henry Schein Animal Health, U.S.

Henry Schein Animal Health, based in Dublin, Ohio, is a leading companion animal health distribution company in the United States. The Company employs approximately 900 team members, including 300 field sales representatives and 200 telesales and customer support representatives. Henry Schein, Inc. holds approximately a 75 percent ownership share in Henry Schein Animal Health, U.S. The Ashkin family and certain members of the Henry Schein Animal Health leadership team own the Company's remaining equity. With 13 strategically located, state-of-the-art distribution facilities and 10 inside sales centers, the Company maintains a greater than a 99 percent order-fill ratio, accomplishing its mission of providing the right product at the right place and at the right time.

Henry Schein Animal Health partners with over 480 channel suppliers to bring veterinarians the broadest selection of products to companion animal, equine and large animal practices including: dentistry, diagnostics, diets, equipment and supplies, nutraceuticals, orthopedics, parasiticides, pharmaceuticals and more. In addition, the Company helps veterinarians grow their practice with its strategic *Business Solutions* including AviMark® and ImproMed® Practice Management Software, Henry Schein® Financial Services, Henry Schein® ProRepair®, HRVetResource, Intelligent Inventory, Leadership Intelligence, MyVetDirect.com® Home Delivery, Opperman Manual, Pet I.D. Cards, Privacy Edge Identify Theft Protection, Professional Development Program, VetPressOnline Client Communications, Veterinary Instrumentation®, website development and more. For more information, visit www.henryscheinvet.com.

About Henry Schein, Inc.

Henry Schein, Inc. is the world's largest provider of health care products and services to office-based dental, animal health and medical practitioners. The Company also serves dental laboratories, government and institutional health care clinics, and other alternate care sites. A Fortune 500® Company and a member of the NASDAQ 100® Index, Henry Schein employs nearly 17,000 Team Schein Members and serves more than 800,000 customers.

The Company offers a comprehensive selection of products and services, including value-added solutions for operating efficient practices and delivering high-quality care. Henry Schein operates through a centralized and automated distribution network, with a selection of more than 96,000 branded products and Henry Schein private-brand products in stock, as well as more than 110,000 additional products available as special-order items. The Company also offers its customers exclusive, innovative technology solutions, including practice management software and e-commerce solutions, as well as a broad range of financial services. Headquartered in Melville, N.Y., Henry Schein has operations or affiliates in 26 countries. The Company's sales reached a record \$9.6 billion in 2013, and have grown at a compound annual rate of approximately 16 percent since Henry Schein became a public company in 1995. For more information, visit the Henry Schein website at www.henryschein.com.

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. A full discussion of our operations and financial condition, including factors that may affect our business and future prospects, is contained in documents we have filed with the SEC and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: effects of a highly competitive market; our dependence on third parties for the manufacture and supply of our products; our dependence upon sales personnel, customers, suppliers and manufacturers; our dependence on our senior management; fluctuations in quarterly earnings; risks from expansion of customer purchasing power and multi-tiered costing structures; possible increases in the cost of shipping our products or other service issues with our third-party shippers; general global macroeconomic conditions; disruptions in financial markets; possible volatility of the market price of our common stock; changes in the health care industry; implementation of health care laws; failure to comply with regulatory requirements and data privacy laws; risks associated with our global operations; transitional challenges associated with acquisitions and joint ventures, including the failure to achieve anticipated synergies; financial risks associated with acquisitions and joint ventures; litigation risks; the dependence on our continued product development, technical support and successful marketing in the technology segment; risks from challenges associated with the emergence of potential increased competition by third party online commerce sites; risks from disruption to our information systems; 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.

SOURCE Henry Schein, Inc.

Investors: Steven Paladino, Executive Vice President and Chief Financial Officer, steven.paladino@henryschein.com, (631) 843-5500; Carolynne Borders, Vice President, Investor Relations, carolynne.borders@henryschein.com, (631) 390-8105; Media: Susan Vassallo, Vice President, Corporate

