• Thank you, Tony.

• It is a great pleasure to be with the KPMG team today to briefly discuss
  • Henry Schein,
  • our global social responsibility program,
  • and share some lessons for leadership based on my experience.

• I hope that this meets your expectations for today’s Town Hall Meeting.

• Because I have the opportunity to address many audiences each year,
  • I realize how important it is that everyone in the room share the same expectations for what is to come.
• Henry Schein has become the largest distributor of health care products and services to office-based dental, medical and animal health practitioners.

A. 14,000 Team Schein Members

B. More than 700,000 customers worldwide –
   • 1 million practitioners.

C. Exclusive, innovative technology offerings
   • Computers, networking, practice management software and electronic health record solutions

D. Operations or affiliates in 25 countries around the world

E. 190,000 national and Henry Schein brand products in stock or available as special-order items.

F. Member of the Nasdaq 100 Index (based on market capitalization)

G. Number 317 on Fortune 500 ranking

H. Number 14 on the Barron’s 500

I. Included in Fortune’s list of the World’s Most Admired Companies.
• Our financial growth since becoming a publicly listed company on NASDAQ in 1995 has been steadily growing stronger.

• During that time,
  • Sales have soared from $616 million to $7.5 billion in 2010, a CAGR of 18%,
  • and our Earnings Per Share have seen a CAGR of 17%.

• We have expanded Internationally.
  • Our International sales now account for 33% of our total.

• Globally for 2011, we project that our estimated Dental business will account for 58% of our sales,
  • followed by Animal Health at 24%,
  • and Medical at 18%.

• Our market cap has grown from $400 million in 1995 to approximately $5.6 billion,
  • a CAGR of nearly 18%.
• Today, I have a few lessons to share with the KPMG team.
  1. Balance constituencies in business
  2. The 4 “Be’s” of leadership
     1. Be a coach, facilitator and mentor,
     2. Be flexible,
     3. Be intrapreneurial,
     4. Be transformational,
  3. Life’s about balance
• We have been successful because we have effectively balanced the needs of our five constituencies.

• Our supplier partners,
  • who rely on us to develop the closest possible relationship with our customers, and offer their products as solutions to practice needs.

• Our customers,
  • who rely on Henry Schein to help improve practice efficiency and success, so they can focus on what they do best, which is deliver quality care to their patients.

• Team Schein,
  • whose contributions are crucial if we are to take advantage of emerging challenges and opportunities.

• Our investors,
  • who expect us to improve our organizational efficiency, build market share, continue to grow, be profitable and provide a good return on their investment.

• And society,
  • which we serve through Henry Schein Cares, our global social responsibility program.
Through our work with Henry Schein Cares, this year we were once again ranked first in our industry for corporate social responsibility in Fortune’s list of the World’s Most Admired Companies.

We also led our competitors in the “Wholesalers: Health Care” industry in the category of Global Competitiveness.

Corporate social responsibility has become a requisite for companies around the world.

However, Henry Schein has been a leader in this area for years.

The mission of Henry Schein Cares is

- to expand access to care for at-risk and underserved populations globally through the support of
  - not-for-profit organizations,
  - institutions,
  - and communities
    - dedicated to increasing the delivery of health education and care.
In September, the Harvard Business Review published an article by Nathaniel Foote, Russell Eisenstat and Tobias Fredberg on “The Higher Ambition Leader.”

The article underscored that higher ambition leaders strive to generate high performance on three fronts at once:

1. Creating long-term economic value
2. Producing significant benefits for the wider community
3. Building robust social capital within their organizations

This new breed of CEO forges a more powerful strategic vision by drawing on an expansive view of their companies’ heritage and cultural, organizational and social assets.

They build the widespread commitment and capabilities to achieve their vision by developing the organization into a community of shared purpose, marked by high levels of emotional connection, trust and respect.

And higher ambition leaders have the strength of character to commit themselves and their organizations to that vision over the long term.
• Next, there are 4 “Be’s” of Leadership.
• First, be a coach, facilitator and mentor to others.
  • Look for ways to help “bust bureaucracy,” as Brian Dumaine wrote in Fortune Magazine two decades ago.
• Organizations do not need bosses.
  • They need leaders who will help build new businesses by backing people and ideas.
• Our Company’s history is filled with great examples of creative Team Schein Members who have seen opportunities to expand our business and found ways to make it happen.
  • In this way, we have entered new countries and new market segments,
    • and we have expanded our offering to include new technology products, financial services and other categories that increase our market share.
• Second, be flexible throughout your career to take advantage of new opportunities for professional growth.
  • In other words, “go to where the puck is.”
• Many of our most talented Team Schein leaders are now filling a role that is very different from when they joined the Company.
• Through their flexibility, they have grown professionally and helped meet important needs within Henry Schein.
• Third, be intrapreneurial.

• One of my mentors was Dr. Edward B. Shils,
  • who was a pioneer in entrepreneurial studies at the University of Pennsylvania
    • and who led the Dental Manufacturers of America for many decades.

• Ed impressed upon us the importance building a culture of “intrapreneurship” (which is entrepreneurship inside an existing organization) –
  • a climate in which activism is encouraged at all levels and one in which everyone has the potential to create new things.
    • By doing this, innovation naturally follows.

• Entrepreneurship has been called “the art of management through ambiguity.”

• The intrapreneurial lessons that Ed taught to me, I have tried to pass along to others throughout our Company.

• The importance of intrapreneurship is also reflected in one of the Values of Team Schein – creativity –
  • because intrapreneurs are those who truly do create.
• Fourth, be a transformational leader,
  • someone who embraces change as an opportunity to enhance results, streamline operations and grow the Company.
• Noel Tichy, a professor at the University of Michigan Business School and one of the world’s foremost authorities on organizational behavior, has said that
  • “organizations do no change unless there is a trigger that indicates change is needed.”
    • However that alone is not enough.
• There also must be a leader who is willing to risk abandoning the status quo because he or she has a vision of something better.
• Jay Schein, the son of our Company’s founders who was my mentor and who passed away in 1989, was a transformational leader.
  • When I think of the type of leader that Jay was, I am reminded of what Robert Kennedy said,
    • “Some men see things as they are and say ‘Why?’ I dream things that never were and say ‘Why not?’”
• “Why not?” is the question that each of us should ask ourselves when considering new ways to transform our organizations in the future.
• Remember that life is about balance.

• This year I had the privilege of delivering commencement addresses at graduation ceremonies for
  • the University of Pennsylvania School of Dental Medicine
  • and the Arizona School of Dentistry.

• My final lesson to share with you today is a piece of advice I offered to those graduating classes this year:
  • Please try to find the right balance between professional life, family and “the other things in life,”
    • which should always include social responsibility.

• Finding this balance reminds us why we are working so hard in the first place, and it enables us to enjoy our careers longer.
• Next year marks Henry Schein’s 80th anniversary.
• Throughout those decades, our Company has been defined by
  • service to our five constituencies
    • and a commitment to global social responsibility.
• We have learned valuable lessons along the way,
  • and if we can continue to apply these lessons
    • then we know that at Henry Schein our best years are yet to come.