

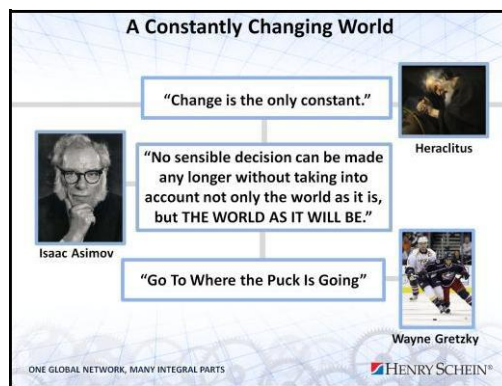


- When I was a little boy, I was getting to watch the Wizard of Oz, which I came on only once a year.
- And my Dad said he had a surprise for my brother and me, he rolled in this new TV, and said this is a color TV.
- But I said, hey Dad, our TV is already in color.
- I did not realize we only had a black & white TV.
- So when he turned it on and I saw the difference, I was stunned and amazed at how good it looked.
- And I have been awed by new technology continually over my lifetime.



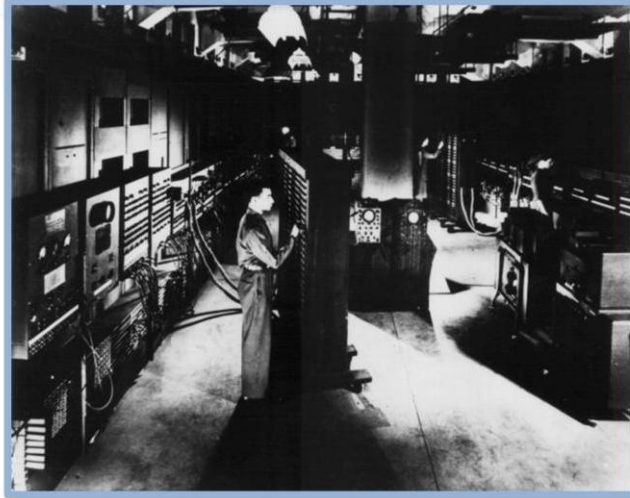
- Like most people, my life has been marked by several important changes.
 - South Side/Suburbs of Chicago
 - Tennessee Temple University
 - Joined Mobil Oil in 1977 (20 years!)
 - MBA from DePaul/CPA 1979
 - Launch of Technology Career (1980)
 - Left Mobil in 1997 to join Olsten Staffing on LI
 - Joined Henry Schein July 2000
 - Began in the IS Department
 - Assumed Practice Solutions Responsibility January, 2008

- Technology also means change –
 - but as this video demonstrates, it has to be the right kind of change that is embraced by the entire dental office team.



- “Change is the only constant”
 - Greek philosopher Heraclitus (500 years B.C.)
- We live in a constantly changing world,
 - and technology is driving that change.
- Prevention, wellness, outcomes and technology should be our focus in a patient-centric practice.
 - This should be in combination with operating a profitable practice so practitioners can afford to invest in the practice.
- Science fiction writer Isaac Asimov said:
 - “It is change, continuing change, inevitable change, that is the dominant factor in society today.
 - No sensible decision can be made any longer without taking into account the world as it is, but the world as it will be.”
- We should make our decisions based not on where dentistry is today,
 - but where we believe dentistry will be in the future.
- Or as hockey legend Wayne Gretzky famously put it,
 - We should not go to where the puck is,
 - but “go to where the puck is going.”

General Purpose Computing Only 67 Years Old



The ENIAC, which became operational in 1946,
is considered to be the first general-purpose electronic computer

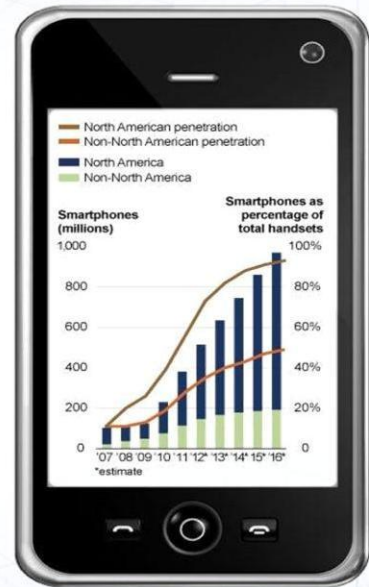
ONE GLOBAL NETWORK, MANY INTEGRAL PARTS

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- Nowhere has change been more profound than in the technology segment.
- General purpose computing is only 67 years old.
- Yet look at how far we have come since 1946.

Today Technology is Embedded in Almost Every Aspect of our Lives, So...

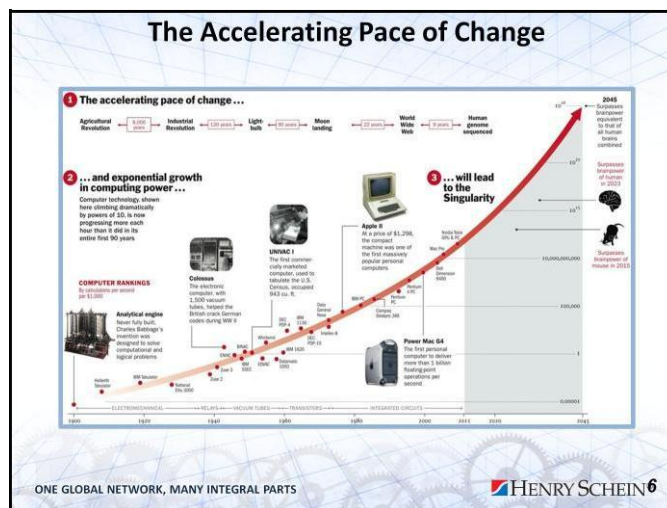
- **What is the same?**
 - The best companies are technology leaders
 - Tech demand exceeds supply
 - Need to invest more in technology!
- **What is different?**
 - Speed of Change
 - Many more choices
 - Average person more tech savvy!



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- When I first joined Henry Schein, voicemail was a prevalent way of communicating, largely due to Stanley Bergman, our Chairman and CEO.
- Once he got a Blackberry, all that changed overnight.



- Above is a chart of computing's exponential growth, projected into the 21st century.
- Right now, your typical \$1,000 PC is somewhere between an insect and a mouse brain.
- The human brain has about 100 billion neurons, with about 1,000 connections from one neuron to another.
- These connections operate very slowly, on the order of 200 calculations per second, but 100 billion neurons times 1,000 connections creates 100 trillion-fold parallelism.
- Multiplying that by 200 calculations per second yields 20 million billion calculations per second, or, in computing terminology, 20 billion MIPS.
- We'll have 20 billion MIPS for \$1,000 by the year 2020.
- Now that won't automatically give us human levels of intelligence, because the organization, the software, the content and the embedded knowledge are equally important.
- By 2050, \$1,000 of computing will equal one billion human brains.
- That might be off by a year or two, but the 21st century won't be wanting for computational resources.


Broad Technology Trends

- Smart Phones/Tablets
- Cloud Computing
- Big Data
- Wireless
- Video
- Imaging
- Robotics
- 3D Printing
- Computer/"TV" Convergence



All of which presents major security and privacy challenges.

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- These are some of the broad trends driving technology today:
 - Smart phones/tablets
 - “Phablets”
 - Cloud computing
 - Social media
 - Wireless
 - Video
 - Computer/TV convergence
- All of these present major security and privacy challenges.
- I’m sure if you have children at home and you tell them when you were a kid we actually had to change channels by hand.
 - My kids say, “oh Dad that’s so awful.”
 - I tell them, well, not so bad, we only had 4 channels. That really sends them over the edge.
- But, can you imagine what their children will be saying to them?
 - “Oh Mom / Dad, you used an iPhone? Really? That’s so lame.”
 - Can’t even imagine what is going to be available to in just a few short years.

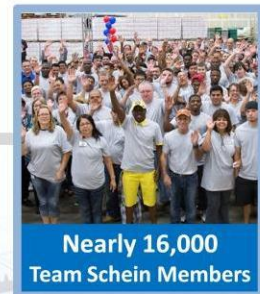
A History of Change and Reinvention



Henry Schein
1932



Henry Schein 2013



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- Henry Schein embraces change.
- Henry Schein – 81 years of reinvention
 - Leading provider of health care products and services to office-based practitioners
 - 775,000 customers
 - Nearly 16,000 Team Schein Members
 - #296 on Fortune 500
 - Fortune's World's Most Admired for the 12 consecutive years



Our Global Architecture

Global Dental Group

- The full-service leader and the #1 dental company in the world.
- The world's largest installed base of dental practice management software.
- In addition to serving the general practitioner better than any other distributor in the world, we are quickly becoming a world leader in oral surgery, orthodontic and endodontic specific products.

Global Medical Group

- The fastest-growing physician and related alternate-site product provider.
 - An Integrated Solutions Network for Suppliers, Customers and Alliances.
 - We serve 200,000 customers globally, including Primary Care Physicians, Specialists and Business Managers.
- Well placed to benefit from trends being driven by the Affordable Care Act.
 - Greater emphasis on prevention and wellness.
 - Movement of treatment from hospitals to alternate-care sites.
 - Growth of integrated delivery networks and large group practices.

Global Animal Health Group

- The world's leading animal health distributor and the leading animal health provider on three continents.
 - Australia/New Zealand, United States, and 11 European countries
 - Austria, Belgium, the Czech Republic, France, Germany, Ireland, The Netherlands, Portugal, Spain, Switzerland and the U.K.
- A leader in animal health practice management software with 18,000 installed systems worldwide.
- Important solutions providers working with these three business groups are our Global Practice Solutions and Global Henry Schein Financial Services.
- Supporting the business groups with shared services and an efficient scalable infrastructure are our Global Services and other corporate functions.
- This is the architecture upon which our global network has been built, which will enable our Company to keep growing for many years to come.
- 2012 global sales: Dental 56%, Animal Health 26%, Medical 18%.
 - International 35%, Canada 4%, U.S. 61%.

Global Practice Solutions Installed in 80,000 Dental, Animal Health and Medical Practices Worldwide




- Henry Schein's Global Practice Solutions are installed in 80,000 dental, animal health and medical practices worldwide
- Our goal is to be a technology leader in all facets of our business.
- We are committed to open architecture and seamless integration of clinical devices to better serve our customers.



- Our success is a result of ongoing reinvention, providing our customers with the best solutions to manage their practices.
 - Henry Schein transitioned from a mail-order dental supply company into the world's largest provider of dental products and related oral health solutions to dental practitioners and dental labs.
 - Henry Schein is the world's largest provider of dental practice management software.
 - Almost two decades ago during a time when there were hundreds of underfunded practice management companies,
 - we put financial and organizational resources behind creating the world's leading dental practice management software company,
 - both in terms of unique practice management software and clinical-based software including clinical charting and related technical services.
 - We provide the very best solutions available in the dental practice management software business,
 - and now have the world's largest installed base with Dentrix, Dentrix Enterprise, Easy Dental and others.
 - We have taken a global leadership role in the advancement of digital imaging and provide the best sensor and imaging solutions.
 - Today Henry Schein is the world's largest provider of dental X-ray sensors and 3D X-rays.

The Future of Dentistry



Dr. Gordon Christensen

“The paradigm shift going on in dentistry today is the most major and significant in my long career.


THE CHANGE TO DIGITAL IS PROFOUND.

It is in almost everything we do in a dental practice ranging from the records we take to the crowns we seat to the medications we prescribe.

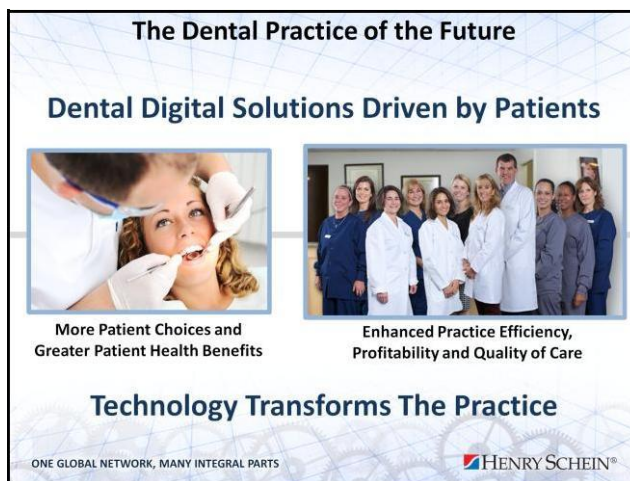
Some dentists are slower than others to change as the general population was in the year 1900. Yes, we have horses and they will slowly get us to work, but automobiles are now here.

GO FOR DIGITAL!”

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- Here is what Dr. Gordon Christensen, one of the global thought leaders in the dental profession, says about change in oral health care:
 - “The paradigm shift going on in dentistry today is the most major and significant in my long career.
 - The change to digital is profound.
 - It is in almost everything we do in a dental practice ranging from the records we take to the crowns we seat to the medications we prescribe.
 - Some dentists are slower than others to change as the general population was in the year 1900.
 - Yes, we have horses and they will slowly get us to work, but automobiles are now here.
 - Go for digital!”



- We share Dr. Christensen's perspective that
 - The dental practice of the future will include dental digital solutions that are driven by demand from the patients themselves.
- This change to digital dental solutions is important because it will offer more patient choices and convenience and greater patient health benefits.
- Digital dental solutions will benefit oral health practitioners by enhancing practice efficiency, profitability and the quality of care provided to patients.
- Each person in a dental practice has an important role to play in elevating the practice through dental digital solutions.
 - Certainly this is the case with dentists, but it is equally important for office managers, dental hygienists, lab technicians or any other member of the dental team.
- We are reinventing Henry Schein to be an even more valuable partner to our customers as they elevate their practices.



- Here is our commitment to the dental community.
- Henry Schein will be the leading provider of dental digital solutions to dental practices and laboratories.
- We know we will only achieve this if we take care of our customers.
- Henry Schein will be their partner as together we reinvent the delivery of dentistry.
- We want to be our customers' best partner in caring for their patients.
 - Providing the best solutions to operate more efficient and profitable practices so they can provide high-quality care to patients
- Our customers value solutions that enhance patients' health.
 - Our focus, like theirs, is patient-centric.
 - Our goal, like theirs, is to enhance patient health.

**Reinvention –
The Leading Provider of Dental Digital Solutions**

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Dental Practice Management Cloud Solution

DENTRIX Ascend
beta

DentalTown Cover, April 2013

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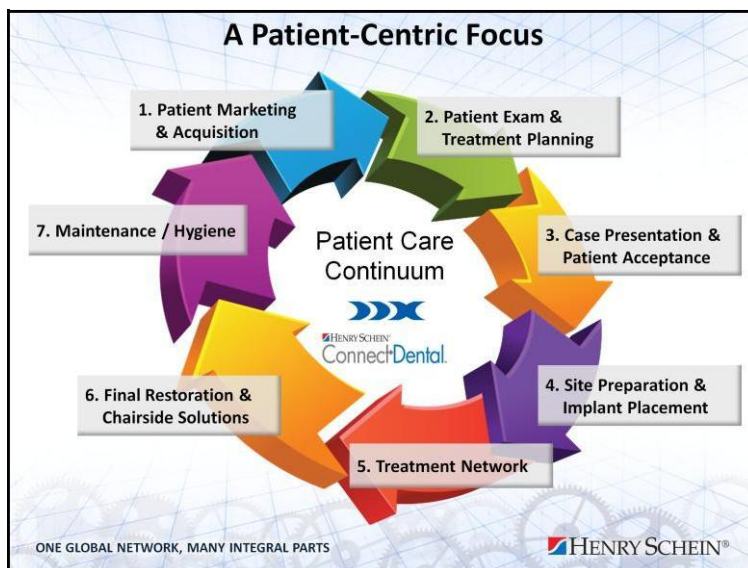
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We have the foundation of what is needed to become the leading provider of dental digital solutions to the general dentist and specialist.

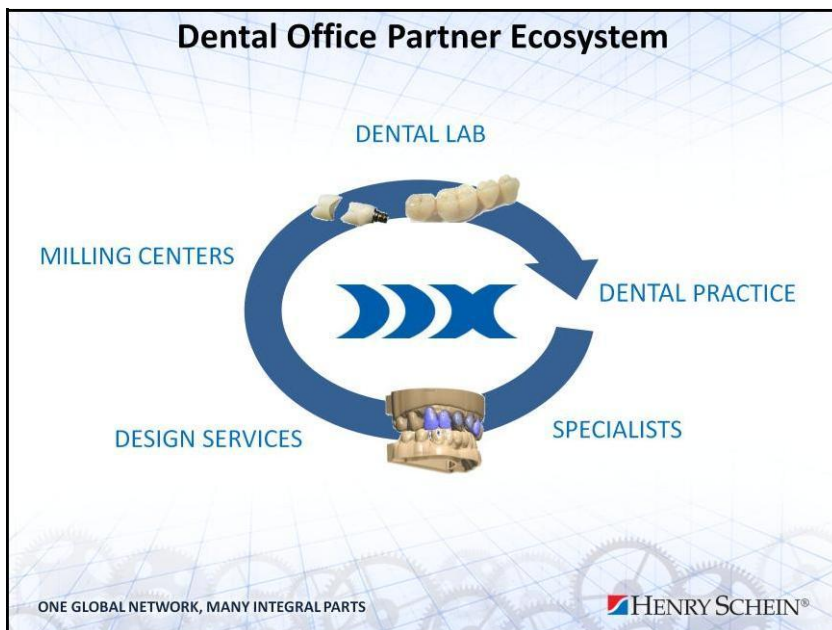
- The world's leading portfolio of dental practice management solutions and electronic medical record systems

Digital prosthetic solutions

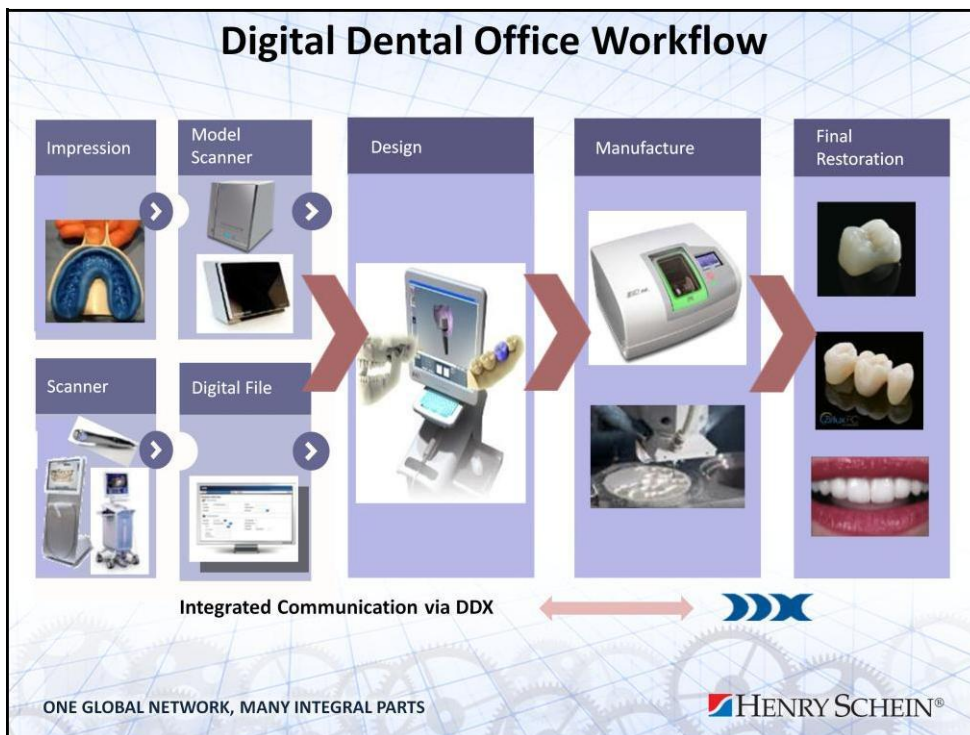
- Connect Dental is dental restorative solutions for practices and laboratories and this represents the next advance for oral health software.
- With Connect Dental we have created a digital highway between the dental practice at chairside, the dental laboratory and our technology products.
 - Connect Dental helps to speed the flow of information, improve patient case consistency and reduce the risk of error.
- Our commitment to open architecture delivers more technology choices and patient benefits.
- We will provide the solutions that deliver the greatest patient benefits and position dentists to operate a successful practice.



- The complete patient-centric solution is best seen today in our dental digital offering.
- At every stage we have the best products and services needed to deliver patient benefits.
 1. Patient marketing and acquisition
 2. Patient exam and treatment planning
 3. Case presentations and patient acceptance
 4. Site preparation and implant placement
 5. Accessing the treatment network
 6. Final restoration and chairside solutions
 7. Maintenance and hygiene



- Technology is revolutionizing every facet of the dental office ecosystem.
 - The dental practice
 - Specialists
 - Design services
 - Milling centers
 - Dental laboratories
- We are connecting all of these through DDX – the Digital Dental Exchange.
- How many of us go to the doctor and still have to fill out the new paperwork for each referral or specialist. So aggravating.
- Even though in medical, despite best efforts, we are a long ways off from actually having interoperability.
- Within the Dental world, we actually have the wherewithal to deliver interoperability for the dental record via this network.



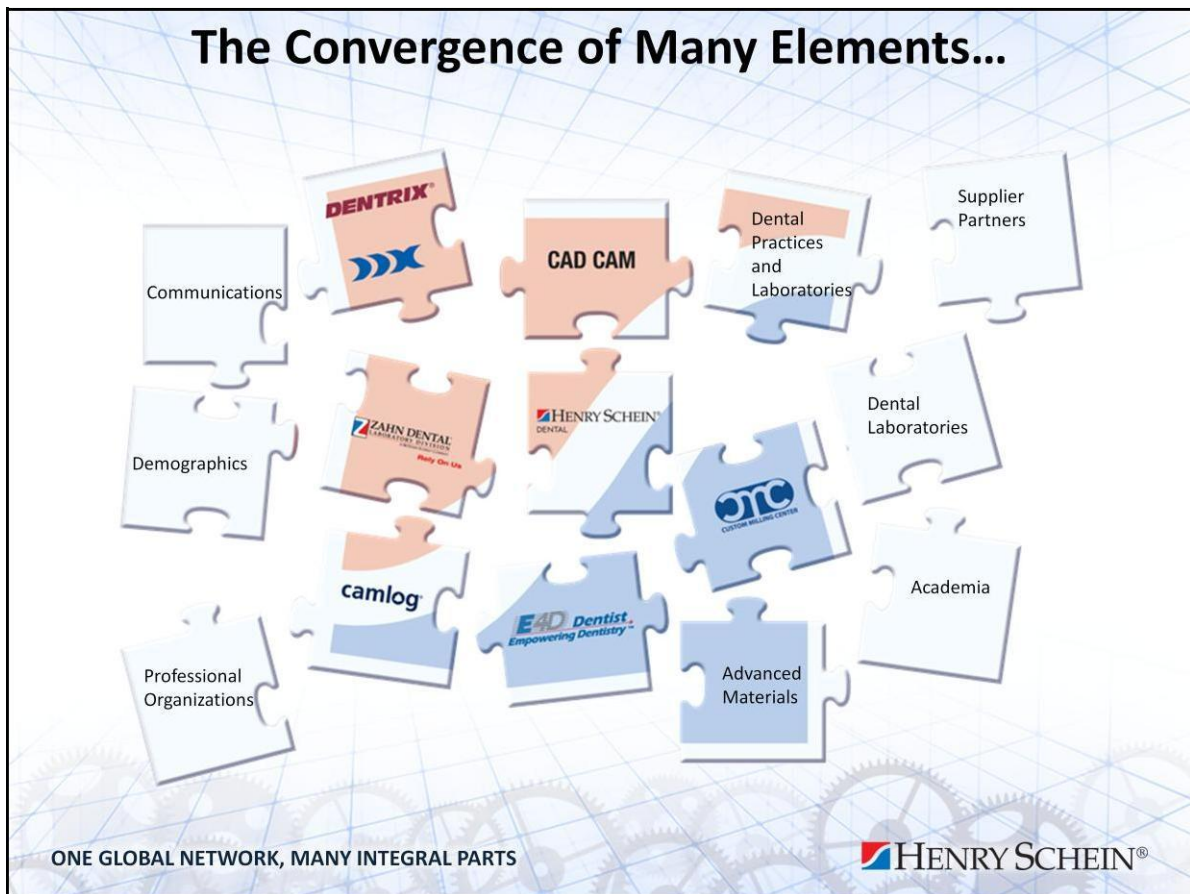
- Digital technology applied through DDX enables the seamless integration of technology tools at every phase of work through the dental office.
 - Scanning/impression
 - Design
 - Manufacture
 - Final Restoration

- US Crown Market is 51 million units, all ceramic (versus PFM's "porcelain fused to metal") represents 21 million, and CAD/CAM represents 10 million of that.

- Europe Crown Market is 54 million units, all ceramic represents 14 million, and CAD/CAM represents 3.7 million of that.

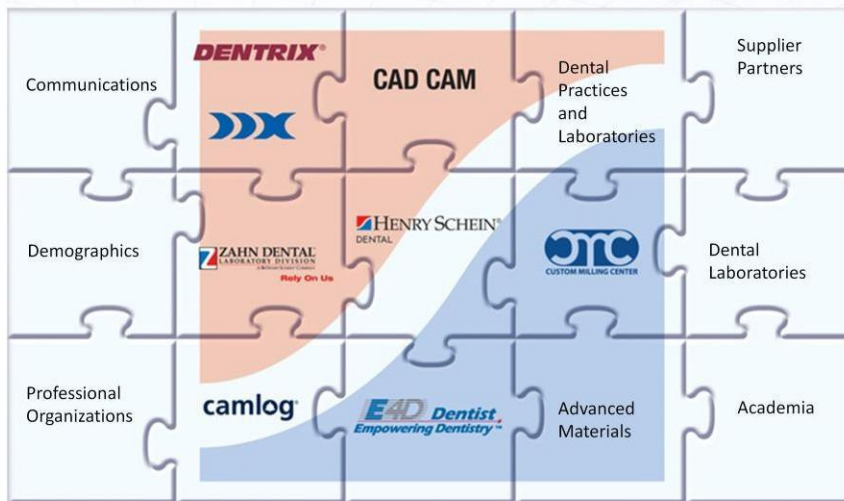


- One of the most exciting dental technology developments is the new E4D NEVO Scanner and Design Center for digital dental restorations.
 - Higher level of precision, proficiency and productivity
 - Powder-free image capture
 - Blue laser technology for exceptional quality of data capture, video-rate speed and ease of use
 - Portable and customizable for the clinical workflow
 - Greater flexibility for increased productivity and enhanced patient experience
 - Design Center is a powerful laptop computer with extremely fast processing and alignment of scans.
 - More precise and accurate prosthetics
 - Ergonomic design
- The following news story demonstrates some of these benefits in action.



- At Henry Schein, we believe that we have more pieces of the overall technology solution for our customers than any other company in the market.

...Has Set the Stage For Success!



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- And we are confident that we will put all of these piece together first –
 - advancing technology that delivers real patient benefits.