

HENRY SCHEIN INC
Form 10-Q
November 05, 2008
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 27, 2008

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

(I.R.S. Employer Identification No.)

incorporation or organization)

135 Duryea Road

Melville, New York

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(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

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

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

As of October 30, 2008, there were 89,353,847 shares of the registrant's common stock outstanding.

HENRY SCHEIN, INC.

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PART I. FINANCIAL INFORMATION**ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS****HENRY SCHEIN, INC.****CONSOLIDATED BALANCE SHEETS**

(in thousands, except share and per share data)

	September 27, 2008 (unaudited)	December 29, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 288,364	\$ 247,590
Available-for-sale securities	-	997
Accounts receivable, net of reserves of \$40,750 and \$41,315	767,304	708,307
Inventories, net	731,514	666,786
Deferred income taxes	32,340	32,827
Prepaid expenses and other	194,740	192,292
Total current assets	2,014,262	1,848,799
Property and equipment, net	247,345	247,671
Goodwill	917,258	917,194
Other intangibles, net	174,772	192,420
Investments and other	152,937	107,900
Total assets	\$ 3,506,574	\$ 3,313,984
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 511,655	\$ 474,009
Bank credit lines	6,226	8,977
Current maturities of long-term debt	153,802	24,319
Accrued expenses:		
Payroll and related	132,000	136,291
Taxes	81,577	73,278
Other	215,438	223,765
Total current liabilities	1,100,698	940,639
Long-term debt	268,990	423,274
Deferred income taxes	86,351	80,260
Other liabilities	52,303	53,906
Minority interest	50,710	35,923
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value, 1,000,000 shares authorized, none outstanding	-	-

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Common stock, \$.01 par value, 240,000,000 shares authorized, 89,909,757 outstanding on September 27, 2008 and 89,603,660 outstanding on December 29, 2007	899	896
Additional paid-in capital	712,670	673,763
Retained earnings	1,156,950	1,005,055
Accumulated other comprehensive income	77,003	100,268
Total stockholders' equity	1,947,522	1,779,982
Total liabilities and stockholders' equity	\$ 3,506,574	\$ 3,313,984

See accompanying notes.

HENRY SCHEIN, INC.

CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2008	September 29, 2007	September 27, 2008	September 29, 2007
Net sales	\$ 1,650,771	\$ 1,505,575	\$ 4,821,367	\$ 4,202,720
Cost of sales	1,172,190	1,076,245	3,403,138	2,968,567
Gross profit	478,581	429,330	1,418,229	1,234,153
Operating expenses:				
Selling, general and administrative	363,303	332,630	1,104,367	972,880
Operating income	115,278	96,700	313,862	261,273
Other income (expense):				
Interest income	4,260	4,378	12,217	12,766
Interest expense				