Sanofi
Form 6-K
April 03, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of April 2018

Commission File Number: 001-31368

SANOFI

(Translation of registrant s name into English)

54, rue La Boétie, 75008 Paris, FRANCE

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-__________

In April 2018, Sanofi issued the press releases attached hereto as Exhibit 99.1 and 99.2 which are incorporated herein by reference.

Exhibit List

Exhibit No.	Description
Exhibit 99.1	Press release dated April 3, 2018: EMA to review cemiplimab as a potential treatment for advanced cutaneous squamous cell carcinoma
Exhibit 99.2	Press release dated April 3, 2018: EMA to review Dupixent® (dupilumab) as potential treatment for inadequately controlled moderate-to-severe asthma

Exhibit Index

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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.

Dated: April 3, 2018	SANOFI
	By /s/ Alexandra Roger
	Name: Alexandra Roger
	Title: Head of Securities Law and Capital Markets

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		Costs	Total
Balance, December 25, 2010	1,992	2,351	4,343
Provision	-	-	-
Payments and other adjustments	(1,423)	(1,800)	(3,223)
Balance, December 31, 2011	569	551	1,120
Provision	12,841	2,351	15,192
Payments and other adjustments	(11,584)	(1,671)	(13,255)
Balance, December 29, 2012	1,826	1,231	3,057
Provision	-	-	-
Payments and other adjustments	(1,599)	(747)	(2,346)
Balance, December 28, 2013	$227	$484	$711

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

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Note 10 – Plans of Restructuring – (Continued)

The following table shows, by reportable segment, the amounts expensed and paid for restructuring costs that were incurred during our 2013, 2012 and 2011 fiscal years and the remaining accrued balance of restructuring costs as of December 28, 2013:

	Health Care Distribution	Technology and Value-Added Services	Total
Balance, December 25, 2010	4,343	-	4,343
Provision	-	-	-
Payments and other adjustments	(3,223)	-	(3,223)
Balance, December 31, 2011	1,120	-	1,120
Provision	14,981	211	15,192
Payments and other adjustments	(13,058)	(197)	(13,255)
Balance, December 29, 2012	3,043	14	3,057
Provision	-	-	-
Payments and other adjustments	(2,332)	(14)	(2,346)
Balance, December 28, 2013	$711	$ -	$711

Note 11 – Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to Henry Schein, Inc. by the weighted-average number of common shares outstanding for the period. Our diluted earnings per share is computed similarly to basic earnings per share, except that it reflects the effect of common shares issuable for presently unvested restricted stock and restricted stock units and upon exercise of stock options, using the treasury stock method in periods in which they have a dilutive effect.

A reconciliation of shares used in calculating earnings per basic and diluted share follows:

		Years Ended	
	December 28, 2013	December 29, 2012	December 31, 2011
Basic	85,926	87,499	90,120
Effect of dilutive securities:			
Stock options, restricted stock and restricted stock units	1,696	2,324	2,500
Diluted	87,622	89,823	92,620

Weighted-average options to purchase 8 shares of common stock at an exercise price of $69.45 per share that were outstanding during the year ended December 31, 2011 were excluded from the computation of diluted earnings per share because the options’ exercise price exceeded the average market price of our common stock during the year, thereby causing the effect of such options to be anti-dilutive.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 12 – Income Taxes

Income before taxes, equity in earnings of affiliates and loss on sale of equity investment was as follows:

	Years ended December 28, 2013	December 29, 2012	December 31, 2011
Domestic	$517,950	$466,457	$403,171
Foreign	146,744	137,731	166,136
Total	$664,694	$604,188	$569,307

The provisions for income taxes were as follows:

	Years ended December 28, 2013	December 29, 2012	December 31, 2011
Current income tax expense:			
U.S. Federal	$139,253	$121,591	$125,148
State and local	27,272	23,279	30,423
Foreign	35,880	32,916	43,960
Total current	202,405	177,786	199,531
Deferred income tax expense (benefit):			
U.S. Federal	10,325	9,242	(12,466)
State and local	(4,531)	946	(1,782)
Foreign	(17,308)	(116)	(5,071)
Total deferred	(11,514)	10,072	(19,319)
Total provision	$190,891	$187,858	$180,212

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 12 – Income Taxes – (Continued)

The tax effects of temporary differences that give rise to our deferred income tax asset (liability) were as follows:

	Years Ended December 28, 2013	December 29, 2012
Current deferred income tax assets:		
Inventory, premium coupon redemptions and accounts receivable valuation allowances	$ 31,016	$ 27,820
Uniform capitalization adjustments to inventories	7,318	9,944
Other current assets	21,351	21,035
Current deferred income tax asset (1)	59,685	58,799
Non-current deferred income tax asset (liability):		
Property and equipment	(5,571)	(5,661)
Stock-based compensation	35,995	42,875
Other non-current liabilities	(211,180)	(215,562)
Net operating losses of domestic subsidiaries	693	2,768
Net operating losses of foreign subsidiaries	45,254	47,101
Total non-current deferred tax liability	(134,809)	(128,479)
Valuation allowance for non-current deferred tax assets (2)	(16,285)	(30,598)
Net non-current deferred tax liability (1)	(151,094)	(159,077)
Net deferred income tax liability	$ (91,409)	$ (100,278)

(1) Certain deferred tax amounts do not have a right of offset and are therefore reflected on a gross basis in current assets and non-current liabilities in our consolidated balance sheets.

(2) Primarily relates to operating losses of acquired foreign subsidiaries, the benefits of which are uncertain. Any future reductions of such valuation allowances will be reflected as a reduction of income tax expense in accordance with the provisions of ASC Topic 805, "Business Combinations."

The assessment of the amount of value assigned to our deferred tax assets under the applicable accounting rules is judgmental. We are required to consider all available positive and negative evidence in evaluating the likelihood that we will be able to realize the benefit of our deferred tax assets in the future. Such evidence includes scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and the results of recent operations. Since this evaluation requires consideration of events that may occur some years into the future, there is an element of judgment involved. Realization of our deferred tax assets is dependent on generating sufficient taxable income in future periods. We believe that it is more likely than not that future taxable income will be sufficient to allow us to recover substantially all of the value assigned to our deferred tax assets. However, if future events cause us to conclude that it is not more likely than not that we will be able to recover all of the value assigned to our deferred tax assets, we will be required to adjust our valuation allowance accordingly.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 12 – Income Taxes – (Continued)

As of December 28, 2013, we have state net operating loss carryforwards of $6.9 million relating to our domestic subsidiaries, which can be utilized against future state income through December 31, 2029. As of December 28, 2013, we have foreign net operating loss carryforwards of $11.7 million, which can be utilized against future foreign income through December 31, 2019. Additionally, as of December 28, 2013, there were foreign net operating loss carryforwards of $153.1 million that have an indefinite life.

The tax provisions differ from the amount computed using the federal statutory income tax rate as follows:

	Years ended December 28, 2013	December 29, 2012	December 31, 2011
Income tax provision at federal statutory rate	$ 232,644	$ 211,466	$ 199,256
State income tax provision, net of federal income tax effect	20,134	21,665	18,035
Foreign income tax benefit	(19,635)	(17,979)	(20,169)
Valuation allowance	(14,026)	1,502	442
Interest expense related to loans	(23,723)	(21,018)	(14,394)
Other	(4,503)	(7,778)	(2,958)
Total income tax provision	$ 190,891	$ 187,858	$ 180,212

For the year ended December 28, 2013, our effective tax rate was 28.7% compared to 31.1% for the prior year period. During the third quarter of 2013, we concluded that it is more likely than not that certain deferred tax assets related to tax loss carryforwards originating outside the United States, which had been previously reserved, will be realized. As a result, our provision for income taxes includes a $13.4 million reduction of the valuation allowance which is based on an estimate of future taxable income available to be offset by the tax loss carryforwards.

Absent the effects of the reduction of this valuation allowance in the third quarter of 2013, our effective tax rate for the year ended December 28, 2013 would have been 30.7% as compared to our actual effective tax rate of 28.7%. The remaining difference between our effective tax rates and the federal statutory tax rates for both periods primarily relates to state and foreign income taxes and interest expense.

Provision has not been made for U.S. or additional foreign taxes on undistributed earnings of foreign subsidiaries, which have been, and will continue to be reinvested. These earnings could become subject to additional tax if they were remitted as dividends, if foreign earnings were loaned to us or a U.S. affiliate, or if we should sell, transfer or dispose of our stock in the foreign subsidiaries. It is not practicable to determine the amount of additional tax, if any, that might be payable on the foreign earnings because if we were to repatriate these earnings, we believe there would be various methods available to us, each with different U.S. tax consequences. As of December 28, 2013, the cumulative amount of reinvested earnings was approximately $694.2 million.

ASC Topic 740 clarifies the accounting for uncertainty in income taxes recognized in the financial statements in accordance with other provisions contained within this guidance. This topic prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by the taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate audit settlement. In the normal course of business, our tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessments by these taxing authorities for uncertain tax positions taken in respect to certain tax matters.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 12 – Income Taxes – (Continued)

The total amount of unrecognized tax benefits as of December 28, 2013 was approximately $54.1 million, of which $40.3 million would affect the effective tax rate if recognized. It is expected that the amount of unrecognized tax benefits will change in the next 12 months; however, we do not expect the change to have a material impact on our consolidated financial statements.

The total amounts of interest and penalties, which are classified as a component of the provision for income taxes, were approximately $10.9 million and $0, respectively, as of December 28, 2013.

The tax years subject to examination by major tax jurisdictions include the years 2009 and forward by the U.S. Internal Revenue Service, the years 2000 and forward for certain states and the years 2005 and forward for certain foreign jurisdictions.

The following table provides a reconciliation of unrecognized tax benefits excluding the effects of deferred taxes, interest and penalties:

	December 28, 2013	December 29, 2012
Balance, beginning of period	$32,700	$19,200
Additions based on current year tax positions	6,000	4,900
Additions based on prior year tax positions	9,600	11,200
Reductions based on prior year tax positions	(1,100)	(600)
Reductions resulting from settlements with taxing authorities	(800)	(1,300)
Reductions resulting from lapse in statutes of limitations	(3,200)	(700)
Balance, end of period	$43,200	$32,700

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Note 13 – Concentrations of Risk

Certain financial instruments potentially subject us to concentrations of credit risk. These financial instruments consist primarily of cash equivalents, trade receivables, long-term investments, notes receivable and derivative instruments. In all cases, our maximum exposure to loss from credit risk equals the gross fair value of the financial instruments. We continuously assess the need for reserves for such losses, which have been within our expectations. We do not require collateral or other security to support financial instruments subject to credit risk, except for long-term notes receivable.

We limit our credit risk with respect to our cash equivalents, short-term and long-term investments and derivative instruments, by monitoring the credit worthiness of the financial institutions who are the counter-parties to such financial instruments. As a risk management policy, we limit the amount of credit exposure by diversifying and utilizing numerous investment grade counter-parties.

With respect to our trade receivables, our credit risk is somewhat limited due to a relatively large customer base and its dispersion across different types of health care professionals and geographic areas. No single customer accounted for more than 0.8% of our net sales in 2013. With respect to our sources of supply, our top 10 health care distribution suppliers and our single largest supplier accounted for approximately 37% and 8%, respectively, of our aggregate purchases in 2013.

Our long-term notes receivable primarily represent strategic financing arrangements with certain industry affiliates and amounts owed to us from sales of certain businesses. Generally, these notes are secured by certain assets of the counter-party; however, in most cases our security is subordinate to other commercial financial institutions. While we have exposure to credit loss in the event of non-performance by these counter-parties, we conduct ongoing assessments of their financial and operational performance.

Note 14 – Derivatives and Hedging Activities

We are exposed to market risks as well as changes in foreign currency exchange rates as measured against the U.S. dollar and each other, and changes to the credit markets. We attempt to minimize these risks by primarily using foreign currency forward contracts and by maintaining counter-party credit limits. These hedging activities provide only limited protection against currency exchange and credit risks. Factors that could influence the effectiveness of our hedging programs include currency markets and availability of hedging instruments and liquidity of the credit markets. All foreign currency forward contracts that we enter into are components of hedging programs and are entered into for the sole purpose of hedging an existing or anticipated currency exposure. We do not enter into such contracts for speculative purposes and we manage our credit risks by diversifying our investments, maintaining a strong balance sheet and having multiple sources of capital.

Fluctuations in the value of certain foreign currencies as compared to the U.S. dollar may positively or negatively affect our revenues, gross margins, operating expenses and retained earnings, all of which are expressed in U.S. dollars. Where we deem it prudent, we engage in hedging programs using primarily foreign currency forward contracts aimed at limiting the impact of foreign currency exchange rate fluctuations on earnings. We purchase short-term (i.e., 18 months or less) foreign currency forward contracts to protect against currency exchange risks associated with intercompany loans due from our international subsidiaries and the payment of merchandise purchases to our foreign suppliers. We do not hedge the translation of foreign currency profits into U.S. dollars, as we regard this as an accounting exposure, not an economic exposure. Our hedging activities have historically not had a material impact on our consolidated financial statements. Accordingly, additional disclosures related to derivatives and hedging activities required by ASC Topic 815 have been omitted.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 15 – Segment and Geographic Data

We conduct our business through two reportable segments: health care distribution and technology and value-added services. These segments offer different products and services to the same customer base. The health care distribution reportable segment aggregates our global dental, animal health and medical operating segments. This segment consists of consumable products, small equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infection-control products and vitamins.

Our global dental group serves office-based dental practitioners, dental laboratories, schools and other institutions. Our global animal health group serves animal health practices and clinics. Our global medical group serves office-based medical practitioners, ambulatory surgery centers, other alternate-care settings and other institutions. Our global dental, animal health and medical groups serve practitioners in 25 countries worldwide.

Our global technology and value-added services group provides software, technology and other value-added services to health care practitioners. Our technology group offerings include practice management software systems for dental and medical practitioners and animal health clinics. Our value-added practice solutions include financial services on a non-recourse basis, e-services and continuing education services for practitioners.

Beginning with the first quarter of 2012, we have reported net sales and prior-year sales comparisons for each of our global dental, animal health and medical and global technology and value-added services business groups.

This sales reporting is consistent with our global business groups as realigned in 2012. These groups have been formed to provide distinct organizational focus for reaching and serving each practitioner segment with the benefits of a global perspective, as well as global product and service offerings and best practices.

We will continue to report financial results for our health care distribution and technology and value-added services reportable segments. The health care distribution segment comprises three global operating segments (dental, animal health and medical) and the technology and value-added services segment remains unchanged.

In connection with this change in business groups, goodwill was reallocated to the new reporting units. We reviewed the newly allocated goodwill and determined that there was no impairment.

The following tables present information about our reportable and operating segments:

	Years Ended		
	December 28, 2013	December 29, 2012	December 31, 2011
Net Sales:			
Health care distribution (1):			
Dental	$ 4,997,972	$ 4,774,482	$ 4,764,898
Animal health	2,599,461	2,321,151	2,010,270
Medical	1,643,167	1,560,921	1,504,454
Total health care distribution	9,240,600	8,656,554	8,279,622
Technology and value-added services (2)	320,047	283,413	250,620
Total	$ 9,560,647	$ 8,939,967	$ 8,530,242

(1) Consists of consumable products, small equipment, laboratory products, large equipment, equipment repair services, branded and generic pharmaceuticals, vaccines, surgical products, diagnostic tests, infection-control products and vitamins.

(2) Consists of practice management software and other value-added products, which are distributed primarily to health care providers, and financial and other services, including e-services and continuing education services for practitioners.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 15 – Segment and Geographic Data – (Continued)

	Years ended December 28, 2013	December 29, 2012	December 31, 2011
Operating Income:			
Health care distribution	$590,664	$541,667	$512,094
Technology and value-added services	86,390	77,294	70,055
Total	$677,054	$618,961	$582,149
Income before taxes and equity in earnings of affiliates			
Health care distribution	$581,759	$529,236	$501,266
Technology and value-added services	82,935	74,952	68,041
Total	$664,694	$604,188	$569,307
Depreciation and Amortization:			
Health care distribution	$113,670	$113,688	$106,485
Technology and value-added services	14,365	11,634	9,411
Total	$128,035	$125,322	$115,896
Income Tax Expense:			
Health care distribution	$165,869	$165,346	$157,391
Technology and value-added services	25,022	22,512	22,821
Total	$190,891	$187,858	$180,212
Interest Income:			
Health care distribution	$12,816	$13,293	$15,531
Technology and value-added services	37	101	62
Total	$12,853	$13,394	$15,593
Interest Expense:			
Health care distribution	$27,375	$30,790	$30,350
Technology and value-added services	163	112	27
Total	$27,538	$30,902	$30,377
Purchases of Fixed Assets:			
Health care distribution	$57,364	$47,057	$42,751
Technology and value-added services	2,851	4,180	2,425
Total	$60,215	$51,237	$45,176

	As of December 28, 2013	December 29, 2012	December 31, 2011
Total Assets:			

Health care distribution	$5,277,354	$5,001,188	$4,542,331
Technology and value-added services	347,282	332,809	197,813
Total	$5,624,636	$5,333,997	$4,740,144

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
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Note 15 – Segment and Geographic Data – (Continued)

The following table presents information about our operations by geographic area as of and for the three years ended December 28, 2013. Net sales by geographic area are based on the respective locations of our subsidiaries. No country, except for the United States, generated net sales greater than 10% of consolidated net sales. There were no material amounts of sales or transfers among geographic areas and there were no material amounts of export sales.

	2013		2012		2011	
	Net Sales	Long-Lived Assets	Net Sales	Long-Lived Assets	Net Sales	Long-Lived Assets
United States	$ 5,813,512	$ 1,272,683	$ 5,496,969	$ 1,313,866	$ 5,212,861	$ 1,279,913
Other	3,747,135	1,055,343	3,442,998	1,022,820	3,317,381	888,895
Consolidated total	$ 9,560,647	$ 2,328,026	$ 8,939,967	$ 2,336,686	$ 8,530,242	$ 2,168,808

Note 16 – Employee Benefit Plans

Stock-based Compensation

Our accompanying consolidated statements of income reflect pre-tax share-based compensation expense of $35.5 million ($24.6 million after-tax), $37.3 million ($25.7 million after-tax) and $36.9 million ($25.2 million after-tax) for the years ended December 28, 2013, December 29, 2012 and December 31, 2011.

Our accompanying consolidated statements of cash flows present our stock-based compensation expense as an adjustment to reconcile net income to net cash provided by operating activities for all periods presented. In the accompanying consolidated statements of cash flows, we presented $8.1 million, $17.8 million and $8.8 million of benefits associated with tax deductions in excess of recognized compensation as a cash inflow from financing activities for the years ended December 28, 2013, December 29, 2012 and December 31, 2011.

Stock-based compensation represents the cost related to stock-based awards granted to employees and non-employee directors. We measure stock-based compensation at the grant date, based on the estimated fair value of the award, and recognize the cost (net of estimated forfeitures) as compensation expense on a straight-line basis over the requisite service period. Our stock-based compensation expense is reflected in selling, general and administrative expenses in our consolidated statements of income.

Stock-based awards are provided to certain employees and non-employee directors under the terms of our 2013 Stock Incentive Plan, as amended, and our 1996 Non-Employee Director Stock Incentive Plan, as amended (together, the "Plans"). The Plans are administered by the Compensation Committee of the Board of Directors. Prior to March 2009, awards under the Plans principally included a combination of at-the-money stock options and restricted stock (including restricted stock units). Since March 2009, equity-based awards have been granted solely in the form of restricted stock and restricted stock units, with the exception of stock options for certain pre-existing contractual obligations. As of December 28, 2013, there were 31,229 shares authorized and 6,583 shares available to be granted under the 2013 Stock Incentive Plan and 800 shares authorized and 93 shares available to be granted under the 1996 Non-Employee Director Stock Incentive Plan.

Stock options are awards that allow the recipient to purchase shares of our common stock at a fixed price. Stock options are granted at an exercise price equal to our closing stock price on the date of grant. These awards, which generally vest 25% per year based on the recipient's continued service subject to the terms and conditions of the Plans, are fully vested four years from the grant date and have a contractual term of ten years from the grant date. Additionally, recipients may not sell any shares that they acquire through exercising their stock options until the third anniversary of the date of grant of such options. We estimated the fair value of stock options using the Black-Scholes valuation model.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 16 – Employee Benefit Plans – (Continued)

Grants of restricted stock are common stock awards granted to recipients with specified vesting provisions. We issue restricted stock that vests solely based on the recipient's continued service over time (primarily four-year cliff vesting) and restricted stock that vests based on our achieving specified performance measurements and the recipient's continued service over time (primarily three-year cliff vesting).

With respect to time-based restricted stock, we estimate the fair value on the date of grant based on our closing stock price. With respect to performance-based restricted stock, the number of shares that ultimately vest and are received by the recipient is based upon our performance as measured against specified targets over a three-year period as determined by the Compensation Committee of the Board of Directors. Although there is no guarantee that performance targets will be achieved, we estimate the fair value of performance-based restricted stock based on our closing stock price at time of grant.

The Plans provide for adjustments to the performance-based restricted stock targets for significant events such as acquisitions, divestitures, new business ventures and share repurchases. Over the performance period, the number of shares of common stock that will ultimately vest and be issued and the related compensation expense is adjusted upward or downward based upon our estimation of achieving such performance targets. The ultimate number of shares delivered to recipients and the related compensation cost recognized as an expense will be based on our actual performance metrics as defined under the Plans.

Restricted stock units are awards that we grant to certain employees that entitle the recipient to shares of common stock upon vesting. We grant restricted stock units with the same time-based and performance-based vesting that we use for restricted stock. The fair value of restricted stock units is determined on the date of grant, based on our closing stock price.

We record deferred income tax assets for awards that will result in future deductions on our income tax returns based on the amount of compensation cost recognized and our statutory tax rate in the jurisdiction in which we will receive a deduction. Differences between the deferred income tax assets recognized for financial reporting purposes and the actual tax deduction reported on our income tax return are recorded in additional paid-in capital (if the tax deduction exceeds the deferred income tax asset) or in earnings (if the deferred income tax asset exceeds the tax deduction and no additional paid-in capital exists from previous awards).

Stock-based compensation grants for the three years ended December 28, 2013 primarily consisted of restricted stock and restricted stock unit grants. Certain stock-based compensation granted may require us to settle in the form of a cash payment. During the year ended December 28, 2013, we recorded a liability of $0.5 million relating to the grant date fair value of stock-based compensation to be settled in cash, as well as an expense of $0.6 million relating to the change in the fair value of these grants. The weighted-average grant date fair value of stock-based awards granted before forfeitures was $89.97, $73.42 and $68.25 per share during the years ended December 28, 2013, December 29, 2012 and December 31, 2011.

Total unrecognized compensation cost related to non-vested awards as of December 28, 2013 was $69.8 million, which is expected to be recognized over a weighted-average period of approximately 2.0 years.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 16 – Employee Benefit Plans – (Continued)

A summary of the stock option activity under the Plans is presented below:

	Years Ended					
	December 28, 2013		December 29, 2012		December 31, 2011	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	2,138	$ 48.61	4,059	$ 44.53	5,012	$ 43.05
Granted	-	-	-	-	10	69.45
Exercised	(815)	43.86	(1,890)	40.06	(942)	36.84
Forfeited	-	-	(31)	36.02	(21)	48.35
Outstanding at end of year	1,323	$ 51.53	2,138	$ 48.61	4,059	$ 44.53
Options exercisable at end of year	1,323	$ 51.53	2,137	$ 48.62	3,778	$ 43.47

The following weighted-average assumptions were used in determining the fair values of stock options using the Black-Scholes valuation model:

	2011
Expected dividend yield	- %
Expected stock price volatility	20 %
Risk-free interest rate	2.13 %
Expected life of options (years)	4.75

During the years ended December 28, 2013 and December 29, 2012, we did not grant any stock options.

We have not declared cash or stock dividends on our stock in the past and we do not anticipate declaring cash or stock dividends in the foreseeable future. The expected stock price volatility was based on the evaluation of implied volatilities from traded call options on our stock and from call options embedded in our convertible debt, historical volatility of our stock and other factors. The risk-free interest rate was based on the U.S. Treasury yield curve in effect on the date of grant in conjunction with considering the expected life of options. The expected life of options represented the approximate period of time that granted options were expected to be outstanding and was based on historical data, including, among other things, option exercises, forfeitures and cancellations. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by recipients of stock options, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by us.

The following table represents the intrinsic values of:

	As of		
	December 28, 2013	December 29, 2012	December 31, 2011

Stock options outstanding	$	83,252	$	67,044	$	80,821
Stock options exercisable		83,252		66,964		79,202

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 16 – Employee Benefit Plans – (Continued)

The total cash received as a result of stock option exercises for the years ended December 28, 2013, December 29, 2012 and December 31, 2011 was approximately $35.6 million, $72.5 million and $34.5 million. In connection with these exercises, the tax benefits that we realized for the years ended December 28, 2013, December 29, 2012 and December 31, 2011 were $18.4 million, $31.6 million and $7.2 million. We settle employee stock option exercises with newly issued common shares.

The total intrinsic value per share of restricted stock (including restricted stock units) that vested was $98.99, $75.98 and $66.78 during the years ended December 28, 2013, December 29, 2012 and December 31, 2011. The following table summarizes the status of our non-vested restricted shares/units for the year ended December 28, 2013:

	Time-Based Restricted Stock/Units		
	Shares/Units	Weighted Average Grant Date Fair Value Per Share	Intrinsic Value Per Share
Outstanding at beginning of period	1,018	$ 56.87	
Granted	217	90.23	
Vested	(280)	35.59	
Forfeited	(29)	70.06	
Outstanding at end of period	926	$ 70.70	$ 114.43

	Performance-Based Restricted Stock/Units		
	Shares/Units	Weighted Average Grant Date Fair Value Per Share	Intrinsic Value Per Share
Outstanding at beginning of period	1,315	$ 53.27	
Granted	149	83.34	
Vested	(363)	56.55	
Forfeited	(23)	74.78	
Outstanding at end of period	1,078	$ 59.85	$ 114.43

401(k) Plans

We offer qualified 401(k) plans to substantially all our domestic full-time employees. As determined by our Board of Directors, matching contributions to these plans generally do not exceed 100% of the participants' contributions up to 7% of their base compensation, subject to applicable legal limits. Matching contributions consist of cash and were allocated entirely to the participants' investment elections on file, subject to a 20% allocation limit to the Henry Schein Stock Fund. Forfeitures attributable to participants whose employment terminates prior to becoming fully vested are used to reduce our matching contributions and offset administrative expenses of the 401(k) plans.

Assets of the 401(k) and other defined contribution plans are held in self-directed accounts enabling participants to choose from various investment fund options. Matching contributions and administrative expenses related to these plans charged to operations during the years ended December 28, 2013, December 29, 2012 and December 31, 2011 amounted to $25.3 million, $23.8 million and $23.0 million.

Supplemental Executive Retirement Plan

We offer an unfunded, non-qualified supplemental executive retirement plan to eligible employees. This plan generally covers officers and certain highly-compensated employees after they have reached the maximum IRS allowed pre-tax 401(k) contribution limit. Our contributions to this plan are equal to the 401(k) employee-elected contribution percentage applied to base compensation for the portion of the year in which such employees are not eligible to make pre-tax contributions to the 401(k) plan. The amounts charged to operations during the years ended December 28, 2013, December 29, 2012 and December 31, 2011 amounted to $4.1 million, $2.1 million and $0.7 million.

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Note 16 – Employee Benefit Plans – (Continued)

Deferred Compensation Plan

During 2011, we began to offer a deferred compensation plan to a select group of management or highly compensated employees of the Company and certain associated companies. This plan allows for the elective deferral of base salary, bonus and/or commission compensation by eligible employees. The amounts charged to operations during the years ended December 28, 2013, December 29, 2012 and December 31, 2011 were approximately $1.1 million, $0.3 million and $0, respectively.

Note 17 – Commitments and Contingencies

Operating Leases

We lease facilities and equipment under non-cancelable operating leases expiring through 2033. We expect that in the normal course of business, leases will be renewed or replaced by other leases.

Future minimum annual rental payments under our non-cancelable operating leases as of December 28, 2013 were:

2014	$75,394
2015	61,238
2016	45,154
2017	32,369
2018	26,497
Thereafter	61,680
Total minimum operating lease payments	$302,332

Total rental expense for the years ended December 28, 2013, December 29, 2012 and December 31, 2011 was $70.8 million, $68.2 million and $65.5 million.

Capital Leases

We lease certain equipment under capital leases. Future minimum annual lease payments under our capital leases together with the present value of the minimum capital lease payments as of December 28, 2013 were:

2014	$847
2015	487
2016	269
2017	35
2018	-
Thereafter	-
Total minimum capital lease payments	1,638

Less: Amount representing interest at 2.00% to 16.44%	(128)
Total present value of minimum capital lease payments	$1,510

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 17 – Commitments and Contingencies – (Continued)

Capital Expenditures

We sometimes enter into certain commitments regarding capital expenditures. As of December 28, 2013, we have capital expenditure commitments of $1.6 million due within one year.

Purchase Commitments

In our health care distribution business, we sometimes enter into long-term purchase commitments to ensure the availability of products for distribution. Future minimum annual payments for inventory purchase commitments as of December 28, 2013 were:

2014	$41,920
2015	22,076
2016	22,457
2017	23,580
2018	24,759
Thereafter	53,294
Total minimum inventory purchase commitment payments	$188,086

Litigation

From time to time, we may become a party to legal proceedings, including, without limitation, product liability claims, employment matters, commercial disputes, governmental inquiries and investigations, and other matters arising out of the ordinary course of our business. In our opinion, pending matters will not have a material adverse effect on our financial condition or results of operations.

As of December 28, 2013, we had accrued our best estimate of potential losses relating to claims that were probable to result in a liability and for which we were able to reasonably estimate a loss. This accrued amount, as well as related expenses, was not material to our financial position, results of operations or cash flows. Our method for determining estimated losses considers currently available facts, presently enacted laws and regulations and other external factors, including probable recoveries from third parties.

Employment, Consulting and Non-Compete Agreements

We have definite-lived employment, consulting and non-compete agreements that have varying base aggregate annual payments for the years 2014 through 2018 and thereafter of approximately $13.0 million, $2.7 million, $2.1 million, $2.5 million, $0.2 million and $2.2 million. We also have lifetime consulting agreements that provide for current compensation of $0.5 million per year, increasing $25 every fifth year with the next increase in 2017. In addition, some agreements have provisions for additional incentives and compensation.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 18 – Quarterly Information (Unaudited)

The following tables present certain quarterly financial data:

	Quarters ended			
	March 30, 2013 (1)	June 29, 2013	September 28, 2013 (2) (3)	December 28, 2013
Net sales	$ 2,293,511	$ 2,391,810	$ 2,348,956	$ 2,526,370
Gross profit	646,991	669,856	639,647	699,520
Operating income	153,629	176,065	160,477	186,883
Net income	98,686	121,435	116,372	134,969
Amounts attributable to				
Henry Schein, Inc.:				
Net income	91,478	108,430	107,378	124,268
Earnings per share attributable to				
Henry Schein, Inc.:				
Basic	$ 1.06	$ 1.26	$ 1.25	$ 1.46
Diluted	1.03	1.23	1.23	1.43

	Quarters ended			
	March 31, 2012 (4)	June 30, 2012	September 29, 2012	December 29, 2012
Net sales	$ 2,099,019	$ 2,201,452	$ 2,231,058	$ 2,408,438
Gross profit	610,579	624,395	609,044	663,495
Operating income	133,295	154,702	149,622	181,342
Net income	89,061	107,302	105,310	121,715
Amounts attributable to				
Henry Schein, Inc.:				
Net income	80,752	98,086	96,771	112,467
Earnings per share attributable to				
Henry Schein, Inc.:				
Basic	$ 0.92	$ 1.11	$ 1.11	$ 1.29
Diluted	0.89	1.08	1.08	1.26

(1) See Note 5 - "Debt" for details of expenses related to the refinancing of HSAH debt incurred during the first quarter of 2013.

(2) See Note 9 - "Business Acquisitions, Divestiture and Other Transaction" for details of the loss on sale of equity

investment incurred during the third quarter of 2013.

(3) See Note 12 - "Incomes Taxes" for details of the reduction of our valuation allowance related to certain deferred tax assets incurred during the third quarter of 2013.

(4) See Note 10 - "Plans of Restructuring" for details of the restructuring costs incurred during the first quarter of 2012.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 18 – Quarterly Information (Unaudited) – (Continued)

We experience fluctuations in quarterly earnings. As a result, we may fail to meet or exceed the expectations of securities analysts and investors, which could cause our stock price to decline.

Our business is subject to seasonal and other quarterly fluctuations. Net sales and operating profits generally have been higher in the third and fourth quarters due to the timing of sales of seasonal products (including influenza vaccine, equipment and software products), purchasing patterns of office-based health care practitioners and year-end promotions. Net sales and operating profits generally have been lower in the first quarter, primarily due to increased sales in the prior two quarters. We expect our historical seasonality of sales to continue in the foreseeable future. Quarterly results also may be adversely affected by a variety of other factors, including:

- timing and amount of sales and marketing expenditures;
- timing of pricing changes offered by our vendors;
- timing of the introduction of new products and services by our vendors;
- timing of the release of upgrades and enhancements to our technology-related products and services;
- changes in or availability of vendor contracts or rebate programs;
- vendor rebates based upon attaining certain growth goals;
- changes in the way vendors introduce or deliver products to market;
- costs of developing new applications and services;
- our ability to correctly identify customer needs and preferences and predict future needs and preferences;
- exclusivity requirements with certain vendors may prohibit us from distributing competitive products manufactured by other vendors;
- loss of sales representatives;
- costs related to acquisitions and/or integrations of technologies or businesses;
- costs associated with our self-insured medical and dental insurance programs;
- general market and economic conditions, as well as those specific to the health care industry and related industries;
- our success in establishing or maintaining business relationships;
- unexpected difficulties in developing and manufacturing products;
- product demand and availability or recalls by manufacturers;

- exposure to product liability and other claims in the event that the use of the products we sell results in injury;
- increases in the cost of shipping or service issues with our third-party shippers;
- restructuring costs; and
- changes in accounting principles.

Any change in one or more of these or other factors could cause our annual or quarterly operating results to fluctuate. If our operating results do not meet market expectations, our stock price may decline.

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HENRY SCHEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(in thousands, except per share data)

Note 19 – Supplemental Cash Flow Information

Cash paid for interest and income taxes was:

	Years ended		
	December 28, 2013	December 29, 2012	December 31, 2011
Interest	$ 19,893	$ 23,358	$ 30,847
Income taxes	146,593	196,765	173,318

There was approximately $0.1 million, $8.3 million and $16.7 million of debt assumed as a part of the acquisitions for the years ended December 28, 2013, December 29, 2012 and December 31, 2011, respectively. Debt assumed during the years ended December 29, 2012 and December 31, 2011 primarily relates to the acquisitions of C&M Vetlink and Provet Holdings Limited, respectively.

For the years ended December 28, 2013, December 29, 2012 and December 31, 2011, we had $0.1 million, $3.5 million and $(0.7) million of non-cash net unrealized gains (losses) related to foreign currency hedging activities, respectively.

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ITEM 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this annual report as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures were effective as of December 28, 2013 to ensure that all material information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to them as appropriate to allow timely decisions regarding required disclosure and that all such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 28, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control system is designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework (1992), issued by the Committee of Sponsoring Organizations of the Treadway Commission, or the COSO Framework. Based on our evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was effective at a reasonable assurance level as of December 28, 2013.

The effectiveness of our internal control over financial reporting as of December 28, 2013 has been independently audited by BDO USA, LLP, an independent registered public accounting firm, and their attestation is included herein.

Limitations of the Effectiveness of Internal Control

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

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Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Henry Schein, Inc.
Melville, New York

We have audited Henry Schein, Inc.'s internal control over financial reporting as of December 28, 2013, based on criteria established in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Henry Schein, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, "Management's Report on Internal Control Over Financial Reporting." Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Henry Schein, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 28, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Henry Schein, Inc. as of December 28, 2013 and December 29, 2012, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 28, 2013 and our report dated February 11, 2014 expressed an unqualified opinion thereon.

/s/ BDO USA, LLP

New York, New York
February 11, 2014

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ITEM 9B. Other Information.

None.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

Information required by this item regarding our directors and executive officers and our corporate governance is hereby incorporated by reference to the Section entitled "Election of Directors," with respect to directors, and the first paragraph of the Section entitled "Corporate Governance - Board of Directors Meetings and Committees - Audit Committee," with respect to corporate governance, in each case in our definitive 2014 Proxy Statement to be filed pursuant to Regulation 14A and to the Section entitled "Executive Officers of the Registrant" in Part I of this report, with respect to executive officers.

There have been no changes to the procedures by which stockholders may recommend nominees to our Board of Directors since our last disclosure of such procedures, which appeared in our definitive 2013 Proxy Statement filed pursuant to Regulation 14A on April 2, 2013.

Information required by this item concerning compliance with Section 16(a) of the Securities Exchange Act of 1934 is hereby incorporated by reference to the Section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive 2014 Proxy Statement.

We have adopted a Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer, Vice President of Corporate Finance and Controller. We make available free of charge through our Internet website, www.henryschein.com, under the "About Henry Schein--Corporate Governance" caption, our Code of Ethics. We intend to disclose on our Web site any amendment to, or waiver of, a provision of the Code of Ethics.

ITEM 11. Executive Compensation

The information required by this item is hereby incorporated by reference to the Sections entitled "Compensation Discussion and Analysis," "Compensation Committee Report" (which information shall be deemed furnished in this Annual Report on Form 10-K), "Executive and Director Compensation" and "Compensation Committee Interlocks and Insider Participation" in our definitive 2014 Proxy Statement to be filed pursuant to Regulation 14A.

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ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

We maintain several stock incentive plans for the benefit of certain officers, directors and employees. All active plans have been approved by our stockholders. Descriptions of these plans appear in the notes to our consolidated financial statements. The following table summarizes information relating to these plans as of December 28, 2013:

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options and Rights		Weighted-Average Exercise Price of Outstanding Options	Number of Common Shares Available for Future Issuances
Plans Approved by Stockholders	1,323,465	$	51.53	6,676,121
Plans Not Approved by Stockholders	-		-	-
Total	1,323,465	$	51.53	6,676,121

The other information required by this item is hereby incorporated by reference to the Section entitled “Security Ownership of Certain Beneficial Owners and Management” in our definitive 2014 Proxy Statement to be filed pursuant to Regulation 14A.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is hereby incorporated by reference to the Section entitled “Certain Relationships and Related Transactions” and “Corporate Governance – Board of Directors Meetings and Committees – Independent Directors” in our definitive 2014 Proxy Statement to be filed pursuant to Regulation 14A.

ITEM 14. Principal Accountant Fees and Services

The information required by this item is hereby incorporated by reference to the Section entitled “Independent Registered Public Accounting Firm Fees and Pre-Approval Policies and Procedures” in our definitive 2014 Proxy Statement to be filed pursuant to Regulation 14A.

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PART IV

ITEM 15. Exhibits, Financial Statement Schedules

1. Financial Statements:
   Our Consolidated Financial Statements filed as a part of this report are listed on the index on page 57.

2. Financial Statement Schedules:
   Schedule II
   No other schedules are required.

3. Exhibits:
   The exhibits required by Item 601 of Regulation S-K and filed herewith are listed in the Exhibit List immediately preceding the exhibits.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

By: /s/ STANLEY M. BERGMAN
Stanley M. Bergman
Chairman and Chief Executive Officer
February 11, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ STANLEY M. BERGMAN Stanley M. Bergman	Chairman, Chief Executive Officer and Director (principal executive officer)	February 11, 2014
/s/ STEVEN PALADINO Steven Paladino	Executive Vice President, Chief Financial Officer and Director (principal financial and accounting officer)	February 11, 2014
/s/ JAMES P. BRESLAWSKI James P. Breslawski	Director	February 11, 2014
/s/ GERALD A. BENJAMIN Gerald A. Benjamin	Director	February 11, 2014
/s/ MARK E. MLOTEK Mark E. Mlotek	Director	February 11, 2014
/s/ BARRY J. ALPERIN Barry J. Alperin	Director	February 11, 2014
/s/ PAUL BRONS Paul Brons	Director	February 11, 2014
/s/ DONALD J. KABAT Donald J. Kabat	Director	February 11, 2014
/s/ PHILIP A. LASKAWY Philip A. Laskawy	Director	February 11, 2014
/s/ KARYN MASHIMA Karyn Mashima	Director	February 11, 2014

/s/ NORMAN S. MATTHEWS Norman S. Matthews	Director	February 11, 2014
/s/ CAROL RAPHAEL Carol Raphael	Director	February 11, 2014
/s/ BRADLEY T. SHEARES, PH. D. Bradley T. Sheares, Ph. D.	Director	February 11, 2014
/s/ LOUIS W. SULLIVAN, MD Louis W. Sullivan, MD	Director	February 11, 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Henry Schein, Inc.
Melville, New York

The audits referred to in our report dated February 11, 2014 relating to the consolidated financial statements of Henry Schein, Inc., which is contained in Item 8 of this Form 10-K also included the audit of the financial statement schedule listed in the accompanying index. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based upon our audits.

In our opinion such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ BDO USA, LLP

New York, New York
February 11, 2014

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Schedule II
Valuation and Qualifying Accounts

Description	Balance at beginning of period	Additions: Charged to statement of income (1)	Additions: Charged to other accounts (2)	Deductions (3)	Balance at end of period
Year ended December 28, 2013:					
Allowance for doubtful accounts, sales returns and other	$ 75,240	$ 5,189	$ 6,195	$ (8,326)	$ 78,298
Year ended December 29, 2012:					
Allowance for doubtful accounts, sales returns and other	$ 65,853	$ 4,407	$ 13,305	$ (8,325)	$ 75,240
Year ended December 31, 2011:					
Allowance for doubtful accounts, sales returns and other	$ 56,267	$ 6,156	$ 9,665	$ (6,235)	$ 65,853

(1) Represents amounts charged to bad debt expense.

(2) Amounts charged to net sales primarily relate to increases in allowances for sales returns.

(3) Deductions primarily consist of fully reserved accounts receivable that have been written off.

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Exhibits

3.1 Amended and Restated Certificate of Incorporation of Henry Schein, Inc. dated November 2, 1995. (Incorporated by reference to Exhibit 3.1 to our Annual Report on Form 10-K for the fiscal year ended December 30, 2006 filed on February 28, 2007.)

3.2 Certificate of Amendment of Amended and Restated Certificate of Incorporation of Henry Schein, Inc. dated November 12, 1997. (Incorporated by reference to Exhibit 3.2 to our Annual Report on Form 10-K for the fiscal year ended December 30, 2006 filed on February 28, 2007.)

3.3 Certificate of Amendment of Amended and Restated Certificate of Incorporation of Henry Schein, Inc. dated June 16, 1998. (Incorporated by reference to Exhibit 3.3 to our Registration Statement on Form S-3, Reg. No. 333-59793 filed on July 24, 1998.)

3.4 Certificate of Amendment of Amended and Restated Certificate of Incorporation of Henry Schein, Inc. dated May 25, 2005. (Incorporated by reference to Exhibit 3.1 to our Quarterly Report on Form 10-Q for the fiscal quarter ended June 25, 2005 filed on August 4, 2005.)

3.5 Certificate of Amendment of Amended and Restated Certificate of Incorporation of Henry Schein, Inc. dated May 15, 2012. (Incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K filed on May 16, 2012.)

3.6 Amended and Restated By-Laws. (Incorporated by reference to Exhibit 3.2 to our Registration Statement on Form S-1, Reg. No. 33-96528 filed on October 10, 1995.)

3.7 Amendments to the Amended and Restated By-Laws adopted July 15, 1997. (Incorporated by reference to Exhibit 3.3 to our Registration Statement on Form S-4, Reg. No. 33-36081 filed on September 22, 1997.)

3.8 Amendment to the Amended and Restated By-Laws adopted on May 15, 2012. (Incorporated by reference to Exhibit 3.2 of our Current Report on Form 8-K filed on May 16, 2012.)

4.1 Master Note Facility, dated as of April 27, 2012, by and among us, Metropolitan Life Insurance Company, Metlife Investment Advisors Company, LLC and each MetLife affiliate which becomes party thereto. (Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on April 30, 2012.)

4.2 Master Note Facility, dated as of August 9, 2010, by and among us, New York Life Investment Management LLC and each New York Life affiliate which becomes party thereto. (Incorporated by reference to Exhibit 4.1 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 26, 2011 filed on May 3, 2011.)*

4.3 Amendment No. 1 to Master Note Facility, dated as of February 14, 2012, by and among us, New York Life Investment Management LLC and each New York Life affiliate which becomes party thereto. (Incorporated by reference to Exhibit 4.2 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed on February 15, 2012.)

4.4 Second Amendment to Master Note Facility, dated as of August 27, 2012, by and among us, New York Life Investment Management LLC and each NY Life affiliate which becomes party thereto, as amended. (Incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K filed on April 30, 2012.)

4.5 Private Shelf Agreement, dated as of August 9, 2010, by and among us, Prudential Investment Management, Inc. and each Prudential affiliate which becomes party thereto. (Incorporated by reference to

Exhibit 4.2 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 26, 2011 filed on May 3, 2011.)*

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Exhibits

4.6 Amendment to the Private Shelf Agreement, dated as of August 27, 2012, by and among us, Prudential Investment Management, Inc. and each Prudential affiliate which becomes party thereto. (Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed on April 30, 2012.)

10.1 Henry Schein, Inc. 2013 Stock Incentive Plan, as amended and restated effective as of May 14, 2013. (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on May 16, 2013.)**

10.2 Form of Restricted Stock Agreement for time-based restricted stock awards pursuant to the Henry Schein, Inc. 1994 Stock Incentive Plan (as amended and restated effective as of March 27, 2007). (Incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2013 filed on May 7, 2013.)**

10.3 Form of Restricted Stock Agreement for performance-based restricted stock awards pursuant to the Henry Schein, Inc. 1994 Stock Incentive Plan (as amended and restated effective as of March 27, 2007). (Incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2013 filed on May 7, 2013.)**

10.4 Form of Restricted Stock Unit Agreement for time-based restricted stock awards pursuant to the Henry Schein, Inc. 1994 Stock Incentive Plan (as amended and restated effective as of March 27, 2007). (Incorporated by reference to Exhibit 10.4 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2013 filed on May 7, 2013.)**

10.5 Form of Restricted Stock Unit Agreement for performance-based restricted stock awards pursuant to the Henry Schein, Inc. 1994 Stock Incentive Plan (as amended and restated effective as of March 27, 2007). (Incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2013 filed on May 7, 2013.)**

10.6 Form of Restricted Stock Unit Agreement for time-based restricted stock awards pursuant to the Henry Schein, Inc. 1996 Non-Employee Director Stock Incentive Plan (as amended and restated effective as of April 1, 2003, and as further amended effective as of April 1, 2004 and January 1, 2005). (Incorporated by reference to Exhibit 10.6 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 27, 2010 filed on May 4, 2010.)**

10.7 Henry Schein, Inc. Supplemental Executive Retirement Plan, amended and restated effective as of January 1, 2014. (Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-K for the fiscal quarter ended September 28, 2013 filed on November 5, 2013.)**

10.8 Henry Schein, Inc. 1996 Non-Employee Director Stock Incentive Plan, as amended by Amendment Number One, effective as of May 25, 2004. (Incorporated by reference to Exhibit C to our definitive 2004 Proxy Statement on Schedule 14A filed on April 27, 2004.)**

10.9 Amendment Number Two to the Henry Schein, Inc. 1996 Non-Employee Director Stock Incentive Plan, effective as of January 1, 2005. (Incorporated by reference to Exhibit 10.5 to our Annual Report on Form 10-K for the fiscal year ended December 27, 2008 filed on February 24, 2009.)**

10.10 Amendment Number Three to the Henry Schein, Inc. 1996 Non-Employee Director Stock Incentive Plan, effective as of May 10, 2010. (Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the fiscal quarter ended June 26, 2010 filed on August 2, 2010.)**

10.11 2001 Henry Schein, Inc. Section 162(m) Cash Bonus Plan effective as of June 6, 2001. (Incorporated by reference to Appendix B to our definitive 2001 Proxy Statement on Schedule 14A filed on April 30, 2001.)**

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10.12 Amendment Number One to the 2001 Henry Schein, Inc. Section 162(m) Cash Bonus Plan, effective as of May 24, 2005. (Incorporated by reference to Exhibit B to our definitive 2005 Proxy Statement on Schedule 14A, filed on April 22, 2005.)**

10.13 Amendment Number Two to the Henry Schein, Inc. Section 162(m) Cash Bonus Plan, effective as of January 1, 2007. (Incorporated by reference to Exhibit 10.8 to our Annual Report on Form 10-K for the fiscal year ended December 27, 2008 filed on February 24, 2009.)**

10.14 Amendment Number Three to the Henry Schein, Inc. Section 162(m) Cash Bonus Plan effective as of December 31, 2009. (Incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the fiscal quarter ended June 27, 2009 filed on August 4, 2009.)**

10.15 Amendment Number Four to the Henry Schein, Inc. Section 162(m) Cash Bonus Plan, effective as of May 14, 2013. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on May 16, 2013.)**

10.16 Henry Schein, Inc. 2004 Employee Stock Purchase Plan, effective as of May 25, 2004. (Incorporated by reference to Exhibit D to our definitive 2004 Proxy Statement on Schedule 14A, filed on April 27, 2004.)**

10.17 Henry Schein, Inc. Non-Employee Director Deferred Compensation Plan, amended and restated effective as of January 1, 2005. (Incorporated by reference to Exhibit 10.11 to our Annual Report on Form 10-K for the fiscal year ended December 27, 2008 filed on February 24, 2009.)**

10.18 Henry Schein, Inc. Deferred Compensation Plan effective as of January 1, 2011. (Incorporated by reference to Exhibit 10.23 to our Annual Report on Form 10-K for the fiscal year ended December 25, 2010 filed on February 22, 2011.)**

10.19 Amendment to the Henry Schein, Inc. Deferred Compensation Plan effective as of January 1, 2011. (Incorporated by reference to Exhibit 10.26 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed on February 15, 2012.)**

10.20 Amendment Number Two to the Henry Schein, Inc. Deferred Compensation Plan, effective as of January 1, 2011.+

10.21 Amendment Number Three to the Henry Schein, Inc. Deferred Compensation Plan, effective as of January 1, 2014.+

10.22 Henry Schein Management Team Performance Incentive Plan and Plan Summary, effective as of January 1, 2013. (Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2013 filed on May 7, 2013.)**

10.23 Amended and Restated Employment Agreement dated as of December 31, 2011 between us and Stanley M. Bergman. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on October 11, 2011.)**

10.24 Restricted Stock Unit Agreement between us and Stanley M. Bergman pursuant to the Henry Schein, Inc. 1994 Stock Incentive Plan (as amended and restated effective as of March 27, 2007) (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on October 11, 2011.)**

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10.25 Amended and Restated Letter Agreement effective as of December 11, 2008 between us and Stanley Komaroff. (Incorporated by reference to Exhibit 10.14 to our Annual Report on Form 10-K for the fiscal year ended December 27, 2008 filed on February 24, 2009.)**

10.26 Form of Amended and Restated Change in Control Agreements dated December 12, 2008 between us and certain executive officers who are a party thereto (Gerald Benjamin, James Breslawski, Leonard David, Michael S. Ettinger, Stanley Komaroff, Robert Minowitz, Mark Mlotek, Steven Paladino and Michael Racioppi, respectively). (Incorporated by reference to Exhibit 10.15 to our Annual Report on Form 10-K for the fiscal year ended December 27, 2008 filed on February 24, 2009.)**

10.27 Form of Amendment to Amended and Restated Change in Control Agreements effective January 1, 2012 between us and certain executive officers who are a party thereto (Gerald Benjamin, James Breslawski, Leonard David, Michael S. Ettinger, Stanley Komaroff, Robert Minowitz, Mark Mlotek, Steven Paladino and Michael Racioppi, respectively). (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on January 20, 2012.)**

10.28 Credit Agreement, dated as of September 12, 2012, among us, the several lenders parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, HSBC Bank USA, National Association, as syndication agent, and U.S. Bank National Association, The Bank of Tokyo-Mitsubishi UFJ, Ltd., UniCredit Bank AG and The Bank of New York Mellon, as co-documentation agents. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on September 13, 2012.)

10.29 Omnibus Agreement, dated November 29, 2009, by and among us, National Logistics Services, LLC, Winslow Acquisition Company, Butler Animal Health Holding Company LLC, Butler Animal Health Supply, LLC, Oak Hill Capital Partners II, L.P., Oak Hill Capital Management Partners II, L.P., W.A. Butler Company, Burns Veterinary Supply, Inc. and certain other persons party thereto. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on November 30, 2009.)

10.30 Amendment No. 1 to the Omnibus Agreement, dated December 31, 2009, by and between us and Butler Animal Health Holding Company LLC. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on January 4, 2010.)

10.31 Put Rights Agreement, dated December 31, 2009, by and among us, Burns Veterinary Supply, Inc. and Butler Animal Health Holding Company, LLC. (Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on January 4, 2010.)

10.32 First Amendment dated December 1, 2010 to Put Rights Agreement among us, Burns Veterinary Supply, Inc. and Butler Animal Health Holding Company, LLC. (Incorporated by reference to Exhibit 10.45 to our Annual Report on Form 10-K for the fiscal year ended December 25, 2010 filed on February 22, 2011.)

10.33 Receivables Purchase Agreement, dated as of April 17, 2013, by and among us, as servicer, HSFR, Inc., as seller, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as agent and the various purchaser groups from time to time party thereto. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on April 19, 2013.)

10.34 Receivables Sale Agreement, dated as of April 17, 2013, by and among us, certain of our wholly-owned subsidiaries and HSFR, Inc., as buyer. (Incorporated by reference to Exhibit 10.2 to our Current Report on

Form 8-K filed on April 19, 2013.)

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10.35 Omnibus Amendment No. 1, dated July 22, 2013, to Receivables Purchase Agreement dated as of April 17, 2013, by and among us, as servicer, HSFR, Inc., as seller, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as agent, and the various purchaser groups from time to time party thereto and Receivables Sales Agreement, dated as of April 17, 2013, by and among us, certain of our wholly-owned subsidiaries and HSFR, Inc., as buyer. (Incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2013 filed on August 6, 2013.)

21.1 List of our Subsidiaries.+

23.1 Consent of BDO USA, LLP.+

31.1 Certification of our Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.+

31.2 Certification of our Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.+

32.1 Certification of our Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.+

101.INS XBRL Instance Document+

101.SCH XBRL Taxonomy Extension Schema Document+

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document+

101.DEF XBRL Taxonomy Extension Definition Linkbase Document+

101.LAB XBRL Taxonomy Extension Label Linkbase Document+

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document+

\+ Filed herewith.

* Pursuant to a request for confidential treatment, portions of this Exhibit have been redacted from the publicly filed document and have been furnished separately to the Securities and Exchange Commission as required by Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

** Indicates management contract or compensatory plan or agreement.