

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1995

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 0-16211

DENTSPLY International Inc.

\_\_\_\_\_  
(Exact name of registrant as specified in its charter)

Delaware

39-1434669

\_\_\_\_\_  
(State or other jurisdiction of  
incorporation or organization)

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

570 West College Avenue, P. O. Box 872, York, PA 17405-0872

\_\_\_\_\_  
(Address of principal executive offices) (Zip Code)

(717) 845-7511

\_\_\_\_\_  
(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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At August 10, 1995 the Company had 27,062,669 shares of Common Stock outstanding, with a par value of \$.01 per share.

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DENTSPLY INTERNATIONAL INC.  
FORM 10-Q

For Quarter Ended June 30, 1995  
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PART I  
FINANCIAL INFORMATION  
Item 1. FINANCIAL STATEMENTS  
DENTSPLY INTERNATIONAL INC.  
CONSOLIDATED CONDENSED BALANCE SHEETS

	(audited) December 31, 1994	(unaudited) June 30, 1995
<b>ASSETS</b>		
Current assets:	(in thousands)	
Cash and cash equivalents	\$ 7,278	\$ 6,921
Accounts and notes receivable-trade, net	78,771	94,126
Inventories	88,899	132,143
Prepaid expenses and other current assets	14,120	15,542
Net assets of discontinued operations	7,632	4,776
<b>Total Current Assets</b>	<b>196,700</b>	<b>253,508</b>
Property, plant and equipment, net	91,140	142,099
Other noncurrent assets, net	10,214	13,904
Identifiable intangible assets, net	35,532	36,223
Cost in excess of fair value of net assets acquired, net	140,976	149,846
<b>Total Assets</b>	<b>\$ 474,562</b>	<b>\$ 595,580</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 60,135	\$ 68,243
Income taxes payable	27,577	20,256
Notes payable and current portion of long-term debt	9,150	24,074
<b>Total Current Liabilities</b>	<b>96,862</b>	<b>112,573</b>
Long-term debt	12,789	93,942
Deferred income taxes	24,720	46,575
Other liabilities	40,854	45,785
<b>Total Liabilities</b>	<b>175,225</b>	<b>298,875</b>
Minority interests in consolidated subsidiary	-	3,934
Stockholders' equity:		
Preferred stock, \$.01 par value; 250,000 shares authorized; no shares issued	-	-
Common stock, \$.01 par value; 100,000,000 shares authorized; 27,845,288 and 26,919,669 shares issued at December 31, 1994 and June 30, 1995, respectively	278	269
Capital in excess of par value	182,087	146,321
Retained earnings	133,531	155,722
Cumulative translation adjustment	198	3,708
Employee stock ownership plan reserve	(14,055)	(13,249)
Treasury stock, at cost, 87,500 shares at December 31, 1994	(2,702)	-
<b>Total Stockholders' Equity</b>	<b>299,337</b>	<b>292,771</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 474,562</b>	<b>\$ 595,580</b>

See accompanying notes to unaudited consolidated condensed financial statements.

DENTSPLY INTERNATIONAL INC.  
CONSOLIDATED CONDENSED STATEMENTS OF INCOME  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1994	1995	1994	1995
	----- ----- (in thousands, except per share data)			
Net sales	\$127,967	\$139,878	\$254,815	\$272,983
Cost of products sold	63,885	69,715	129,612	136,385
	-----	-----	-----	-----
Gross profit	64,082	70,163	125,203	136,598
Selling, general and administrative expenses	39,477	43,251	78,725	86,775
	-----	-----	-----	-----
Operating income from continuing operations	24,605	26,912	46,478	49,823
Interest expense	1,984	2,395	4,065	4,001
Interest income	(182)	(328)	(327)	(583)
Other (income) expense, net	(722)	2,873	(926)	2,921
	-----	-----	-----	-----
Income from continuing operations before income taxes	23,525	21,972	43,666	43,484
Provision for income taxes	9,959	8,735	18,513	17,275
	-----	-----	-----	-----
Income from continuing operations	13,566	13,237	25,153	26,209
Income from the operation of discontinued Medical business (less applicable income taxes)	468	-	1,236	-
	-----	-----	-----	-----
Net income	\$ 14,034	\$ 13,237	\$ 26,389	\$ 26,209
	=====	=====	=====	=====
Earnings per common share:				
From continuing operations	\$.49	\$.49	\$.91	\$.97
From discontinued operations	.02	--	.04	--
	-----	-----	-----	-----
	\$.51	\$.49	\$.95	\$.97
	=====	=====	=====	=====
Weighted average common shares outstanding	27,760	26,875	27,742	27,049

See accompanying notes to unaudited consolidated condensed financial statements.

DENTSPLY INTERNATIONAL INC.  
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS  
(unaudited)  
Six Months Ended  
June 30,

	----- 1994 -----	1995 -----
	(in thousands)	
Cash flows from operating activities:		
Net income	\$ 26,389	\$ 26,209
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,092	10,110
Increase in inventories	(9,810)	(10,924)
Increase (decrease) in accounts payable	1,255	(3,452)
Increase (decrease) in income taxes payable	1,550	(7,559)
Other, net	(1,593)	(1,638)
	-----	-----
Net cash provided by operating activities	27,883	12,746
	-----	-----
Cash flows from investing activities:		
Acquisition of businesses	-	(71,625)
Property, plant and equipment additions	(5,946)	(6,731)
Proceeds from disposal of Medical business	-	3,260
Proceeds from sale of property, plant, and equipment	80	2,239
Other, net	(87)	(367)
	-----	-----
Net cash used in investing activities	(5,953)	(73,224)
	-----	-----
Cash flows from financing activities:		
Debt repayment	(135,914)	(18,757)
Proceeds from long-term debt	81,889	99,901
Cash paid for treasury stock	-	(38,400)
Increase in bank overdrafts and other short-term debt	15,066	13,392
Other, net	2,845	2,004
	-----	-----
Net cash provided by (used in) financing activities	(36,114)	58,140
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(1,087)	1,981
	-----	-----
Net decrease in cash and cash equivalents	(15,271)	(357)
Cash and cash equivalents at beginning of period	17,984	7,278
	-----	-----
Cash and cash equivalents at end of period	\$ 2,713	\$ 6,921
	=====	=====
Supplemental disclosures of cash flow information:		
Interest paid	\$ 4,059	\$ 2,354
Income taxes paid	8,151	22,174

See accompanying notes to unaudited consolidated condensed financial statements.

DENTSPLY INTERNATIONAL INC.  
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS  
(unaudited)

Supplemental disclosures of noncash transactions (in thousands):

The Company purchased all of the capital stock of KV33 Corporation for \$11.5 million. In conjunction with the acquisition, liabilities were assumed as follows:

Fair value of assets acquired	\$ 14,329
Cash paid for capital stock	(11,450)
	-----
Liabilities assumed	\$ 2,879
	=====

The Company purchased approximately 96% of the capital stock of Mallefer Instruments, S.A. for \$65.8 million. In conjunction with the acquisition, liabilities were assumed as follows:

Fair value of assets acquired	\$ 96,796
Cash paid for capital stock	(65,783)
	-----
Liabilities assumed	\$ 31,013
	=====

See accompanying notes to unaudited consolidated condensed financial statements.

DENTSPLY INTERNATIONAL INC.  
CONSOLIDATED CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY  
(unaudited)

(in thousands)	Common Stock -----	Capital in Excess of Par Value -----	Retained Earnings -----	Cumulative Translation Adjustment -----	ESOP Reserve -----	Treasury Stock -----	Total Stockholders' Equity -----
Balance at December 31, 1994	\$ 278	\$182,087	\$133,531	\$ 198	\$(14,055)	\$ (2,702)	\$299,337
Exercise of stock options and warrants	---	(6,850)	---	---	---	9,034	2,184
Tax benefit related to stock options and warrants exercised	---	3,143	---	---	---	---	3,143
Repurchase of 1,125,000 shares of common stock	---	---	---	---	---	(38,400)	(38,400)
Cash dividends declared, \$.15 per share	---	---	(4,018)	---	---	---	(4,018)
Cancellation of 935,000 shares of treasury stock	(9)	(32,059)	---	---	---	32,068	---
Translation adjustment	---	---	---	3,510	---	---	3,510
Net change in ESOP reserve	---	---	---	---	806	---	806
Net income	---	---	26,209	---	---	---	26,209
	-----	-----	-----	-----	-----	-----	-----
Balance at June 30, 1995	\$ 269 =====	\$146,321 =====	\$155,722 =====	\$ 3,708 =====	\$(13,249) =====	\$ --- =====	\$292,771 =====

See accompanying notes to unaudited consolidated condensed financial statements.

DENTSPLY INTERNATIONAL INC.

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

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JUNE 30, 1995  
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The accompanying interim consolidated condensed financial statements reflect all adjustments (consisting only of normal recurring adjustments) which in the opinion of management are necessary for a fair presentation of financial position, results of operations and cash flows for the interim periods. These interim financial statements conform with the requirements for interim financial statements and consequently do not include all the disclosures normally required by generally accepted accounting principles. Disclosures are updated where appropriate.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES  
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Principles of Consolidation  
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The consolidated condensed financial statements include the accounts of DENTSPLY International Inc. (the "Company") and its subsidiaries. For the six months ended June 30, 1994, the financial statements for Gendex Dental Systems S.r.l. and Gendex Dental Systeme GmbH are included on a current basis as compared to a two month lag in 1993. Accordingly, the consolidated condensed statements of income and cash flows for the six months ended June 30, 1994 include eight months of operations for Gendex Dental Systems S.r.l. and Gendex Dental Systeme GmbH. The effects of this change in reporting were insignificant to the consolidated financial position and operations of the Company.

Inventories  
-----

Inventories are stated at the lower of cost or market. At December 31, 1994 and June 30, 1995, the cost of \$10.2 million or 11% and \$9.5 million or 7%, respectively, of inventories was determined by the last-in, first-out (LIFO) method. The cost of other inventories was determined by the first-in, first-out or average cost method.

Property, Plant and Equipment  
-----

Property, plant and equipment are stated at cost, net of accumulated depreciation. Except for leasehold improvements, depreciation for financial reporting purposes is computed by the straight-line method over the following estimated useful lives: buildings - generally 40 years; and machinery and equipment - 8 to 15 years. The cost of leasehold improvements is amortized over the shorter of the estimated useful life or the term of the lease. For income tax purposes, depreciation is computed using various methods.

Earnings per Share

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Earnings per share are based on the weighted average number of common shares outstanding. Common stock equivalents (options and warrants) had no material effect on the earnings per share computation. All shares held by the DENTSPLY Employee Stock Ownership Plan are considered outstanding and are included in the earnings per share computation.

NOTE 2 - BUSINESS ACQUISITION

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In June 1995, the Company purchased approximately 96% of the outstanding Capital Stock of Maillefer Instruments S.A. (Maillefer) from Maillefer stockholders for 11,000 SFR per share in a cash transaction valued at approximately \$65.8 million. Based in Switzerland, Maillefer Instruments is a manufacturer and distributor of principally endodontic instruments.

The acquisition was accounted for under the purchase method of accounting and the results of Maillefer's operations have been included in the accompanying financial statements since the date of acquisition. The aggregate purchase price of \$65.8 million plus direct acquisition costs has been allocated on the basis of preliminary estimates of the fair values of assets acquired and liabilities assumed. Since the estimated fair value of net assets acquired exceeded the purchase price by approximately \$15.4 million, the values otherwise assignable to noncurrent assets acquired have been reduced by a proportionate part of the excess.

The following unaudited pro forma consolidated results of operations assume that the acquisition of Maillefer occurred on January 1, 1994 (in thousands, except per share amounts):

	Six Months Ended June 30,	
	1994	1995
	-----	-----
Net sales	\$271,007	\$290,172
Income from continuing operations	26,001	28,234
Earnings per share from continuing operations	.94	1.04

The pro forma information does not purport to be indicative of the results that actually would have been obtained had the operations been combined during the periods presented.

NOTE 3 - INVENTORIES

Inventories consist of the following:

	December 31, 1994	June 30, 1995
	-----	-----
	(in thousands)	
Finished goods	\$ 46,765	\$ 75,328
Work-in-process	19,238	32,285
Raw materials and supplies	22,896	24,530
	-----	-----
	\$ 88,899	\$132,143
	=====	=====

Pre-tax income was \$.2 million and \$.4 million lower in the six months ended June 30, 1994 and 1995, respectively, as a result of using the LIFO method compared to the first-in, first-out (FIFO) method. If the FIFO method had been used to determine the cost of the LIFO inventories, the amounts at which net inventory is stated would be lower than reported at December 31, 1994 and June 30, 1995 by \$2.2 million and \$1.8 million, respectively.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	December 31, 1994	June 30, 1995
	-----	-----
	(in thousands)	
Assets, at cost:		
Land	\$ 16,130	\$ 18,106
Buildings and improvements	41,420	69,152
Machinery and equipment	61,103	87,475
Construction in progress	5,244	4,997
	-----	-----
	123,897	179,730
Less: Accumulated depreciation	32,757	37,631
	-----	-----
	\$ 91,140	\$142,099
	=====	=====

NOTE 5 - SPECIAL CHARGES

During the quarter ended June 30, 1995, the Company recorded special charges which materially impacted the comparison with prior periods. These special charges, on a pre-tax basis, included the following (in thousands):

Costs associated with consolidation of all executive functions in York, Pennsylvania	\$2,460
Loss on sale of corporate aircraft	626
	-----
	\$3,086
	=====

The impact of these expenses on earnings per share was \$.07 per share in the quarter ended June 30, 1995.

NOTE 6 - DISCONTINUED OPERATIONS

On October 13, 1994, the Company announced its strategic decision to discontinue the operations comprising its medical business. The medical operations include Eureka X-Ray Tube Corp. (Eureka), GENDEX Medical and CMW business units which manufacture medical x-ray tubes, medical x-ray systems and orthopedic bone cement, respectively. The net assets of CMW and substantially all of the net assets of Eureka were sold in the fourth quarter of 1994.

Sales from these operations were \$13.1 million and \$4.8 million for the three months ended June 30, 1994 and 1995, respectively. Income before applicable income taxes for the three months ended June 30, 1994 and 1995 was \$.7 million and \$-0-, respectively. Sales for the six months ended June 30, 1994 and 1995 were \$26.7 million and \$10.0 million, respectively. Income before applicable income taxes for the six months ended June 30, 1994 and 1995 was \$1.8 million and \$-0-, respectively. The sale of the remaining operations comprising the medical business is expected to be completed in 1995.

The components of net assets of discontinued operations included in the Consolidated Condensed Balance Sheets are as follows:

	December 31, 1994	June 30, 1995
	-----	-----
	(in thousands)	
Accounts and notes receivable-trade, net	\$ 4,650	\$ 2,591
Inventories	6,312	7,077
Deferred income taxes	4,130	4,130
Prepaid expenses and other current assets	1,848	281
Property, plant and equipment, net	3,899	2,898
Other noncurrent assets, net	1,298	2,563
Cost in excess of fair value of net assets acquired, net	3,448	3,398
Accounts payable and accrued liabilities	(11,272)	(11,514)
Other liabilities	(6,681)	(6,648)
	-----	-----
	\$ 7,632	\$ 4,776
	=====	=====

NOTE 7 - NOTES PAYABLE AND LONG-TERM DEBT

The increases from December 31, 1994 in Notes payable and current portion of long-term debt (\$14.9 million) and Long-term debt (\$81.2 million) were primarily due to utilization of the Company's credit facilities for the following transactions:

- During the first quarter of 1995, the Company repurchased 1.1 million shares of its common stock for \$38.4 million, in accordance with the share repurchase program authorized by the Board of Directors in December 1994. The repurchased shares included .8 million shares from

the McDonough family interests pursuant to an agreement entered into on February 8, 1995, in connection with John J. McDonough's resignation as Chief Executive Officer of the Company.

- In March, 1995, the Company paid \$11.5 million to acquire the outstanding capital stock of KV33 Corporation.
- In June, 1995, the Company paid \$65.8 million to acquire approximately 96% of the outstanding capital stock of Mallefer Instruments, S.A.

DENTSPLY INTERNATIONAL INC.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

On October 13, 1994, the Company announced its strategic decision to discontinue the operations comprising its medical business. Accordingly, the Company's financial statements have been restated to reflect the accounting treatment for discontinued operations. Management's discussion of the results of operations covers continuing operations and discontinued operations, separately.

RESULTS OF OPERATIONS

Quarter Ended June 30, 1995 Compared to Quarter Ended June 30, 1994

In the quarter ended June 30, 1995, net sales increased \$11.9 million, or 9.3%, to \$139.9 million from \$128.0 million in the same period in 1994. Sales increases in Europe, excluding the impact of the weaker U.S. dollar, were very strong, especially for consumable products. Sales in the United States and other international markets increased at a lower rate.

Gross profit increased \$6.1 million, or 9.5%, to \$70.2 million from \$64.1 million in the second quarter of 1994 as a result of higher net sales. As a percentage of net sales, gross profit increased slightly from 50.1% in the quarter ended June 30, 1994 to 50.2% in the same period of 1995.

Selling, general and administrative expenses for the second quarter of 1995 increased \$3.8 million, or 9.6%. As a percentage of net sales, expenses increased from 30.8% in the quarter ended June 30, 1994 to 30.9% for the same period in 1995. Marketing and selling expenses related to the promotion of new products, implementation costs for management information systems in Europe, and increased spending for product development were the main reasons for the expense increase.

The Company incurred other expense of \$2.9 million in the second quarter of 1995 compared to other income of \$.7 million in the second quarter of 1994. The Company took a one-time charge of \$3.1 million in the second quarter of 1995 to cover the costs of closing down its Executive Offices in Illinois and consolidating its executive operations in York, Pennsylvania. This charge on an after tax basis was \$1.8 million or \$.07 per share.

Income from continuing operations before income taxes of \$22.0 million for the three months ended June 30, 1995 decreased \$1.5 million, or 6.6%, from \$23.5 million in 1994. Without the one-time charge for closing down the Executive Offices in Illinois and consolidating executive operations in York, Pennsylvania, income from continuing operations before income taxes for the second quarter of 1995 was \$25.1 million, an increase of \$1.5 million, or 6.5%, over the same period in 1994. This increase was mainly the result of higher net sales.

The Company's effective tax rate on income from continuing operations before income taxes decreased from 42.3% in the three months ended June 30, 1994 to 39.8% for the three months ended June 30, 1995 due mainly to lower foreign losses without tax benefit in 1995.

Earnings per share from continuing operations of \$.49 for the three months ended June 30, 1995 equaled the year earlier period. Without the one-time charge to cover the costs of closing down the Executive Offices in Illinois and consolidating executive operations in York, Pennsylvania, earnings per share were \$.56, an increase of \$.07, or 14.3%, over the year earlier period.

Net sales from the discontinued medical business for the quarter ended June 30, 1995 were \$4.8 million, a decrease of \$8.3 million from the same period of 1994, as a result of the divestiture during the fourth quarter of 1994 of two of the three business units identified as discontinued operations.

#### Six Months Ended June 30, 1995 Compared to Six Months Ended June 30, 1994

During the first six months of 1995, net sales increased by \$18.2 million or 7.1%, to \$273.0 million from \$254.8 million in the same period of 1994. Sales increased in Europe at a higher rate than in the United States and other international markets. The amount of the increase in net sales for the first six months of 1995 attributable to a weaker U.S. dollar was significantly offset by the additional two months of sales reported in the first quarter of 1994 due to the elimination of a reporting lag at two foreign locations.

Gross profit increased \$11.4 million or 9.1%, to \$136.6 million from \$125.2 million in the first six months of 1994 as a result of higher net sales. As a percentage of net sales, gross profit increased from 49.1% in the six months ended June 30, 1994 to 50.0% in the same period of 1995. The increase in the gross profit percentage was mainly due to an improvement in product mix and manufacturing cost efficiencies in the United States and Europe.

Selling, general and administrative expenses for the first six months of 1995 increased \$8.1 million, or 10.2%. As a percentage of net sales, expenses increased from 30.9% in the six months ended June 30, 1994 to 31.8% for the same period of 1995, primarily due to higher than normal marketing and sales expenses relating to several new product launches, the on-going promotion of these new products, and a major bi-annual trade show held in Europe, as well as expenditures for the implementation of management information systems in Europe and increased spending for product development.

The Company incurred other expense of \$2.9 million for the first six months of 1995, compared to other income of \$.9 million in the same period of 1994. The Company took a one-time charge of \$3.1 million in the second quarter of 1995 to cover the costs of closing down its Executive Offices in Illinois and consolidating its executive operations in York, Pennsylvania. This charge on an after tax basis was \$1.8 million or \$.07 per share.

Income from continuing operations before income taxes of \$43.5 million for the six months ended June 30, 1995 decreased \$.2 million, or .4%, from \$43.7 million in 1994. Without the one-time charge for closing down the Executive Offices in Illinois and consolidating executive operations in York, Pennsylvania, income from continuing operations before income taxes for the first six months of 1995 was \$46.6 million, an increase of \$2.9 million, or 6.7%, over the same period of 1994.

The Company's effective tax rate on income from continuing operations before income taxes decreased from 42.4% in the six months ended June 30, 1994 to 39.7% for the six months ended June 30, 1995 due mainly to lower foreign losses without tax benefit in 1995.

Earnings per share from continuing operations of \$.97 for the six months ended June 30, 1995 increased \$.06, or 6.6%, from \$.91 in the same period of 1994. Without the one-time charge to cover the costs of closing down the Executive Offices in Illinois and consolidating executive operations in York, Pennsylvania, earnings per share were \$1.04, an increase of \$.13, or 14.3%, over the year earlier period.

Net sales from the discontinued medical business for the six months ended June 30, 1995 were \$10.0 million, a decrease of \$16.7 million from the same period in 1994 as a result of the divestiture during the fourth quarter of 1994 of two of the three business units identified as discontinued operations.

#### LIQUIDITY AND CAPITAL RESOURCES

In March 1995, the Company paid \$11.5 million to acquire the outstanding capital stock of KV33 Corporation (KV33), based in Tucson, Arizona. KV33 designs, develops, manufactures, and markets disposable articulators for the dental laboratory market, and is the leading manufacturer and distributor of disposable articulators in the United States. Articulators are used by dental laboratory technicians to replicate human jaw movement when performing restorative procedures such as crown and bridge restorations. KV33 plastic articulators are a cost-effective, disposable alternative to conventional multi-use metal articulators which require routine disinfecting.

In June 1995, the Company acquired approximately 96% of the outstanding Capital Stock of Maillefer Instruments S.A. (Maillefer) in a cash transaction for \$65.8 million. Maillefer is the world's leading manufacturer and distributor of endodontic instruments. Based in Ballaigues, Switzerland, Maillefer's product offerings include endodontic broaches, files, burs, pins and post systems, surgical twist drills, and a variety of other instruments and accessory products. Maillefer products have achieved a world class reputation for high quality through continuous new, innovative research and development and state-of-the-art manufacturing processes.

The Company obtained the funds for the aforementioned acquisitions from a new \$60.0 million term loan (which has the same maturity date, interest rate structure, and covenants as the Company's existing \$175.0 million Bank Revolving Loan Facility), short-term bank borrowings, and cash on hand.

Investing activities for the six months ended June 30, 1995 include capital expenditures of \$6.7 million.

During 1995 the Company repurchased 1.1 million shares of its common stock for \$38.4 million, in accordance with the share repurchase program authorized by the Board of Directors in December 1994. The repurchased shares included .8 million shares from the McDonough family interests pursuant to an agreement entered into on February 8, 1995 in connection with John J. McDonough's resignation as Chief Executive Officer of the Company.

Excluding the net assets of discontinued operations, at June 30, 1995, the Company's current ratio was 2.2 with working capital of \$136.2 million. This compares with a current ratio of 2.0 and working capital of \$92.2 million at December 31, 1994. The increase was primarily due to the acquisition of Mallefer.

The Company expects to be able to finance cash requirements, including capital expenditures, stock repurchases, and debt service from funds generated from operations and amounts available under the existing Revolving Credit Agreement.

For the six months ended June 30, 1995, cash flows from operating activities were \$12.7 million compared to \$27.9 million for the six months ended June 30, 1994. The decrease is due mainly to higher income tax payments. In 1995, income tax payments included taxes on the gain from the disposal of the medical business. Income tax payments for 1994 were reduced by the deduction of the prepayment penalty on the repayment of the senior debt in January 1994.

#### IMPACT OF INFLATION

The Company has generally offset the impact of inflation on wages and the cost of purchased materials by reducing operating costs and increasing selling prices to the extent permitted by market conditions.

PART II  
OTHER INFORMATION

Item 1 - Legal Proceedings

In June 1995, the United States Department of Justice issued to the Company a Civil Investigative Demand to determine if there has been a violation of the federal antitrust laws as a result of policies and conduct undertaken by the Company's Trubyte Division with respect to the distribution of artificial teeth and related products. This matter is currently pending with the Department of Justice. It is the Company's position that the conduct and activities of the Trubyte Division do not violate federal antitrust laws.

The Company and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company believes that pending litigation to which it is a party will not have a material adverse effect upon its consolidated financial position or results of operations.

Item 4 - Submission of Matters to a Vote of Security Holders

- (a) On May 24, 1995, the Company held its 1995 Annual Meeting of Stockholders.
- (b) Not applicable, pursuant to Instruction 3 of Item 4 of this Form 10-Q.
- (c) The following matters were voted upon at the Annual Meeting, with the results indicated:

1. Election of Class III Directors:

	Votes For	Authority Withheld	Broker Non-Votes
	-----	-----	-----
Michael J. Coleman	22,871,329	186,770	-0-
Arthur A. Dugoni, D.D.S., M.S.D.	22,905,587	152,512	-0-
John C. Miles II	22,799,699	258,400	-0-
W. Keith Smith	22,881,939	176,160	-0-

- 2. Proposal to ratify the appointment of KPMG Peat Marwick LLP, independent certified accountants, to audit the books and accounts of the Company for the year ending December 31, 1995:

Votes For:	22,901,217	Votes Against:	54,145
Abstentions:	102,737	Broker Non-Votes:	-0-

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits. The following exhibits are filed herewith:

Number	Description	Sequential Page No.
11	Statement regarding computation of earnings per share.	20
27	Financial Data Schedule (pursuant to Item 601(c)(iv) of Regulation S-K, this exhibit shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended)	21

(b) Reports on Form 8-K

No reports on Form 8-K were filed by the Company during the quarter ended June 30, 1995. On July 17, 1995 the Company filed Form 8-K reporting the acquisition of Maillefer Instruments, S.A.

Signatures

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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.

DENTSPLY INTERNATIONAL INC.

August 14, 1995	/s/ Burton C. Borgelt
<hr/> Date	<hr/> Burton C. Borgelt Chairman and Chief Executive Officer

August 14, 1995	/s/ Edward D. Yates
<hr/> Date	<hr/> Edward D. Yates Senior Vice President and Chief Financial Officer

DENTSPLY INTERNATIONAL INC.  
EXHIBIT 11  
COMPUTATION OF EARNINGS PER SHARE

Earnings per common share:

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	Three Months Ended June 30,		Six Months Ended June 30,	
	1994	1995	1994	1995
	-----			
	(in thousands, except per share data)			
Weighted average common shares outstanding	27,760	26,875	27,742	27,049
Income from continuing operations	\$ 13,566	\$ 13,237	\$ 25,153	\$ 26,209
Income from discontinued medical segment	468	-	1,236	-
	-----			
Net income	\$ 14,034	\$ 13,237	\$ 26,389	\$ 26,209
	=====			

Earnings per common share:

From continuing operations	\$.49	\$.49	\$.91	\$.97
From discontinued operations	.02	--	.04	--
	----			
Net income	\$.51	\$.49	\$.95	\$.97
	=====			

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS OF DENTSPLY INTERNATIONAL, INC. AT JUNE 30, 1995 AND FOR THE FISCAL QUARTER THEN ENDED, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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	6-MOS	
	DEC-31-1995	
	JAN-01-1995	
	JUN-30-1995	6921
		0
	94126	0
		132143
	253508	179730
	37631	
	595580	
112573		93942
		269
0		0
		292502
595580		272983
		136385
	272983	136385
		86775
		0
	4001	
	43484	
		17275
26209		0
		0
		0
		26209
		.97
		0