

UNITED STATES  
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 March 31, 2010

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-16211

**DENTSPLY International Inc.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

39-1434669  
(I.R.S. Employer  
Identification No.)

221 West Philadelphia Street, York, PA  
(Address of principal executive offices)

17405-0872  
(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 by check mark whether the registrant has submitted electronically and posted on its corporate website, if any every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

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 April 26, 2010, DENTSPLY International Inc. had 146,352,495 shares of Common Stock outstanding, with a par value of \$.01 per share.

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**PART I – FINANCIAL INFORMATION****Item 1 – Financial Statements****DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share amounts)

(unaudited)

	Three Months Ended	
	March 31,	
	2010	2009
Net sales	\$ 545,944	\$ 506,949
Cost of products sold	263,906	241,217
Gross profit	282,038	265,732
Selling, general and administrative expenses	188,034	177,987
Restructuring and other costs	4,680	1,570
Operating income	89,324	86,175
Other income and expenses:		
Interest expense	5,720	6,153
Interest income	(787)	(1,956)
Other expense, net	945	917
Income before income taxes	83,446	81,061
Provision for income taxes	21,255	21,131
Net income	62,191	59,930
Less: Net income (loss) attributable to the noncontrolling interests	348	(1,813)
Net income attributable to DENTSPLY International	\$ 61,843	\$ 61,743
Earnings per common share:		
Basic	\$ 0.42	\$ 0.42
Diluted	\$ 0.41	\$ 0.41
Cash dividends declared per common share	\$ 0.05	\$ 0.05
Weighted average common shares outstanding:		
Basic	146,776	148,514
Diluted	149,294	149,705

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

**DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(In thousands)  
(unaudited)

	March 31, 2010	December 31, 2009
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 405,017	\$ 450,348
Accounts and notes receivables-trade, net	355,030	348,684
Inventories, net	301,198	291,640
Prepaid expenses and other current assets	117,209	127,124
<b>Total Current Assets</b>	<b>1,178,454</b>	<b>1,217,796</b>
Property, plant and equipment, net	420,779	439,619
Identifiable intangible assets, net	83,515	89,086
Goodwill, net	1,279,103	1,312,596
Other noncurrent assets, net	24,896	28,835
<b>Total Assets</b>	<b>\$ 2,986,747</b>	<b>\$ 3,087,932</b>
<b>Liabilities and Equity</b>		
Current Liabilities:		
Accounts payable	\$ 108,118	\$ 100,847
Accrued liabilities	196,890	249,169
Income taxes payable	3,481	12,366
Notes payable and current portion of long-term debt	18,946	82,174
<b>Total Current Liabilities</b>	<b>327,435</b>	<b>444,556</b>
Long-term debt	457,565	387,151
Deferred income taxes	70,166	72,524
Other noncurrent liabilities	248,963	276,743
<b>Total Liabilities</b>	<b>1,104,129</b>	<b>1,180,974</b>
Commitments and contingencies		
Equity:		
Preferred stock, \$.01 par value; .25 million shares authorized; no shares issued	-	-
Common stock, \$.01 par value; 200.0 million shares authorized; 162.8 million shares issued at March 31, 2010 and December 31, 2009	1,628	1,628
Capital in excess of par value	194,806	195,495
Retained earnings	2,137,952	2,083,459
Accumulated other comprehensive income	34,607	83,542
Treasury stock, at cost, 16.5 million shares at March 31, 2010 and 15.8 million shares at December 31, 2009	(557,805)	(532,019)
<b>Total DENTSPLY International Equity</b>	<b>1,811,188</b>	<b>1,832,105</b>
Noncontrolling interests	71,430	74,853
<b>Total Equity</b>	<b>1,882,618</b>	<b>1,906,958</b>
<b>Total Liabilities and Equity</b>	<b>\$ 2,986,747</b>	<b>\$ 3,087,932</b>

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

**DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)  
(unaudited)

	Three Months Ended March 31,	
	2010	2009
<b>Cash flows from operating activities:</b>		
Net income	\$ 62,191	\$ 59,930
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	15,265	12,930
Amortization	2,524	3,441
Deferred income taxes	(3,745)	(1,750)
Share-based compensation expense	5,223	4,789
Restructuring and other costs - noncash	363	328
Excess tax benefits from share-based compensation	(1,898)	(592)
<b>Changes in operating assets and liabilities, net of acquisitions:</b>		
Accounts and notes receivable-trade, net	(15,530)	(19,745)
Inventories, net	(14,472)	(18,675)
Prepaid expenses and other current assets	(5,729)	1,208
Accounts payable	9,195	(2,633)
Accrued liabilities	(12,519)	(26,863)
Income taxes payable	(6,801)	(1,824)
Other, net	2,477	95
<b>Net cash provided by operating activities</b>	<b>36,544</b>	<b>10,639</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(8,030)	(14,183)
Cash paid for acquisitions of businesses, net of cash acquired	(7,687)	(574)
Liquidation of short-term investments	-	58
Expenditures for identifiable intangible assets	(107)	-
Proceeds from sale of property, plant and equipment, net	113	17
<b>Net cash used in investing activities</b>	<b>(15,711)</b>	<b>(14,682)</b>
<b>Cash flows from financing activities:</b>		
Net change in short-term borrowings	(2,124)	1,045
Cash paid for treasury stock	(41,423)	(4,664)
Cash dividends paid	(7,409)	(7,460)
Proceeds from long-term borrowings	311,834	108,900
Payments on long-term borrowings	(299,215)	(53,507)
Proceeds from exercise of stock options	7,403	1,360
Excess tax benefits from share-based compensation	1,898	592
<b>Net cash (used in) provided by financing activities</b>	<b>(29,036)</b>	<b>46,266</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(37,128)</b>	<b>(19,915)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(45,331)</b>	<b>22,308</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>450,348</b>	<b>203,991</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 405,017</b>	<b>\$ 226,299</b>

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

**DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES**
**Consolidated Statement of Changes in Equity**

(In thousands)

(unaudited)

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total DENTSPLY International Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2008	\$ 1,628	\$ 187,154	\$ 1,838,958	\$ 39,612	\$ (479,630)	\$ 1,587,722	\$ 71,691	\$ 1,659,413
Comprehensive Income:								
Net income	-	-	61,743	-	-	61,743	(1,813)	59,930
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustments	-	-	-	(75,758)	-	(75,758)	(4,428)	(80,186)
Net loss on derivative financial instruments	-	-	-	42,471	-	42,471	-	42,471
Unrecognized losses and prior service pension cost, net	-	-	-	1,978	-	1,978	1	1,979
Comprehensive Income						30,434	(6,240)	24,194
Exercise of stock options	-	(2,261)	-	-	3,621	1,360	-	1,360
Tax benefit from stock options exercised	-	592	-	-	-	592	-	592
Share based compensation expense	-	4,789	-	-	-	4,789	-	4,789
Funding of Employee Stock Option Plan	-	(70)	-	-	1,408	1,338	-	1,338
Treasury shares purchased	-	-	-	-	(4,664)	(4,664)	-	(4,664)
RSU dividends	-	34	(34)	-	-	-	-	-
Cash dividends (\$0.05 per share)	-	-	(7,425)	-	-	(7,425)	-	(7,425)
Balance at March 31, 2009	<u>\$ 1,628</u>	<u>\$ 190,238</u>	<u>\$ 1,893,242</u>	<u>\$ 8,303</u>	<u>\$ (479,265)</u>	<u>\$ 1,614,146</u>	<u>\$ 65,451</u>	<u>\$ 1,679,597</u>
Balance at December 31, 2009	\$ 1,628	\$ 195,495	\$ 2,083,459	\$ 83,542	\$ (532,019)	\$ 1,832,105	\$ 74,853	\$ 1,906,958
Comprehensive Income:								
Net income	-	-	61,843	-	-	61,843	348	62,191
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustments	-	-	-	(73,422)	-	(73,422)	(3,771)	(77,193)
Net loss on derivative financial instruments	-	-	-	23,724	-	23,724	-	23,724
Unrecognized losses and prior service pension cost, net	-	-	-	763	-	763	-	763
Comprehensive Income						12,908	(3,423)	9,485
Exercise of stock options	-	(4,372)	-	-	11,775	7,403	-	7,403
Tax benefit from stock options exercised	-	1,898	-	-	-	1,898	-	1,898
Share based compensation expense	-	5,223	-	-	-	5,223	-	5,223
Funding of Employee Stock Option Plan	-	206	-	-	1,132	1,338	-	1,338
Treasury shares purchased	-	-	-	-	(41,423)	(41,423)	-	(41,423)
RSU distributions	-	(3,678)	-	-	2,730	(948)	-	(948)
RSU dividends	-	34	(34)	-	-	-	-	-
Cash dividends (\$0.05 per share)	-	-	(7,316)	-	-	(7,316)	-	(7,316)
Balance at March 31, 2010	<u>\$ 1,628</u>	<u>\$ 194,806</u>	<u>\$ 2,137,952</u>	<u>\$ 34,607</u>	<u>\$ (557,805)</u>	<u>\$ 1,811,188</u>	<u>\$ 71,430</u>	<u>\$ 1,882,618</u>

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and the rules of the Securities and Exchange Commission (“SEC”). The year-end consolidating balance sheet data was derived from audited financial statements, but does not include all disclosures required by US GAAP. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement of the results for interim periods have been included. Results for interim periods should not be considered indicative of results for a full year. These financial statements and related notes contain the accounts of DENTSPLY International Inc. and Subsidiaries (DENTSPLY or the “Company”) on a consolidated basis and should be read in conjunction with the consolidated financial statements and notes included in the Company’s most recent Form 10-K for the year ended December 31, 2009.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Company, as applied in the interim consolidated financial statements presented herein are substantially the same as presented in the Company’s Form 10-K for the year ended December 31, 2009, except as may be indicated below:

**Accounts and Notes Receivable-Trade**

Accounts and notes receivables – trade, net are stated net of allowances for doubtful accounts and trade discounts, which were \$12.7 million and \$13.3 million at March 31, 2010 and December 31, 2009, respectively.

**Variable Interest Entities**

In June 2009, the Financial Accounting Standards Board (“FASB”) issued new accounting guidance for variable interest entities (“VIE”). The new guidance includes: (1) the elimination of the exemption from consolidation for qualifying special purpose entities, (2) a new approach for determining the primary beneficiary of a VIE, which requires that the primary beneficiary have both (i) the power to control the most significant activities of the VIE and (ii) either the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE, and (3) the requirement to continually reassess who should consolidate a VIE. The Company adopted this guidance on January 1, 2010, and the adoption did not have a material impact on the Company’s financial position and results of operations.

The Company consolidates all VIE where the Company has determined that it has the power to direct the activities that most significantly impact the VIE’s economic performance and shares in either the significant risks or rewards of the VIE. The Company continually reassesses VIE to determine if consolidation is appropriate.

**Revisions in Classification**

Certain revisions in classification have been made to prior years’ data in order to conform to current year presentation.

**NOTE 2 – STOCK COMPENSATION**

The Company maintains the 2002 Equity Incentive Plan (the “Plan”) under which it may grant non-qualified stock options, incentive stock options, restricted stock, restricted stock units (“RSU”) and stock appreciation rights, collectively referred to as “Awards.” Awards are granted at exercise prices that are equal to the closing stock price on the date of grant. The Company authorized grants under the plan of 14.0 million shares of common stock, plus any unexercised portion of cancelled or terminated stock options granted under the DENTSPLY International Inc. 1993, 1998, and 2002 Plans, subject to adjustment as follows: each January, if 7% of the total outstanding common shares of the Company exceed 14.0 million, the excess becomes available for grant under the Plan. No more than 2.0 million shares may be awarded as restricted stock and RSU, and no key employee may be granted restricted stock and RSU in excess of approximately 0.2 million shares of common stock in any calendar year.

Stock options generally expire ten years after the date of grant under these plans and grants become exercisable, subject to a service condition, over a period of three years after the date of grant at the rate of one-third per year, except when they become immediately exercisable upon death, disability or qualified retirement. RSU vest 100% on the third anniversary of the date of grant and are subject to a service condition, which requires grantees to remain employed by the Company during the three year period following the date of grant. In addition to the service condition, certain key executives are subject to performance requirements. Similar to stock options, RSU become immediately exercisable upon death, disability or qualified retirement. It is the Company’s practice to issue shares from treasury stock when options are exercised.

At the date of grant, the Company uses the Black-Scholes option-pricing model to estimate the fair value of the non-qualified stock options. The assumptions used to calculate the fair value of the awards granted are evaluated and revised, as necessary, to reflect market conditions and the Company's experience.

The following table represents total stock based compensation expense and the tax related benefit for the three months ended March 31, 2010 and 2009:

(in millions)	2010	2009
Stock option expense	\$ 2.9	\$ 2.9
RSU expense	2.0	1.5
Total stock based compensation expense	<u>\$ 4.9</u>	<u>\$ 4.4</u>
Total related tax benefit	\$ 1.4	\$ 1.1

The remaining unamortized compensation cost related to non-qualified stock options is \$16.0 million, which will be expensed over the weighted average remaining vesting period of the options, or 1.8 years. The unamortized compensation cost related to RSU is \$11.6 million, which will be expensed over the remaining restricted period of the RSU, or 1.9 years.

The following table reflects the non-qualified stock option transactions from December 31, 2009 through March 31, 2010:

(in thousands, except per share data)	Outstanding			Exercisable		
	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
December 31, 2009	12,038	\$ 28.34	\$ 94,148	8,682	\$ 26.78	\$ 80,839
Granted	18	34.30				
Exercised	(393)	18.86				
Forfeited	(25)	36.57				
March 31, 2010	<u>11,638</u>	\$ 28.64	\$ 84,074	8,337	\$ 27.17	\$ 71,859

The weighted average remaining contractual term of all outstanding options is 6.3 years and the weighted average remaining contractual term of exercisable options is 4.8 years.

The following table summarizes the unvested restricted stock unit and RSU dividend transactions from December 31, 2009 through March 31, 2010:

(in thousands, except per share data)	Unvested Restricted Stock and Stock Dividend Units	
	Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2009	662	\$ 31.94
Granted	236	32.80
Vested	(199)	31.22
Forfeited	(6)	32.46
Unvested at March 31, 2010	<u>693</u>	\$ 32.44



### NOTE 3 – COMPREHENSIVE INCOME

The changes to balances included in accumulated other comprehensive income (“AOCI”), net of tax, in the consolidated balance sheets for the three months ended March 31, 2010 and 2009 are as follows:

(in thousands)	<u>2010</u>	<u>2009</u>
Net income	\$ 62,191	\$ 59,930
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(77,193)	(80,186)
Net gain on derivative financial instruments	23,724	42,471
Amortization of unrecognized losses and prior year service pension cost	763	1,979
Total other comprehensive loss	<u>(52,706)</u>	<u>(35,736)</u>
Total comprehensive income	9,485	24,194
Comprehensive loss attributable to the noncontrolling interests	<u>(3,423)</u>	<u>(6,240)</u>
Comprehensive income attributable to DENTSPLY International	<u>\$ 12,908</u>	<u>\$ 30,434</u>

During the quarter ended March 31, 2010, foreign currency translation adjustments included currency translation losses of \$81.2 million partially offset by gains of \$4.0 million on the Company’s loans designated as hedges of net investments. During the quarter ended March 31, 2009, foreign currency translation adjustments included currency translation losses of \$89.9 million partially offset by gains of \$9.7 million on the Company’s loans designated as hedges of net investments. These foreign currency translation adjustments were offset by net gains on derivatives financial instruments, which are discussed in Note 10, Financial Instruments and Derivatives.

The balances included in AOCI, net of tax, in the consolidated balance sheets are as follows:

(in thousands)	<u>March 31, 2010</u>	<u>December 31, 2009</u>
Foreign currency translation adjustments	\$ 146,694	\$ 220,116
Net loss on derivative financial instruments	(90,076)	(113,800)
Unrecognized losses and prior year service pension cost	<u>(22,011)</u>	<u>(22,774)</u>
	<u>\$ 34,607</u>	<u>\$ 83,542</u>

The cumulative foreign currency translation adjustments included translation gains of \$253.5 million and \$327.8 million as of March 31, 2010 and December 31, 2009, respectively, offset by losses of \$106.8 million and \$107.7 million, respectively, on loans designated as hedges of net investments. These foreign currency translation adjustments were offset by net losses on derivatives financial instruments, which are discussed in Note 10, Financial Instruments and Derivatives.

#### NOTE 4 - EARNINGS PER COMMON SHARE

The dilutive effect of outstanding options and restricted stock is reflected in diluted earnings per share by application of the treasury stock method. The following table sets forth the computation of basic and diluted earnings per common share for the three months ended March 31, 2010 and 2009:

##### Basic Earnings Per Common Share Computation

(in thousands, except per share amounts)

	<u>2010</u>	<u>2009</u>
Net income attributable to DENTSPLY International	\$ 61,843	\$ 61,743
Common shares outstanding	<u>146,776</u>	<u>148,514</u>
Earnings per common share - basic	<u>\$ 0.42</u>	<u>\$ 0.42</u>

##### Diluted Earnings Per Common Share Computation

(in thousands, except per share amounts)

Net income attributable to DENTSPLY International	\$ 61,843	\$ 61,743
Common shares outstanding	146,776	148,514
Incremental shares from assumed exercise of dilutive options	<u>2,518</u>	<u>1,191</u>
Total shares	<u>149,294</u>	<u>149,705</u>
Earnings per common share - diluted	<u>\$ 0.41</u>	<u>\$ 0.41</u>

Options to purchase 3.0 million shares of common stock that were outstanding during the three months ended March 31, 2010, were not included in the computation of diluted earnings per share since the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive. There were 8.1 million antidilutive shares of common stock outstanding during the three months ended March 31, 2009.

#### NOTE 5 - BUSINESS ACQUISITIONS

The acquisition related activity for the three months ended March 31, 2010 of \$7.7 million, net of cash acquired, was related to two acquisitions and one earn-out payment on an acquisition from 2008. The purchase agreement for one acquisition provides for an additional payment to be made based upon the operating performance of the business; however, the Company does not expect the additional payment to be material to the financial statements. The results of operations for the two businesses have been included in the accompanying financial statements since the effective date of the respective transaction. The purchase prices have been allocated on the basis of preliminary estimates of the fair values of assets acquired and liabilities assumed. The Company expects to finalize the purchase price allocations for the two acquisitions in the second quarter of 2010, and does not expect the adjustments to be material to the financial statements. As of March 31, 2010, the Company has recorded a total of \$4.3 million in goodwill related to the unallocated portions of the respective purchase prices, and all of this goodwill is associated with the Canada/Latin America/Endodontics/Orthodontics segment.

As discussed in Note 1, Significant Accounting Policies, the Company adopted the new accounting guidance for VIE. The adoption has not changed the Company's prior conclusion that all current VIE should be consolidated. Under the new accounting guidance for VIE, the Company believes it is the primary beneficiary for all the VIE since the Company directs the activities that most significantly impacts the economic performance of the VIE and has the obligation to absorb losses and the right to receive benefits that could potentially be significant to the VIE. The consolidation of the VIE net assets is immaterial to the Company's financial position with most of the net assets recorded in goodwill and identifiable intangible assets.

## **NOTE 6 - SEGMENT INFORMATION**

The Company has numerous operating businesses covering a wide range of products and geographic regions, primarily serving the professional dental market. Professional dental products represented approximately 97% of sales for the periods ended March 31, 2010 and 2009.

The operating businesses are combined into operating groups, which have overlapping product offerings, geographical presence, customer bases, distribution channels, and regulatory oversight. These operating groups are considered the Company's reportable segments as the Company's chief operating decision-maker regularly reviews financial results at the operating group level and uses this information to manage the Company's operations. The accounting policies of the groups are consistent with those described in the Company's most recently filed Form10-K in the summary of significant accounting policies. The Company measures segment income for reporting purposes as operating income before restructuring and other costs, interest expense, interest income, other income and expenses and income taxes.

### **United States, Germany and Certain Other European Regions Consumable Businesses**

This business group includes responsibility for the design, manufacturing, sales and distribution for certain small equipment and chairside consumable products in the United States, Germany and certain other European regions. It also has responsibility for the sales and distribution of certain Endodontic products in Germany.

### **France, United Kingdom, Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses**

This business group includes responsibility for the sales and distribution for certain small equipment, chairside consumable products, certain laboratory products and certain Endodontic products in France, United Kingdom, Italy, the Commonwealth of Independent States ("CIS"), Middle East, Africa, Asia (excluding Japan), Japan and Australia, as well as the sale and distribution of implant products and bone substitute/grafting materials in France, Italy, Asia and Australia. This business group also includes the responsibility for sales and distribution for certain laboratory products, implants products and bone substitution/grafting materials for Austria. It also is responsible for sales and distribution for certain small equipment and chairside consumable products, certain laboratory products, implant products and bone substitution/grafting materials in certain other European countries. In addition this business group also includes the manufacturing and sale of Orthodontic products and certain laboratory products in Japan, and the manufacturing of certain laboratory and certain Endodontic products in Asia.

### **Canada/Latin America/Endodontics/Orthodontics**

This business group includes responsibility for the design, manufacture, and/or sales and distribution of certain small equipment, chairside consumable products, certain laboratory products and Endodontic products in Brazil. It also has responsibility for the sales and distribution of most of the Company's dental products sold in Latin America and Canada. This business group also includes the responsibility for the design and manufacturing for Endodontic products in the United States, Switzerland and Germany and is responsible for the sales and distribution of the Company's Endodontic products in the United States, Canada, Switzerland, Benelux, Scandinavia, Austria, Latin America and Eastern Europe, and for certain Endodontic products in Germany. This business group is also responsible for the world-wide sales and distribution, excluding Japan, as well as some manufacturing of the Company's Orthodontic products. In addition, this business group is also responsible for sales and distribution in the United States for implant and bone substitute/grafting materials and the sales and distribution of implants in Brazil. This business group is also responsible for the manufacture and sale of certain products in the Company's non-dental business.

### **Dental Laboratory Business/Implants/Non-Dental**

This business group includes the responsibility for the design, manufacture, sales and distribution for most laboratory products, excluding certain countries mentioned previously, and the design, manufacture, and/or sales and distribution of the Company's dental implant products and bone substitute/grafting materials, excluding sales and distribution of implants and bone substitute/grafting materials in the United States; France, Italy, Austria, and certain other Eastern European countries; Asia; and Australia. This business group is also responsible for most of the Company's non-dental business.

Significant interdependencies exist among the Company's operations in certain geographic areas. Inter-group sales are at prices intended to provide a reasonable profit to the manufacturing unit after recovery of all manufacturing costs and to provide a reasonable profit for purchasing locations after coverage of marketing and general and administrative costs.

Generally, the Company evaluates performance of the operating groups based on the groups' operating income, excluding restructuring and other costs, and net third party sales, excluding precious metal content.

The following tables set forth information about the Company's operating groups for the three months ended March 31, 2010 and 2009:

Third Party Net Sales

(in thousands)	<u>2010</u>	<u>2009</u>
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 134,974	\$ 124,913
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	110,285	105,128
Canada/Latin America/Endodontics/ Orthodontics	156,620	144,680
Dental Laboratory Business/ Implants/Non-Dental	145,111	133,018
All Other (a)	<u>(1,046)</u>	<u>(790)</u>
Total	<u>\$ 545,944</u>	<u>\$ 506,949</u>

Third Party Net Sales, Excluding Precious Metal Content

(in thousands)	<u>2010</u>	<u>2009</u>
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 134,974	\$ 124,913
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	102,209	97,400
Canada/Latin America/Endodontics/ Orthodontics	156,030	144,039
Dental Laboratory Business/ Implants/Non-Dental	105,319	100,088
All Other (a)	<u>(1,046)</u>	<u>(790)</u>
Total excluding precious metal content	497,486	465,650
Precious metal content	<u>48,458</u>	<u>41,299</u>
Total including precious metal content	<u>\$ 545,944</u>	<u>\$ 506,949</u>

(a) Includes amounts recorded at Corporate headquarters.

Inter-segment Net Sales

(in thousands)

	<u>2010</u>	<u>2009</u>
U.S., Germany and Certain Other		
European Regions Consumable Businesses	\$ 26,217	\$ 23,080
France, U.K., Italy and Certain Other		
European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	3,619	3,384
Canada/Latin America/Endodontics/ Orthodontics	25,320	28,598
Dental Laboratory Business/ Implants/Non-Dental	26,680	26,956
All Other (a)	44,003	38,326
Eliminations	(125,839)	(120,344)
Total	<u>\$ -</u>	<u>\$ -</u>

Segment Operating Income

(in thousands)

	<u>2010</u>	<u>2009</u>
U.S., Germany and Certain Other		
European Regions Consumable Businesses	\$ 44,861	\$ 33,922
France, U.K., Italy and Certain Other		
European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	(129)	2,900
Canada/Latin America/Endodontics/ Orthodontics	48,022	50,058
Dental Laboratory Business/ Implants/Non-Dental	22,462	22,257
All Other (b)	(21,212)	(21,392)
Segment operating income	94,004	87,745
Reconciling Items:		
Restructuring and other costs	(4,680)	(1,570)
Interest expense	(5,720)	(6,153)
Interest income	787	1,956
Other expense, net	(945)	(917)
Income before income taxes	<u>\$ 83,446</u>	<u>\$ 81,061</u>

(a) Includes amounts recorded at Corporate headquarters and one distribution warehouse not managed by named segments.

(b) Includes results of Corporate headquarters, inter-segment eliminations and one distribution warehouse not managed by named segments.

**Assets**

(in thousands)	March 31, 2010	December 31, 2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 594,274	\$ 602,272
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	372,012	388,831
Canada/Latin America/Endodontics/Orthodontics	839,298	809,924
Dental Laboratory Business/Implants/Non-Dental	932,312	973,764
All Other (a)	248,851	313,141
Total	<u>\$ 2,986,747</u>	<u>\$ 3,087,932</u>

(a) Includes assets of Corporate headquarters, inter-segment eliminations and one distribution warehouse not managed by named segments.

**NOTE 7 - INVENTORIES**

Inventories are stated at the lower of cost or market. At March 31, 2010 and December 31, 2009, the cost of \$8.7 million, or 2.9%, and \$7.8 million, or 2.7%, 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 ("FIFO") or average cost methods. The Company establishes reserves for inventory estimated to be obsolete or unmarketable equal to the difference between the cost of inventory and estimated market value based upon assumptions about future demand and market conditions. The inventory valuation reserves were \$32.8 million and \$31.9 million as of March 31, 2010 and December 31, 2009, respectively.

If the FIFO method had been used to determine the cost of LIFO inventories, the amounts at which net inventories are stated would be higher than reported at March 31, 2010 and December 31, 2009 by \$4.3 million and \$4.0 million, respectively.

Inventories, net of inventory valuation reserves, consist of the following:

(in thousands)	March 31, 2010	December 31, 2009
Finished goods	\$ 181,232	\$ 178,721
Work-in-process	54,383	53,056
Raw materials and supplies	65,583	59,863
	<u>\$ 301,198</u>	<u>\$ 291,640</u>

## NOTE 8 - BENEFIT PLANS

The following sets forth the components of net periodic benefit cost of the Company's benefit plans and for the Company's other postretirement employee benefit plans for the three months ended March 31, 2010 and 2009, respectively:

### Defined Benefit Plans

(in thousands)	2010	2009
Service cost	\$ 2,015	\$ 2,006
Interest cost	2,143	1,919
Expected return on plan assets	(1,152)	(958)
Amortization of transition obligation	31	57
Amortization of prior service cost	20	34
Amortization of net loss	241	403
Net periodic benefit cost	<u>\$ 3,298</u>	<u>\$ 3,461</u>

### Other Postretirement Plans

(in thousands)	2010	2009
Service cost	\$ 14	\$ 13
Interest cost	153	156
Amortization of net loss	69	50
Net periodic benefit cost	<u>\$ 236</u>	<u>\$ 219</u>

The following sets forth the information related to the funding of the Company's benefit plans for 2010:

(in thousands)	Pension Benefits	Other Postretirement Benefits
Actual at March 31, 2010	\$ 1,933	\$ (61)
Projected for the remainder of the year	6,708	1,168
Total for year	<u>\$ 8,641</u>	<u>\$ 1,107</u>

## NOTE 9 – RESTRUCTURING AND OTHER COSTS

### Restructuring Costs

During the three months ended March 31, 2010 and 2009, the Company recorded restructuring costs of \$0.8 million and \$1.2 million, respectively. These costs are recorded in "Restructuring and other costs" in the consolidated statements of operations and the associated liabilities are recorded in accrued liabilities in the consolidated balance sheets. These costs primarily consist of employee severance costs.

During 2010 and 2009, the Company initiated several restructuring plans primarily related to the integration, reorganization and closure or consolidation of certain production and selling facilities in order to better leverage the Company's resources by minimizing costs and obtaining operational efficiencies.

As of March 31, 2010, the Company's restructuring accruals were as follows:

(in thousands)	Severance			
	2008 and Prior Plans	2009 Plans	2010 Plans	Total
Balance at December 31, 2009	\$ 5,302	\$ 3,240	\$ -	\$ 8,542
Provisions and adjustments	(25)	-	642	617
Amounts applied	(1,350)	(909)	(385)	(2,644)
Balance at March 31, 2010	<u>\$ 3,927</u>	<u>\$ 2,331</u>	<u>\$ 257</u>	<u>\$ 6,515</u>

(in thousands)	Lease/Contract Terminations	
	2008 and Prior Plans	Total
Balance at December 31, 2009	\$ 1,125	\$ 1,125
Provisions and adjustments	-	-
Amounts applied	-	-
Balance at March 31, 2010	<u>\$ 1,125</u>	<u>\$ 1,125</u>

(in thousands)	Other Restructuring Costs			
	2008 and Prior Plans	2009 Plans	2010 Plans	Total
Balance at December 31, 2009	\$ 112	\$ 16	\$ -	\$ 128
Provisions and adjustments	9	77	55	141
Amounts applied	(47)	(88)	-	(135)
Balance at March 31, 2010	<u>\$ 74</u>	<u>\$ 5</u>	<u>\$ 55</u>	<u>\$ 134</u>

The following table provides the year-to-date changes in the restructuring accruals by segment:

(in thousands)	December 31, 2009	Provisions and Adjustments	Amounts Applied	March 31, 2010
United States, Germany and Certain Other				
European Regions Consumable Businesses	\$ 1,278	\$ 462	\$ (202)	\$ 1,538
France, U.K., Italy and Certain Other				
European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	84	124	(124)	84
Canada/Latin America/Endodontics/ Orthodontics	639	(2)	(637)	-
Dental Laboratory Business/ Implants/Non-Dental	7,794	174	(1,816)	6,152
	<u>\$ 9,795</u>	<u>\$ 758</u>	<u>\$ (2,779)</u>	<u>\$ 7,774</u>

#### Other Costs

During the three months ended March 31, 2010 and 2009, the Company recorded other costs of \$3.9 million and \$0.4 million, respectively. Other costs for the three months ended March 31, 2010 and 2009 are primarily related to impairments of long-term assets and several legal matters. These other costs are reflected in "Restructuring and other costs" in the consolidated statements of operations.



### Derivative Instruments and Hedging Activities

The Company's activities expose it to a variety of market risks, which primarily include the risks related to the effects of changes in foreign currency exchange rates, interest rates and commodity prices. These financial exposures are monitored and managed by the Company as part of its overall risk management program. The objective of this risk management program is to reduce the volatility that these market risks may have on the Company's operating results and equity.

Certain of the Company's inventory purchases are denominated in foreign currencies, which expose the Company to market risk associated with foreign currency exchange rate movements. The Company's policy generally is to hedge major foreign currency transaction exposures through foreign exchange forward contracts. These contracts are entered into with major financial institutions thereby minimizing the risk of credit loss. In addition, the Company's investments in foreign subsidiaries are denominated in foreign currencies, which create exposures to changes in foreign currency exchange rates. The Company uses debt and derivatives denominated in the applicable foreign currency as a means of hedging a portion of this risk.

With the Company's significant level of variable interest rate long-term debt and net investment hedges, changes in the interest rate environment can have a major impact on the Company's earnings, depending upon its interest rate exposure. As a result, the Company manages its interest rate exposure with the use of interest rate swaps, when appropriate, based upon market conditions.

The manufacturing of some of the Company's products requires the use of commodities, which are subject to market fluctuations. In order to limit the unanticipated impact on earnings from such market fluctuations, the Company selectively enters into commodity swaps for certain materials used in the production of its products. Additionally, the Company uses non-derivative methods, such as the precious metal consignment agreements to effectively hedge commodity risks.

### Cash Flow Hedges

The Company uses interest rate swaps to convert a portion of its variable interest rate debt to fixed interest rate debt. As of March 31, 2010, the Company has two groups of significant variable interest rate to fixed interest rate swaps. One of the groups of swaps has notional amounts totaling 12.6 billion Japanese yen, and effectively converts the underlying variable interest rates to an average fixed interest rate of 1.6% for a term of ten years, ending in September 2012. Another swap has a notional amount of 65.0 million Swiss francs, and effectively converts the underlying variable interest rates to a fixed interest rate of 4.2% for a term of seven years, ending in September 2012. A third group of swaps which had a notional amount of \$150.0 million, and effectively converted underlying variable interest rates to a fixed interest rate of 3.9% for a term of two years, matured on March 15, 2010. The Company enters into interest rate swap contracts infrequently as they are only used to manage interest rate risk on long-term debt instruments and not for speculative purposes.

The Company enters into forward exchange contracts to hedge the foreign currency exposure of its anticipated purchases of certain inventory. In addition, exchange contracts are used by certain of the Company's subsidiaries to hedge intercompany inventory purchases, which are denominated in non-local currencies. The forward contracts that are used in these programs typically mature in twelve months or less. For these derivatives which qualify as hedges of future anticipated cash flows, the effective portion of changes in fair value is temporarily deferred in AOCI and then recognized in earnings when the hedged item affects earnings.

The Company selectively enters into commodity swaps to effectively fix certain variable raw material costs. At March 31, 2010, the Company had swaps in place to purchase 303 troy ounces of platinum bullion for use in the production of its impression material products. The average fixed rate of this agreement is \$1,196 per troy ounce. In addition, the Company had swaps in place to purchase 57,366 troy ounces of silver bullion for use in the production of its amalgam products at an average fixed rate of \$16 per troy ounce.

The following tables summarize the fair value of the Company's cash flow hedges at March 31, 2010.

Foreign Exchange Forward Contracts (in thousands)	Notional Amounts		Fair Value (Liability) Asset
	2009	2010	2010
Forward sale, 12.0 million Australian dollars	\$ 10,043	\$ 944	\$ (586)
Forward sale, 3.6 million Brazilian reais	1,997	-	(75)
Forward purchase, 8.4 million British pounds	(10,254)	(2,502)	127
Forward sale, 20.0 million Canadian dollars	16,581	3,112	(888)
Forward sale, 5.0 million Danish kroner	917	-	10
Forward purchase, 49.1 million euros	(66,410)	-	558
Forward sale, 251.1 million Japanese yen	2,687	-	301
Forward sale, 102.7 million Mexican pesos	8,330	-	(184)
Forward purchase, 1.0 million Norwegian kroner	(169)	-	(2)
Forward sale, 565.4 million South Korean won	500	-	2
Forward purchase, 6.6 million Swiss francs	(6,316)	-	21
<b>Total foreign exchange forward contracts</b>	<b>\$ (42,094)</b>	<b>\$ 1,554</b>	<b>\$ (716)</b>

Interest Rate Swaps (in thousands)	Notional Amount					Fair Value Liability
	2010	2011	2012	2013	2014 and Beyond	2010
Euro	\$ 1,603	\$ 1,278	\$ 1,278	\$ 1,278	\$ 4,154	\$ (878)
Japanese yen	-	-	134,323	-	-	(2,975)
Swiss francs	-	-	61,834	-	-	(4,033)
<b>Total interest rate swaps</b>	<b>\$ 1,603</b>	<b>\$ 1,278</b>	<b>\$ 197,435</b>	<b>\$ 1,278</b>	<b>\$ 4,154</b>	<b>\$ (7,886)</b>

Commodity Contracts (in thousands)	Notional Amount		Fair Value Asset
	2010	2011	2010
Silver swap - U.S. dollar	\$ (906)	\$ (101)	\$ 101
Platinum swap - U.S. dollar	(499)	-	134
<b>Total commodity contracts</b>	<b>\$ (1,405)</b>	<b>\$ (101)</b>	<b>\$ 235</b>

### Hedges of Net Investments in Foreign Operations

The Company has numerous investments in foreign subsidiaries. The net assets of these subsidiaries are exposed to volatility in foreign currency exchange rates. Currently, the Company uses non-derivative financial instruments, including foreign currency denominated debt held at the parent company level and derivative financial instruments to hedge some of this exposure. Translation gains and losses related to the net assets of the foreign subsidiaries are offset by gains and losses in the non-derivative and derivative financial instruments designated as hedges of net investments.

During the first quarter of 2010, the Company entered into new cross currency basis swaps of Swiss francs 100.0 million and Swiss francs 55.5 million (collectively the "Swiss Swaps"). The Swiss Swaps mature on February 2013, and the Company pays three month Swiss franc LIBOR and receives three month U.S. dollar LIBOR. The new contracts were entered into to replace maturing contracts. The Swiss franc and Euro cross currency basis swaps are designated as net investment hedges of the Swiss and Euro denominated net assets. The interest rate differential is recognized in the earnings as interest income or interest expense as it is accrued, the foreign currency revaluation is recorded in AOCI, net of tax effects.

The fair value of all the cross currency basis swap agreements is the estimated amount the Company would (pay) or receive at the reporting date, taking into account the effective interest rates and foreign exchange rates. As of March 31, 2010 and December 31, 2009, the estimated net fair values of the swap agreements were negative \$120.1 million and negative \$176.6 million, respectively, which were recorded in AOCI, net of tax effects, and as other noncurrent liabilities and other noncurrent assets.

At March 31, 2010, the Company had Euro-denominated and Swiss franc-denominated debt and cross currency basis swaps to hedge the currency exposure related to a designated portion of the net assets of its European and Swiss subsidiaries. At March 31, 2010 and December 31, 2009, the accumulated translation gains on investments in foreign subsidiaries, primarily denominated in Euros, Swiss francs and Japanese yen, net of these net investment hedges, were \$61.0 million and \$111.1 million, respectively, which are included in AOCI, net of tax effects.

The following tables summarize the fair value of the Company's hedges of net investments in foreign operations at March 31, 2010.

Cross Currency Basis Swaps (in thousands)	Notional Amount				Fair Value Liability
	2010	2011	2012	2013	2010
Swiss franc 592.5 million @ \$1.17 pay CHF 3mo. LIBOR rec. USD 3mo. LIBOR	\$ -	\$ 76,484	\$ 53,843	\$ 433,314	\$ 56,224
Euros 358.0 million @ \$1.17 pay EUR 3mo. LIBOR rec. USD 3mo. LIBOR	146,151	-	-	338,313	63,883
<b>Total cross currency basis swaps</b>	<b>\$ 146,151</b>	<b>\$ 76,484</b>	<b>\$ 53,843</b>	<b>\$ 771,627</b>	<b>\$ 120,107</b>

As of March 31, 2010, deferred net losses on derivative instruments of \$2.6 million, which were recorded in AOCI, are expected to be reclassified to current earnings during the next twelve months. This reclassification is primarily due to the sale of inventory that includes previously hedged purchases and interest rate swaps. The maximum term over which the Company is hedging exposures to variability of cash flows (for all forecasted transactions, excluding interest payments on variable interest rate debt) is eighteen months. Overall, the derivatives designated as cash flow hedges are highly effective. Any cash flows associated with these instruments are included in cash from operations in accordance with the Company's policy of classifying the cash flows from these instruments in the same category as the cash flows from the items being hedged.

The following tables summarize the fair value and consolidated balance sheet location of the Company's derivatives at March 31, 2010 and December 31, 2009:

(in thousands)	March 31, 2010			
	Prepaid Expenses and Other Current Assets	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
<b>Designated as Hedges</b>				
Foreign exchange forward contracts	\$ 307	\$ 9	\$ 1,140	\$ 122
Commodity contracts	235	-	-	-
Interest rate swaps	-	-	4,731	2,277
Cross currency basis swaps	-	-	19,234	100,873
<b>Total</b>	<b>\$ 542</b>	<b>\$ 9</b>	<b>\$ 25,105</b>	<b>\$ 103,272</b>
<b>Not Designated as Hedges</b>				
Foreign exchange forward contracts	\$ 845	\$ -	\$ 615	\$ -
Interest rate swaps	-	-	126	752
<b>Total</b>	<b>\$ 845</b>	<b>\$ -</b>	<b>\$ 741</b>	<b>\$ 752</b>

December 31, 2009

(in thousands)	December 31, 2009				
	Designated as Hedges	Prepaid Expenses and Other Current Assets	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts	\$ 598	\$ 5	\$ 1,010	\$ 16	
Commodity contracts	293	-	-	-	
Interest rate swaps	-	-	6,130	2,775	
Cross currency basis swaps	-	-	52,411	124,210	
Total	<u>\$ 891</u>	<u>\$ 5</u>	<u>\$ 59,551</u>	<u>\$ 127,001</u>	
<b>Not Designated as Hedges</b>					
Foreign exchange forward contracts	\$ 556	\$ -	\$ 409	\$ -	
Interest rate swaps	-	-	-	882	
Total	<u>\$ 556</u>	<u>\$ -</u>	<u>\$ 409</u>	<u>\$ 882</u>	

The following table summarizes the consolidated statement of operations impact of the Company's cash flow hedges for the three months ended March 31, 2010 and 2009:

#### Three Months Ended March 31, 2010

(in thousands)	(Loss) Gain in AOCI	Classification of Gains (Losses)	Effective Portion Reclassified from AOCI into Income
Interest rate swaps	\$ (577)	Interest expense	\$ (2,164)
Foreign exchange forward contracts	(521)	Cost of products sold	73
Foreign exchange forward contracts	17	SG&A expenses	94
Commodity contracts	123	Cost of products sold	258
Total	<u>\$ (958)</u>		<u>\$ (1,739)</u>

(in thousands)	Classification of Gains (Losses)	Ineffective portion Recognized in Income
Interest rate swaps	Other expense, net	\$ 297
Foreign exchange forward contracts	Interest expense	(89)
Foreign exchange forward contracts	Interest expense	(3)
Commodity contracts	Interest expense	(7)
Total		<u>\$ 198</u>

#### Three Months Ended March 31, 2009

(in thousands)	Gain in AOCI	Classification of Gains (Losses)	Effective Portion Reclassified from AOCI into Income
Interest rate swaps	\$ 694	Interest expense	\$ (1,450)
Foreign exchange forward contracts	210	Cost of products sold	1,097
Foreign exchange forward contracts	125	SG&A expenses	80
Commodity contracts	860	Cost of products sold	(530)
Total	<u>\$ 1,889</u>		<u>\$ (803)</u>

Derivatives in Cash Flow Hedging

(in thousands)	Classification of Losses	Ineffective portion Recognized in Income
Interest rate swaps	Other expense, net	\$ (14)
Foreign exchange forward contracts	Interest expense	(76)
Foreign exchange forward contracts	Interest expense	(42)
Commodity contracts	Interest expense	(18)
<b>Total</b>		<b>\$ (150)</b>

The following tables summarize the consolidated statement of operations impact of the Company's hedges of net investment for the three months ended March 31, 2010 and 2009:

Three Months Ended March 31, 2010

Derivatives in Net Investment Hedging

(in thousands)	Gain in AOCI	Classification of Gains (Losses)	Gain (Loss) Recognized in Income
Cross currency basis swaps	\$ 9,210	Interest income	\$ 47
		Interest expense	(58)
Cross currency basis swaps	28,758	Interest expense	(657)
<b>Total</b>	<b>\$ 37,968</b>		<b>\$ (668)</b>

Three Months Ended March 31, 2009

Derivatives in Net Investment Hedging

(in thousands)	Gain in AOCI	Classification of Gains (Losses)	Gain (Loss) Recognized in Income
Cross currency basis swaps	\$ 40,784	Interest income	\$ 579
Cross currency basis swaps	25,772	Interest expense	(1,613)
<b>Total</b>	<b>\$ 66,556</b>		<b>\$ (1,034)</b>

The following tables summarize the consolidated statement of operations impact of the Company's hedges not designated as derivatives for the three months ended March 31, 2010 and 2009:

(in thousands)	Classification of Losses	Three Months Ended March 31, 2010
Foreign exchange forward contracts	Other expense, net	\$ (2,276)
Interest rate swaps	Interest expense	(148)
<b>Total</b>		<b>\$ (2,424)</b>

Derivatives Not Designated as Hedges

(in thousands)	Classification of Losses	Three Months Ended March 31, 2009
Foreign exchange forward contracts	Other expense, net	\$ (16,644)
Interest rate swaps	Other expense, net	(2)
Interest rate swaps	Interest expense	(256)
<b>Total</b>		<b>\$ (16,902)</b>

Amounts recorded in AOCI, net of tax, related to cash flow hedging instruments for the three months ended March 31, 2010 and 2009:

(in thousands)	2010	2009
Beginning balance	\$ (4,799)	\$ (7,874)
Changes in fair value of derivatives	(661)	1,184
Reclassifications to earnings from equity	1,073	422
Total activity	412	1,606
Ending balance	<u>\$ (4,387)</u>	<u>\$ (6,268)</u>

Amounts recorded in AOCI, net of tax, related to hedges of net investments in foreign operations for the three months ended March 31, 2010 and 2009:

(in thousands)	2010	2009
Beginning balance	\$ 111,115	\$ 77,585
Foreign currency translation adjustment	(74,319)	(85,485)
Changes in fair value of:		
Foreign currency debt	898	9,727
Derivative hedge instruments	23,312	40,865
Total activity	(50,109)	(34,893)
Ending balance	<u>\$ 61,006</u>	<u>\$ 42,692</u>

#### NOTE 11 – FAIR VALUE MEASUREMENT

The Company records financial instruments at fair value with unrealized gains and losses related to certain financial instruments reflected in AOCI on the consolidated balance sheets. In addition, the Company recognizes certain liabilities at fair value. The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The degree of judgment utilized in measuring the fair value of financial instruments generally correlates to the level of pricing observability. Pricing observability is impacted by a number of factors, including the type of financial instrument. Financial instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of pricing observability and a lesser degree of judgment utilized in measuring fair value. Conversely, financial instruments rarely traded or not quoted will generally have less, or no, pricing observability and a higher degree of judgment utilized in measuring fair value.

The following tables set forth by level within the fair value hierarchy the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of March 31, 2010 and December 31, 2009, which are classified as "Cash and cash equivalents," "Other noncurrent assets, net," "Accrued liabilities," and "Other noncurrent liabilities." Financial assets and liabilities that are recorded at fair value as of the balance sheet date are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(in thousands)	March 31, 2010			
	Total	Level 1	Level 2	Level 3
<b>Assets</b>				
Money market funds	\$ 405,017	\$ 405,017	\$ -	\$ -
Commodity contracts	235	-	235	-
Foreign exchange forward contracts	1,161	-	1,161	-
<b>Total assets</b>	<b>\$ 406,413</b>	<b>\$ 405,017</b>	<b>\$ 1,396</b>	<b>\$ -</b>
<b>Liabilities</b>				
Interest rate swaps	\$ 7,886	\$ -	\$ 7,886	\$ -
Cross currency basis swaps	120,107	-	120,107	-
Foreign exchange forward contracts	1,877	-	1,877	-
<b>Total liabilities</b>	<b>\$ 129,870</b>	<b>\$ -</b>	<b>\$ 129,870</b>	<b>\$ -</b>

(in thousands)	December 31, 2009			
	Total	Level 1	Level 2	Level 3
<b>Assets</b>				
Money market funds	\$ 450,348	\$ 450,348	\$ -	\$ -
Commodity contracts	293	-	293	-
Foreign exchange forward contracts	1,159	-	1,159	-
<b>Total assets</b>	<b>\$ 451,800</b>	<b>\$ 450,348</b>	<b>\$ 1,452</b>	<b>\$ -</b>
<b>Liabilities</b>				
Interest rate swaps	\$ 9,787	\$ -	\$ 9,787	\$ -
Cross currency basis swaps	176,621	-	176,621	-
Foreign exchange forward contracts	1,435	-	1,435	-
<b>Total liabilities</b>	<b>\$ 187,843</b>	<b>\$ -</b>	<b>\$ 187,843</b>	<b>\$ -</b>

Derivative valuations are based on observable inputs to the valuation model including interest rates, foreign currency exchange rates, future commodities prices and credit risks.

The commodity contracts, interest rate swaps, and foreign exchange forward contracts are considered cash flow hedges and cross currency interest rate swaps are considered hedge of net investments in foreign operations as discussed in Note 10, Financial Instruments and Derivatives.

#### NOTE 12 – UNCERTAINTIES IN INCOME TAXES

The Company recognizes in the consolidated financial statements, the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position.

It is reasonably possible that certain amounts of unrecognized tax benefits will significantly increase or decrease within twelve months of the reporting date of the Company's consolidated financial statements. Final settlement and resolution of outstanding tax matters in various jurisdictions during the next twelve months could include unrecognized tax benefits of approximately \$1.1 million. In addition, expiration of statutes of limitation in various jurisdictions during the next twelve months could include unrecognized tax benefits of approximately \$1.0 million.

#### NOTE 13 - FINANCING ARRANGEMENTS

On February 19, 2010, the Company received the proceeds of a \$250.0 million Private Placement Note at a fixed rate of 4.11% for an average term of five years and a final maturity of six years. On March 1, 2010 the Company entered into a term loan facility with PNC Bank for Swiss francs 65.0 million at a variable rate based upon three month Swiss franc LIBOR, which matures in March 2012. The Company's notes payable and current portion of long-term debt, as classified on the consolidated balance sheets, amounted to \$18.9 million and \$82.2 million at March 31, 2010 and December 31, 2009, respectively.

The Company estimates the carrying value of its total debt approximates its fair value of \$476.5 million as of March 31, 2010 and \$453.7 million as of December 31, 2009. The interest rates on term loan debt and commercial paper are variable and therefore the fair value of these instruments approximates their carrying values.

#### **NOTE 14 - COMMITMENTS AND CONTINGENCIES**

On January 5, 1999, the Department of Justice filed a Complaint against the Company in the U.S. District Court in Wilmington, Delaware alleging that the Company's tooth distribution practices violated the antitrust laws and seeking an order for the Company to discontinue its practices. This case has been concluded and the District Court, upon the direction of the Court of Appeals, issued an injunction in May 2006, preventing DENTSPLY from taking action to restrict its tooth dealers in the U.S. from adding new competitive teeth lines.

Subsequent to the filing of the Department of Justice Complaint in 1999, a private party putative class action was filed based on allegations similar to those in the Department of Justice case, on behalf of dental laboratories who purchased Trubyte® teeth or products containing Trubyte® teeth. The District Court granted the Company's Motion on the lack of standing of the laboratory class action to pursue damage claims. The Plaintiffs appealed this decision to the Third Circuit and the Court largely upheld the decision of the District Court in dismissing the Plaintiffs' damages claims against DENTSPLY, with the exception of allowing the Plaintiffs to pursue a damage claim based on a theory of resale price maintenance between the Company and its tooth dealers. The Plaintiffs then filed an amended complaint in the District Court asserting that DENTSPLY and its tooth dealers, and the dealers among themselves, engaged in a conspiracy to violate the antitrust laws. The District Court has granted the Motions filed by DENTSPLY and the dealers, to dismiss Plaintiffs' claims, except for the resale price maintenance claims. The Plaintiffs appealed the dismissal of these claims to the Third Circuit. The Third Circuit issued its decision in April 2010 affirming the decision of the District Court.

On June 18, 2004, Marvin Weinstat, DDS and Richard Nathan, DDS filed a class action suit in San Francisco County, California alleging that the Company misrepresented that its Cavitron® ultrasonic scalers are suitable for use in oral surgical procedures. The Complaint seeks a recall of the product and refund of its purchase price to dentists who have purchased it for use in oral surgery. The Court certified the case as a class action in June 2006 with respect to the breach of warranty and unfair business practices claims. The class is defined as California dental professionals who purchased and used one or more Cavitron® ultrasonic scalers for the performance of oral surgical procedures. The Company filed a motion for decertification of the class and this motion was granted. Plaintiffs appealed the decertification of the class to the California Court of Appeals and the Court of Appeals has reversed the decertification decision of the trial Court. The Company filed a Petition for Review of the Court of Appeals decision with the California Supreme Court. In April 2010 the California Supreme Court denied the Company's Petition.

On December 12, 2006, a Complaint was filed by Carole Hildebrand, DDS and Robert Jaffin, DDS in the Eastern District of Pennsylvania (the Plaintiffs subsequently added Dr. Mitchell Goldman as a named class representative). The case was filed by the same law firm that filed the Weinstat case in California. The Complaint asserts putative class action claims on behalf of dentists located in New Jersey and Pennsylvania. The Complaint seeks damages and asserts that the Company's Cavitron® ultrasonic scaler was negligently designed and sold in breach of contract and warranty arising from misrepresentations about the potential uses of the product because it cannot assure the delivery of potable or sterile water. Plaintiffs have filed their Motion for class certification to which the Company has filed its response. The Company also filed other motions, including a Motion to dismiss the claims of Drs. Hildebrand and Jaffin for lack of standing. The Court granted this Motion for lack of standing of the individuals and did not allow the plaintiffs to amend the complaint to substitute their corporate practices. The plaintiffs have now filed another complaint in which they named the corporate practices of Drs. Hildebrand and Jaffin as class representatives. The Company has moved to dismiss this complaint.

On November 21, 2008, Guidance Endodontics LLC filed a complaint in the U.S. District Court of New Mexico asserting claims against DENTSPLY arising principally out of a breach of a manufacturing and supply contract between the parties. Prior to trial, Guidance had claimed its damages were \$1.2 million. The case went to trial in late September and early October 2009. On October 9, 2009, a jury returned a verdict against DENTSPLY, in the amount of approximately \$4.0 million for past and future compensatory damages and \$40.0 million in punitive damages. In April 2010, the District Court Judge formally entered the verdict that was reached in October 2009. The Company believes that this decision is not supported by the facts in the case or the applicable law and intends to vigorously pursue all available options to challenge it. The Company has filed separate motions to overturn the punitive damages verdict and the future damages verdict, or in the alternative to be granted a new trial, because of the inappropriateness of such verdicts. The Company plans to file additional motions. DENTSPLY does not believe the outcome of this matter will have a material adverse effect on its financial position.



As of March 31, 2010, a reasonable estimate of a possible range of loss related to the above litigation cannot be made except as reflected above. DENTSPLY does not believe the outcome of any of these matters will have a material adverse effect on its financial position. In the event that one or more of these matters is unfavorably resolved, it is possible the Company's results from operations on a US GAAP basis could be materially impacted.

#### **Purchase Commitments**

From time to time, the Company enters into long-term inventory purchase commitments with minimum purchase requirements for raw materials and finished goods to ensure the availability of products for production and distribution. These commitments may have a significant impact on levels of inventory maintained by the Company.

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

The nature and geographic scope of the DENTSPLY International Inc. and Subsidiaries ("DENTSPLY" or the "Company") business subjects it to changing economic, competitive, regulatory and technological risks and uncertainties. In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company provides the following cautionary remarks regarding important factors, which, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by the Company are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are identified by the use of such terms as "may," "could," "expect," "intend," "believe," "plan," "estimate," "forecast," "project," "anticipate" or words of similar expression.

Investors are cautioned that forward-looking statements involve risks and uncertainties which may materially affect the Company's business and prospects, and should be read in conjunction with the risk factors and uncertainties discussed within Item 1A, Part I of the Company's Form 10-K for the year ended December 31, 2009. Investors are further cautioned that the risk factors in Item 1A, Part I of the Company's Form 10-K may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty and has no obligation to update forward-looking statements.

**OVERVIEW**

DENTSPLY believes it is the world's largest designer, developer, manufacturer and marketer of a broad range of products for the dental market. The Company is headquartered in the United States of America ("U.S.") and operates in more than 120 other countries, principally through its foreign subsidiaries. The Company also has strategically located distribution centers throughout the world to enable it to better serve its customers and increase its operating efficiency. While the U.S. and Europe are the Company's largest markets, the Company serves all of the major professional dental markets worldwide.

**Principal Products**

The Company has three main product categories: 1) Dental Consumable Products; 2) Dental Laboratory Products; and 3) Dental Specialty Products.

Dental consumable products consist of dental sundries and small equipment used in dental offices by general practitioners in the treatment of patients. The Company manufactures a wide variety of different dental sundry consumable products marketed under more than one hundred brand names. DENTSPLY's dental sundry products within this category include dental anesthetics, prophylaxis paste, dental sealants, impression materials, restorative materials, tooth whiteners and topical fluoride. Small equipment products in the dental consumable category consist of various durable goods used in dental offices for treatment of patients. DENTSPLY's small equipment products include high and low speed handpieces, intraoral curing light systems, dental diagnostic systems, and ultrasonic scalers and polishers.

Dental laboratory products are used in the preparation of dental appliances by dental laboratories. DENTSPLY's products within this category include dental prosthetics, artificial teeth, precious metal dental alloys, dental ceramics, and crown and bridge materials. This category also includes fabricated dental appliances, computer aided design software and centralized manufacturing of frameworks. Equipment in this category includes computer aided machining ceramic systems and porcelain furnaces.

Dental specialty products are specialized treatment products used within the dental office and laboratory settings. DENTSPLY's products within this category include endodontic instruments and materials, implants and related products, bone grafting materials, 3D digital implantology, and orthodontic appliances and accessories.

## Principal Measurements

The principal measurements used by the Company in evaluating its business are: (1) internal growth by geographic region; (2) constant currency growth by geographic region; (3) operating margins of each reportable segment including product pricing and controlling expenses; (4) the development, introduction and contribution of innovative new products; and (5) growth through acquisition.

The Company defines “internal growth” as the increase or decrease in net sales from period to period, excluding (1) precious metal content; (2) the impact of changes in currency exchange rates; and (3) net acquisition growth, which is defined as the net sales, for a period of twelve months following the transaction date, of businesses that have been acquired or divested. The Company defines “constant currency growth” as internal growth plus net acquisition growth.

Management believes that an average internal growth rate of 4% to 6% is a long-term sustainable rate for the Company. The internal growth rate may vary outside of this range based on weaker or stronger economic conditions. Management expects the Company to operate below this range in the near future due to the current economic conditions; however, history shows that growth in the dental industry typically performs better than the overall economy. There can be no assurance that the Company’s assumptions concerning the growth rates in its markets or the dental market generally will continue in the future. If such rates are less than expected, the Company’s projected growth rates and results of operations may be adversely affected.

Price changes, other marketing and promotional programs offered to customers from time to time, the management of inventory levels by distributors and the implementation of strategic initiatives may impact sales and inventory levels in a given period.

The Company has always maintained its focus on minimizing costs and achieving operational efficiencies. Management continues to evaluate the consolidation of operations or functions and reduce the cost of those operations and functions. In addition, the Company remains focused on enhancing efficiency through expanded use of technology and process improvement initiatives. The Company believes that the benefits from these initiatives will improve the cost structure and help offset areas of rising costs such as energy, employee benefits and regulatory oversight and compliance.

Product innovation is a key component of the Company’s overall growth strategy. New advances in technology are anticipated to have a significant influence on future products in dentistry. As a result, the Company continues to pursue research and development initiatives to support this technological development, including collaborations with various research institutions and dental schools. In addition, the Company licenses and purchases technologies developed by third parties. Although the Company believes these activities will lead to new innovative dental products, they involve new technologies and there can be no assurance that commercialized products will be developed.

Although the professional dental market in which the Company operates has experienced consolidation, it is still a fragmented industry. The Company continues to focus on opportunities to expand the Company’s product offerings through acquisitions. Management believes that there will continue to be adequate opportunities to participate as a consolidator in the industry for the foreseeable future.

## Impact of Foreign Currencies

Due to the international nature of DENTSPLY’s business, movements in foreign exchange rates may impact the Consolidated Statements of Operations. With over 60% of the Company’s sales located in regions outside the U.S., the Company’s sales are impacted negatively by the strengthening or positively by the weakening of the U.S. dollar. Additionally, movements in certain foreign exchange rates may unfavorably or favorably impact the Company’s gross profit and certain operating expenses.

## RESULTS OF OPERATIONS, QUARTER ENDED MARCH 31, 2010 COMPARED TO QUARTER ENDED MARCH 31, 2009

### Net Sales

Management believes that the presentation of net sales, excluding precious metal content, provides useful information to investors because a significant portion of DENTSPLY's net sales is comprised of sales of precious metals generated through sales of the Company's precious metal dental alloy products, which are used by third parties to construct crown and bridge materials. Due to the fluctuations of precious metal prices and because the precious metal content of the Company's sales is largely a pass-through to customers and has minimal effect on earnings, DENTSPLY reports net sales both with and without precious metal content to show the Company's performance independent of precious metal price volatility and to enhance comparability of performance between periods. The Company uses its cost of precious metal purchased as a proxy for the precious metal content of sales, as the precious metal content of sales is not separately tracked and invoiced to customers. The Company believes that it is reasonable to use the cost of precious metal content purchased in this manner since precious metal dental alloy sale prices are typically adjusted when the prices of underlying precious metals change.

The presentation of net sales, excluding precious metal content, is considered a measure not calculated in accordance with the generally accepted accounting principles in the U.S. ("US GAAP"), and is therefore considered a non-US GAAP measure. The Company provides the following reconciliation of net sales to net sales, excluding precious metal content. The Company's definitions and calculations of net sales, excluding precious metal content, and other operating measures derived using net sales, excluding precious metal content, may not necessarily be the same as those used by other companies.

(in millions)	Three Months Ended March 31,		\$ Change	% Change
	2010	2009		
Net sales	\$ 545.9	\$ 506.9	\$ 39.0	7.7%
Less: precious metal content of sales	48.4	41.3	7.1	17.2%
Net sales, excluding precious metal content	<u>\$ 497.5</u>	<u>\$ 465.6</u>	\$ 31.9	6.8%

Net sales, excluding precious metal content, for the three months ended March 31, 2010 was \$497.5 million, an increase of 6.8% over prior year first quarter. The change in net sales, excluding precious metal content, was driven by constant currency growth of 2.7%, and currency translation of 4.1%. The constant currency sales growth included internal growth of 2.5%.

### Constant Currency and Internal Sales Growth

#### United States

Net sales, excluding precious metal content, increased 0.9% in the United States in the first quarter of 2010 on both a constant currency basis and an internal growth basis. Internal growth was primarily driven by growth in dental consumable products.

#### Europe

Net sales, excluding precious metal content, in Europe increased 3.0% in the first quarter of 2010 on a constant currency basis, including 2.4% of internal growth. Internal growth was primarily driven by strong growth in dental consumables and non-dental products.

#### All Other Regions

Net sales, excluding precious metal content, in the other regions of the world increased by 6.0% on both a constant currency basis and an internal growth basis. Internal growth was primarily driven by strong growth in dental specialty and dental consumable products, which were partially offset by lower sales in dental laboratory products.

## Gross Profit

(in millions)	Three Months Ended March 31,		\$ Change	% Change
	2010	2009		
Gross profit	\$ 282.0	\$ 265.7	\$ 16.3	6.1%
Gross profit as a percentage of net sales, including precious metal content	51.7%	52.4%		
Gross profit as a percentage of net sales, excluding precious metal content	56.7%	57.1%		

Gross profit as a percentage of net sales, excluding precious metal content, decreased 0.4 percentage points for the three months ended March 31, 2010 compared to 2009. The decrease is the result of unfavorable product mix and movements in foreign currencies, partially offset by improved product pricing. Additionally, the 2009 results included the roll-off of inventory step-up from acquisition-related activities, which negatively impacted the 2009 gross margin percentage, excluding precious metal content.

## Operating Expenses

(in millions)	Three Months Ended March 31,		\$ Change	% Change
	2010	2009		
Selling, general and administrative expenses ("SG&A")	\$ 188.0	\$ 178.0	\$ 10.0	5.6%
Restructuring and other costs	\$ 4.7	\$ 1.6	\$ 3.1	NM
SG&A as a percentage of net sales, including precious metal content	34.4%	35.1%		
SG&A as a percentage of net sales, excluding precious metal content	37.8%	38.2%		

NM – Not meaningful

### SG&A Expenses

SG&A expenses as a percentage of net sales, excluding precious metal content, decreased to 37.8% in the first quarter of 2010 from 38.2% in the first quarter of 2009. Expenses continue to be tightly controlled as the Company focuses on reducing certain discretionary costs and various fixed costs to maintain an efficient cost structure; however certain costs, such as commissions and other variable costs, are returning to more normal levels in 2010.

### Restructuring and Other Costs

During the three months ended March 31, 2010, the Company recorded restructuring and other costs of \$4.7 million. These costs are primarily related to several legal matters, new and ongoing restructuring plans to reduce operational costs through consolidation of facilities and business re-organizations. In 2009, the Company incurred costs of \$1.6 million primarily related to new and ongoing restructuring plans. (See also Note 9, Restructuring and Other Costs, of the Notes to Unaudited Interim Consolidated Financial Statements).

## Other Income and Expenses

(in millions)	Three Months Ended March 31,		Change
	2010	2009	
Net interest expense	\$ 4.9	\$ 4.2	\$ 0.7
Other expense, net	1.0	0.9	0.1
Net interest and other expense	\$ 5.9	\$ 5.1	\$ 0.8

### Net Interest Expense

Net interest expense for the three months ended March 31, 2010 increased by \$0.7 million from the three months ended March 31, 2009 as the Company experienced slightly higher average interest rates and average debt balances as well as significantly lower interest rates earned on investments. Interest expense decreased by \$0.5 million as slightly higher average interest rates on the Company's debt were offset by a slightly lower average negative interest differential spread on the Company's cross currency swaps. Interest income decreased \$1.2 million as the interest rates on Euro investment balances decreased while the average Euro investment balance was higher in the current year than the prior year.

### Other Expense, Net

Other expense in the 2010 period included approximately \$0.5 million of currency transaction losses and \$0.5 million of other non-operating costs. The 2009 period included \$0.6 million of currency transaction losses and \$0.3 million of other non-operating costs.

### **Income Taxes and Net Income**

(in millions, except per share data)	Three Months Ended March 31,		<u>\$ Change</u>	<u>% Change</u>
	<u>2010</u>	<u>2009</u>		
Effective income tax rates	25.5%	26.1%		
Net income attributable to DENTSPLY International	\$ 61.8	\$ 61.7	\$ 0.1	0.2%
Earnings per common share:				
Diluted	\$ 0.41	\$ 0.41		

### Income Taxes

The Company's effective income tax rates for the first quarter 2010 and 2009 were 25.5% and 26.1%, respectively. In 2010, the Company's effective income tax rate included the impact of restructuring and other costs, acquisition related activity and various income tax adjustments, which impacted income before income taxes and the provision for income taxes by \$5.2 million and \$1.4 million, respectively. In 2009, the Company's effective income tax rate included the impact of restructuring and other costs, acquisition related activity, and various income tax adjustments, which impacted income before income taxes and the provision for income taxes by \$4.2 million and \$1.0 million, respectively.

### Net Income attributable to DENTSPLY International

In addition to the results reported in accordance with US GAAP, the Company provided adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted common share. These adjusted amounts consist of US GAAP amounts excluding (1) restructuring and other costs, (2) acquisition related charges, and (3) income tax related adjustments. Adjusted earnings per diluted common share are calculated by dividing adjusted net income attributable to DENTSPLY International by diluted weighted-average common shares outstanding. Adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted common share are considered measures not calculated in accordance with US GAAP, and therefore are non-US GAAP measures. These non-US GAAP measures may differ from other companies.

The Company believes that the presentation of adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted common share provides important supplemental information to management and investors seeking to understand the Company's financial condition and results of operations. The non-US GAAP financial information should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP.

	Three Months Ended March 31, 2010	
	Income (Expense)	Diluted Per Common Share
Net income attributable to DENTSPLY International	\$ 61,843	\$ 0.41
Restructuring and other costs, net of tax and noncontrolling interests	2,791	0.02
Acquisition related activities, net of tax and noncontrolling interests	387	0.00
Income tax related adjustments	437	0.00
Rounding	-	0.01
Adjusted non-US GAAP earnings	<u>\$ 65,458</u>	<u>\$ 0.44</u>

	Three Months Ended March 31, 2009	
	Income (Expense)	Diluted Per Common Share
Net income attributable to DENTSPLY International	\$ 61,743	\$ 0.41
Restructuring and other costs, net of tax and noncontrolling interests	996	0.01
Acquisition related activities, net of tax and noncontrolling interests	1,119	0.01
Income tax related adjustments	282	0.00
Adjusted non-US GAAP earnings	<u>\$ 64,140</u>	<u>\$ 0.43</u>

## Operating Segment Results

### Third Party Net Sales, Excluding Precious Metal Content

(in millions)	Three Months Ended March 31,			
	2010	2009	\$ Change	% Change
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 135.0	\$ 124.9	\$ 10.1	8.1%
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ 102.2	\$ 97.4	\$ 4.8	4.9%
Canada/Latin America/Endodontics/Orthodontics	\$ 156.0	\$ 144.0	\$ 12.0	8.3%
Dental Laboratory Business/Implants/Non-Dental	\$ 105.3	\$ 100.1	\$ 5.2	5.2%

## Segment Operating Income

(in millions)	Three Months Ended March 31,		<u>\$ Change</u>	<u>% Change</u>
	<u>2010</u>	<u>2009</u>		
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 44.9	\$ 33.9	\$ 11.0	32.4%
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ (0.1)	\$ 2.9	\$ (3.0)	NM
Canada/Latin America/Endodontics/Orthodontics	\$ 48.0	\$ 50.1	\$ (2.1)	(4.2)%
Dental Laboratory Business/Implants/Non-Dental	\$ 22.5	\$ 22.3	\$ 0.2	0.9%

NM – Not meaningful

### United States, Germany and Certain Other European Regions Consumable Businesses

Net sales, excluding precious metal content, increased 8.1% during the three months ended March 31, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, increased 6.3% due to internal growth across most of the regions in this segment. In addition, the first quarter of 2009 was impacted by lower sales in dental consumable products due to lower underlying demand for small equipment and some reductions in dealer inventories.

Operating income increased \$11.0 million during the three months ended March 31, 2010 compared to 2009. The increase was primarily attributable to internal sales growth and expense management. Additionally, the 2009 results included the roll-off of inventory step-up from acquisition-related activities.

### France, United Kingdom, Italy and Certain Other European Countries, CIS, Austria, Central and Eastern Europe, Middle East, Africa, Pacific Rim Businesses

Net sales, excluding precious metal content, increased 4.9% during the three months ended March 31, 2010 compared to 2009. Net sales, excluding precious metal content, were favorably impacted by a weaker U. S. dollar in 2010. On a constant currency basis, net sales, excluding precious metal content, decreased by 1.8%. The decrease was largely the result of lower sales in several geographies in the segment.

Operating income decreased \$3.0 million during the three months ended March 31, 2010 compared to 2009, primarily related to unfavorable product mix.

### Canada/Latin America/Endodontics/Orthodontics

Net sales, excluding precious metal content, increased 8.3% during the three months ended March 31, 2010 compared to 2009. Net sales, excluding precious metal content, were favorably impacted by a weaker U. S. dollar in 2010. On a constant currency basis, net sales, excluding precious metal content, increased by 3.5% mainly due to internal growth across most of the segment and acquisitions completed in 2010.

Operating income decreased \$2.1 million during the three months ended March 31, 2010 compared to 2009. The decrease was driven by increased sales and marketing costs within the segment. Additionally, material purchases denominated in Japanese Yen negatively impacted operating income.



## Dental Laboratory Business/Implants/Non-Dental

Net sales, excluding precious metal content, increased 5.2% during the three months ended March 31, 2010 compared to 2009. Net sales, excluding precious metal content, were favorably impacted by a weaker U. S. dollar in 2010. On a constant currency basis, net sales, excluding precious metal content, increased by 1.6%. The increase was driven by the dental implant business and the improving dental laboratory business, excluding Europe.

Operating income for the three months ended March 31, 2010 improved slightly when compared to the same period in 2009.

### **CRITICAL ACCOUNTING POLICIES**

There have been no other material changes to the Company's disclosure in its Form 10-K for the year ended December 31, 2009.

### **LIQUIDITY AND CAPITAL RESOURCES**

#### **Three months ended March 31, 2010**

Cash flow from operating activities during the three months ended March 31, 2010 was \$36.5 million compared to \$10.6 million during the three months ended March 31, 2009. Net income increased by \$2.3 million to \$62.2 million. Improvements in working capital for 2010 were the primary reason for the increase in cash from operations. Inventory and accounts receivable balances on a constant currency basis were positive contributors to the change in cash flow, while foreign exchange impacts resulted in higher absolute dollar balances in each category. Reported days for inventory decreased while accounts receivable increased slightly. When comparing the quarter over quarter changes in the consolidated statements of cash flows, increases in accounts payable and accruals were largely offset by increases in prepaid expenses and decreases in accrued taxes payable and deferred taxes.

Investing activities during the first three months of 2010 include capital expenditures of \$8.0 million. The Company expects that capital expenditures will be between \$70.0 million and \$80.0 million for the full year of 2010. The acquisition related activity for the three months ended March 31, 2010 of \$7.7 million was related to two acquisitions and one earn-out payment on a prior year acquisition.

At March 31, 2010, the Company had authorization to maintain up to 22.0 million shares of treasury stock under the stock repurchase program as approved by the Board of Directors. Under this program, the Company purchased 1.2 million shares for \$41.4 million during the first three months of 2010 at an average price of \$33.59. As of March 31, 2010, the Company held 16.5 million shares of treasury stock. The Company also received proceeds of \$7.4 million as a result of the exercise of 0.4 million stock options during the three months ended March 31, 2010.

The Company's long-term borrowings increased by a net of \$10.0 million during the three months ended March 31, 2010. This change included net borrowings of \$12.6 million during the first three months and a decrease of \$2.6 million due to exchange rate fluctuations on debt denominated in foreign currencies. At March 31, 2010, the Company's ratio of long-term debt to total capitalization increased to 19.8% compared to 19.2% at December 31, 2009. Also in that same period, the Company's cash, cash equivalents and short-term investments have decreased from \$450.3 million to \$405.0 million.

Under its multi-currency revolving credit agreement, the Company is able to borrow up to \$500.0 million through May 9, 2010. This facility is unsecured and contains certain affirmative and negative covenants relating to its operations and financial condition. The most restrictive of these covenants pertain to asset dispositions and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. At March 31, 2010, the Company was in compliance with these covenants. The Company also has available an aggregate \$250.0 million under a U.S. dollar commercial paper facility. The multi-currency revolving credit facility serves as a back-up to the commercial paper facility. The total available credit under the commercial paper facility and the multi-currency revolving credit facility in the aggregate is \$500.0 million with \$2.9 million outstanding under the multi-currency revolving facility.

The Company's debt instruments that are supported by the multi-currency revolving credit facility have been classified as current until the Company replaces the May 2010 maturing facility. Management's intent is to replace the maturing facility, at least in part, in the second quarter of 2010.

On February 19, 2010, the Company entered into a Note Purchase Agreement (“Note”) with a group of initial purchasers through a private placement for \$250.0 million aggregate principal amount of fixed rate 4.11% Senior Notes with an average maturity of five years and a final maturity in six years. This Note is unsecured and contains certain affirmative and negative covenants relating to its operations and financial condition of the Company similar in substance to the existing \$150.0 million U.S. Private Placement Note (“U.S. Note”) maturing March 15, 2010. The new Note was used to refinance the existing U.S. Note at maturity as well as for general corporate purposes.

On March 1, 2010, the Company entered into a Term Loan Agreement (“Term Loan”) with PNC Bank providing for the issuance by the Company of Swiss francs 65.0 million aggregate principal amount of floating rate Senior Term Loan with a final maturity in March 2012. This Term Loan is unsecured and contains certain affirmative and negative covenants relating to its operations and financial condition of the Company similar in substance to the existing multi-currency revolving credit agreement maturing May 9, 2010. The new Term Loan was used to refinance a loan under the existing multi-currency revolving credit agreement.

The Company also has access to \$70.2 million in uncommitted short-term financing under lines of credit from various financial institutions. The lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institutions. At March 31, 2010, the Company had \$12.8 million outstanding under these short-term lines of credit. At March 31, 2010, the Company had total unused lines of credit related to the revolving credit agreement and the uncommitted short-term lines of credit of \$554.6 million.

The Company entered into new cross currency swaps of Swiss francs 100.0 million and Swiss francs 55.5 million on February 18, 2011 and March 1, 2010 respectively to replace maturing trades. The contracts are designated as net investment hedges.

At March 31, 2010, the Company held \$108.2 million of precious metals on consignment from several financial institutions. These consignment agreements allow the Company to acquire the precious metal at market rates at a point in time, which is approximately the same time and for the same price as alloys are sold to the Company’s customers. In the event that the financial institutions would discontinue offering these consignment arrangements, and if the Company could not obtain other comparable arrangements, the Company may be required to obtain third party financing to fund an ownership position in the required precious metal inventory levels.

Except for the new term loan facility with PNC Bank for Swiss francs 65.0 million discussed in Note 10, Financial Instruments and Derivatives, of the Notes to Unaudited Interim Consolidated Financial Statements, there have been no other material changes to the Company’s scheduled contractual cash obligations disclosed in its Form 10-K for the year ended December 31, 2009. The Company expects on an ongoing basis, to be able to finance cash requirements, including capital expenditures, stock repurchases, debt service, operating leases and potential future acquisitions, from the funds generated from operations and amounts available under its existing credit facilities.

## **NEW ACCOUNTING PRONOUNCEMENTS**

Refer to Note 1, Significant Accounting Policies, to the Unaudited Interim Consolidated Financial Statements for a discussion of recent accounting standards and pronouncements.

## **Item 3 - Quantitative and Qualitative Disclosures About Market Risk**

There have been no significant material changes to the market risks as disclosed in the Company’s Form 10-K for the year ended December 31, 2009.

## **Item 4 - Controls and Procedures**

### Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended) as of the end of the period covered by this report were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that it is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

### Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting that occurred during the most recent quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1 - Legal Proceedings

Incorporated by reference to Part I, Item 1, Note 14, Commitments and Contingencies, to the Unaudited Interim Consolidated Financial Statements.

### Item 1A – Risk Factors

There have been no significant material changes to the risks factors as disclosed in the Company's Form 10-K for the year ending December 31, 2009.

### Item 2 - Unregistered Sales of Securities and Use of Proceeds

At March 31, 2010, the Company had authorization to maintain up to 22.0 million shares of treasury stock under the stock repurchase program as approved by the Board of Directors. During the quarter ended March 31, 2010, the Company had the following activity with respect to this repurchase program:

(in thousands, except per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Cost of Shares Purchased	Number of Shares that May be Purchased Under the Share Repurchase Program
January 1-31, 2010	-	\$ -	\$ -	1,292.6
February 1-28, 2010	578.4	32.91	19,033.0	879.1
March 1-31, 2010	654.7	34.20	22,389.6	5,477.6
	<u>1,233.1</u>	\$ 33.59	<u>\$ 41,422.6</u>	

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

Reserved.

### Item 6 - Exhibits

Exhibit Number	Description
3.2	By-Laws, as amended
4.5	Swiss Franc Term Loan Agreement, due March 1, 2012 dated as of February 24, 2010
31	Section 302 Certification Statements.
32	Section 906 Certification Statement.
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 Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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.

DENTSPLY International Inc.

/s/	<u>Bret W. Wise</u>	<u>April 29, 2010</u>
	Bret W. Wise	Date
	Chairman of the Board and	
	Chief Executive Officer	

/s/	<u>William R. Jellison</u>	<u>April 29, 2010</u>
	William R. Jellison	Date
	Senior Vice President and	
	Chief Financial Officer	

**DENTSPLY International Inc.**

**AMENDED AND RESTATED BY-LAWS**

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**AMENDED AND RESTATED BY-LAWS  
OF  
DENTSPLY INTERNATIONAL INC.**

(Formerly GENDEX Corporation)

ARTICLE I

STOCKHOLDERS' MEETINGS

Section 1. Annual Meetings. The annual meeting of the stockholders, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting, shall be held on such date and at such time as shall be designated from time to time by the Board of Directors.

Section 2. Special Meetings. Except as otherwise required by law and subject to the rights of the holders of any class or series of capital stock having a preference over the common stock as to dividends or upon liquidation, special meetings of stockholders of the corporation may be called only by the Chairman of the Board, the Chief Executive Officer or the President pursuant to a resolution adopted by the Board of Directors.

Section 3. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting, or for any special meeting called pursuant to Article I, Section 2, above. A waiver of notice signed by all stockholders entitled to vote at a meeting may designate any place, either within or without the State of Delaware, as the place for the holding of such meeting. If no designation is made, or if a special meeting shall be otherwise called, the place of meeting shall be the principal office of the corporation.

Section 4. Notice of Meeting. Written notice stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting either personally or by mail, by or at the discretion of the Chief Executive Officer, the President or the officer or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the stockholder at his address as it appears on the stock record books of the corporation, with postage thereon prepaid.

Section 5. Fixing of Record Date.

(a) For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors of the corporation may fix, in advance, a date as the record date for any such determination of stockholders, such date in any case to be not more than sixty (60) nor less than ten (10) days prior to the date of any proposed meeting of stockholders. In no event shall the stock transfer books be closed. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this Section, such determination shall be applied to any adjournment thereof.

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(b) For the purpose of determining stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or in order to make a determination of stockholders for any other lawful purpose, the Board of Directors of the corporation may fix a date as the record date for any such determination of stockholders, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. In no event shall the stock transfer books be closed.

Section 6. Quorum. A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. Provided that a meeting has been duly convened in accordance herewith, any meeting of the stockholders may be adjourned from time to time without further notice. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. Any meeting (a) at which all of the outstanding shares are present in person or represented by proxy and at which none of such shares attend for the purpose of objecting, at the beginning of the meeting, to the transaction of any business thereat because the meeting was not lawfully called or convened, or (b) at which all of the outstanding stock has waived notice, or (c) for which notice shall have been duly given as provided herein, shall be deemed a properly constituted meeting of the stockholders.

Section 7. Proxies. At all meetings of stockholders, a stockholder entitled to vote may vote by proxy appointed in writing by the stockholder or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid only at the meeting for which it has been given or any adjournment thereof.

Section 8. Voting of Shares. At each meeting of stockholders, every stockholder entitled to vote thereat shall be entitled to vote in person or by a duly authorized proxy, which proxy may be appointed by an instrument in writing executed by such stockholder or his duly authorized attorney or through electronic means, if applicable, such as the internet. Subject to the provisions of applicable law and the corporation's Certificate of Incorporation, each holder of common stock shall be entitled to one (1) vote for each share of stock standing registered in his name at the close of business on the day fixed by the Board of Directors as the record date for the determination of the stockholders entitled to notice of and vote at such meeting. Shares standing in the name of another corporation may be voted by any officer of such corporation or any proxy appointed by any officer of such corporation in the absence of express notice of such corporation given in writing to the Secretary of this corporation in connection with the particular meeting, that such officer has no authority to vote such shares.

Section 9. List of Stockholders. A complete list of the stockholders entitled to vote at the ensuing meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be prepared by the Secretary, or other officer of the corporation having charge of said stock ledger. Such list shall be open to the examination of any stockholder during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where said meeting is to be held, and the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any stockholder who may be present.

Section 10. Waiver of Notice by Stockholders. Whenever any notice whatever is required to be given to any stockholder of the corporation under the provisions of these By-Laws or under the provisions of the Certificate of Incorporation or under the provisions of any statute, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the stockholder entitled to such notice, shall be deemed equivalent to the giving of such notice.

Section 11. Advance Notice of Stockholder-Proposed Business at Annual Meetings. No business may be transacted at an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the annual meeting by any stockholder of the corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 11 and on the record date for the determination of stockholders entitled to notice of and to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 11.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of such stockholder and any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom, (ii) the name and record address of such stockholder, (iii) as to the stockholder giving the notice and any Stockholder Associated Person, (A) the class, series and number of all shares of stock of the corporation which are owned by such stockholder and by such Stockholder Associated Person, if any, (B) the nominee holder for, and number of, shares owned beneficially but not of record by such stockholder and by any such Stockholder Associated Person, and (C) any derivative positions held or beneficially held by the stockholder and by any such Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder or any such Stockholder Associated Person with respect to any share of stock of the corporation; (iv) as to the stockholder giving the notice and any Stockholder Associated Person covered by clause (iii) of this paragraph, the name and address of such stockholder, as they appear on the corporation's stock ledger, and current name and address, if different, and of such Stockholder Associated Person; (v) a description of all proxy, contract, arrangement, understanding, or relationship between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; and (vi) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at the annual meeting except business brought before the annual meeting in accordance with the procedures set forth in this Section 11; provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 11 shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

For purposes of this Section 11 and of Section 12 of this Article I, "Stockholder Associated Person" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder and (iii) any person controlling, controlled by or under common control with such Stockholder Associated Person.

Section 12. Procedure for Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation, except as may be otherwise provided in the Certificate of Incorporation with respect to the right of holders of preferred stock of the corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of the corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 12 and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting and (ii) who complies with the notice procedures set forth in this Section 12.

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the corporation (a) in the case of an annual meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice and any Stockholder Associated Person, (i) the name and record address of such stockholder, (ii) the class, series and number of all shares of stock of the corporation which are owned by such stockholder and by such Stockholder Associated Person, if any, (iii) the nominee holder for, and number of, shares owned beneficially but not of record by such stockholder and by any such Stockholder Associated Person, (iv) any derivative positions held or beneficially held by the stockholder and by any such Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder or any such Stockholder Associated Person with respect to any share of stock of the corporation, (v) a description of all arrangements or understandings between such stockholder or any such Stockholder Associated Person and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (vi) as to the stockholder giving the notice, a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (vii) any other information relating to the stockholder giving the notice that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section 12. If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Section 13. Election of Directors. Except as provided in Section 8 of Article II of these bylaws, a nominee for director shall be elected to the Board of Directors if the votes cast for such nominee's election exceed the votes cast against such nominee's election; provided, however, that directors shall be elected by a plurality of the votes cast at any meeting of stockholders for which (i) the Secretary of the Corporation receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for director set forth in Article I, Section 12 of these bylaws and (ii) such nomination has not been withdrawn by such stockholder on or prior to the fourteenth day before the date the Corporation first mails to the stockholders its notice of such meeting. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee, but only to withhold their vote.

## ARTICLE II

### BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors. The Board of Directors may adopt, amend or repeal by-laws adopted by the Board or by the stockholders.

Section 2. Number of Directors, Tenure and Qualifications. The number of members of the Board of Directors shall be not less than three (3) nor more than thirteen (13), as determined from time to time by the Board of Directors. The directors need not be stockholders of the corporation. The directors shall be divided into three (3) classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third (1/3) of the total number of directors constituting the entire Board of Directors. Effective immediately upon the filing of the Certificate of Incorporation of the corporation dated June 11, 1993, Class I directors shall be elected for a term ending upon the next succeeding annual meeting of stockholders, Class II directors for a term ending upon the second succeeding annual meeting of stockholders and Class III directors for a term ending upon the third succeeding annual meeting of stockholders. At each succeeding annual meeting of stockholders beginning with the annual meeting immediately succeeding the filing of the Certificate of Incorporation, successors to the class of directors whose term expires at such annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, incapacitation or removal from office, and except as otherwise required by law. In the event such election is not held at the annual meeting of stockholders, it shall be held at any adjournment thereof or a special meeting.

Section 3. Regular Meetings. Regular meetings of the Board of Directors shall be held without any other notice than this By-Law immediately after, and at the same place as, the annual meeting of stockholders, and each adjourned session thereof. The Board of Directors may designate the time and place, either within or without the State of Delaware, for the holding of additional regular meetings without other notice than such designation.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chief Executive Officer, the President or by members of the Board of Directors constituting no less than three-fourths (3/4) of the total number of directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix any place either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. Notice. Notice of any special meeting shall be given at least five (5) days previously thereto by written notice delivered or mailed to each director at his last known address, or at least forty-eight (48) hours previously thereto by personal delivery or by facsimile to a telephone number provided to the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by facsimile, such notice shall be deemed to be delivered when transmitted with receipt confirmed. Whenever any notice whatever is required to be given to any director of the corporation under the provisions of these By-Laws or under the provisions of the Certificate of Incorporation or under the provisions of any statute, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting and objects thereto to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. Two-Thirds (2/3) of the directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 7. Manner of Acting. The act of the majority of the directors then in office shall be the act of the Board of Directors, unless the act of a greater number is required by these By-Laws or By-Law.

Section 8. Vacancies. Except as otherwise required by law, any vacancy on the Board of Directors that results from an increase in the number of directors shall be filled only by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors shall be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor. The resignation of a director shall be effective upon receipt by the corporation, unless some subsequent time is fixed in the resignation, and then from that time. Acceptance of such resignation by the corporation shall not be required.

Section 9. Compensation. The Board of Directors, by affirmative vote of a majority of the directors, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all directors for services to the corporation as directors, officers or otherwise, or may delegate such authority to an appropriate committee.

Section 10. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 11. Committees. The Board of Directors by resolution may designate one (1) or more committees, each committee to consist of one (1) or more directors elected by the Board of Directors, which to the extent provided in such resolution, as initially adopted, and as thereafter supplemented or amended by further resolution adopted by a like vote, shall have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the business and affairs of the corporation, except action with respect to amendment of the Certificate of Incorporation or By-Laws, adoption of an agreement of merger or consolidation (other than the adoption of a Certificate of Ownership and Merger in accordance with Section 253 of the General Corporation Law of the State of Delaware, as such law may be amended or supplemented), recommendation to the stockholders of the sale, lease or exchange of all or substantially all of the corporation's property or assets, recommendation to the stockholders of the dissolution or the revocation of a dissolution of the corporation, election of officers or the filling of vacancies on the Board of Directors or on committees created pursuant to this Section or declaration of dividends. The Board of Directors may elect one (1) or more of its members as alternate members of any such committee who may take the place of any absent or disqualified member or members at any meeting of such committee, upon request by the Chairman of the Board, the Chief Executive Officer or the President or upon request by the chairman of such meeting. Each such committee may fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

Section 12. Removal of Directors. Exclusive of directors, if any, elected by the holders of one (1) or more classes of preferred stock, no director of the corporation may be removed from office, except for cause and by the affirmative vote of two-thirds (2/3) of the outstanding shares of capital stock of the corporation entitled to vote at a meeting of the stockholders duly called for such purpose. As used in this Article II, the meaning of "cause" shall be limited to malfeasance arising from the performance of a director's duty which has a materially adverse effect on the business of the corporation.

Section 13. Action of the Board by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting of the Board of Directors or any committee thereof if prior to such action a written consent thereto is signed by all members of the Board or of the committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or the committee.

Section 14. Conferences. Members of the Board of Directors or any committee designated by the Board may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 14 shall constitute presence in person at such meeting.

### ARTICLE III

#### OFFICERS

Section 1. Number. The officers of the corporation shall consist of a Chairman of the Board and a Chief Executive Officer. The Board of Directors may appoint as officers a Vice Chairman of the Board, President, such number of Senior Vice Presidents and Vice Presidents, a Secretary, a Treasurer, one (1) or more Assistant Treasurers, one (1) or more Assistant Secretaries, and such other officers as are created by the Board from time to time. The same person may hold two (2) or more of such offices.

Section 2. Election and Term of Office. The Chairman of the Board and the Vice Chairman of the Board shall be elected by the directors from among their own number; other officers need not be directors. In addition to the powers conferred upon them by these By-Laws, all officers elected or appointed by the Board of Directors shall have such authority and shall perform such duties as from time to time may be prescribed by the Board of Directors by resolution.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

Section 4. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and meetings of the stockholders. He shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 5. Vice Chairman of the Board. In the absence of the Chairman of the Board because of death or physical disability which prevents the Chairman of the Board from performing his duties, or in the event of his inability or refusal to act, the Vice Chairman of the Board shall perform the duties of the Chairman of the Board and, when so acting, have the powers of and be subject to all of the restrictions upon the Chairman of the Board.



Section 6. Chief Executive Officer. The Chief Executive Officer shall be the principal executive officer of the corporation and shall have the general charge of and control over the business, affairs and personnel of the corporation, subject to the authority of the Board of Directors. The Chief Executive Officer may, together with the Secretary, sign all certificates for shares of the capital stock of the corporation and shall perform such other duties as shall be delegated to him by the Board of Directors. Except as may be specified by the Board of Directors, the Chief Executive Officer shall have the power to enter into contracts and make commitments on behalf of the corporation and shall have the right to execute deeds, mortgages, bonds, contracts and other instruments necessary or proper to be executed in connection with the corporation's regular business and may authorize the President, and any other officer of the corporation, to sign, execute and acknowledge such documents and instruments in his place and stead.

Section 7. President. The President shall be the chief operating officer of the corporation, and shall report to the Chief Executive Officer. The President may, together with the Secretary, sign all certificates for shares of the capital stock of the corporation and may, together with the Secretary, execute on behalf of the corporation any contract, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or the Chief Executive Officer to some other officer or agent, and shall perform such duties as are assigned to him by the Board of Directors or the Chief Executive Officer.

Section 8. Senior Vice President and Vice Presidents. Each Senior Vice President or Vice President shall perform such duties and have such authority as from time to time may be assigned to him by the Board of Directors, the Chief Executive Officer or the President.

Section 9. Secretary and Assistant Secretaries. The Secretary shall have custody of the seal of the corporation and of all books, records and papers of the corporation, except such as shall be in the charge of the Treasurer or some other person authorized to have custody and be in possession thereof by resolution of the Board of Directors. The Secretary shall record the proceedings of the meetings of the stockholders and of the Board of Directors in books kept by him for that purpose and may, at the direction of the Board of Directors, give any notice required by statute or by these By-Laws of all such meetings. The Secretary shall, together with the Chief Executive Officer or the President, sign certificates for shares of the capital stock of the corporation. Any Assistant Secretaries elected by the Board of Directors, in order of their seniority, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary as aforesaid. The Secretary or any Assistant Secretary may, together with the Chief Executive Officer, the President or any other authorized officer, execute on behalf of the corporation any contract which has been approved by the Board of Directors, and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the President shall prescribe.

Section 10. Treasurer and Assistant Treasurer. The Treasurer shall keep accounts of all moneys of the corporation received and disbursed, and shall deposit all monies and valuables of the corporation in its name and to its credit in such banks and depositories as the Board of Directors shall designate. Any Assistant Treasurers elected by the Board of Directors, in order of their seniority, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the President shall prescribe.

Section 11. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

Section 12. Representation in Other Companies. Unless otherwise ordered by the Board of Directors, the Chief Executive Officer, the President or a Vice President designated by the President shall have full power and authority on behalf of the corporation to attend and to act and to vote at any meetings of security holders of corporations in which the corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities, and which as the owner thereof the corporation might have possessed and exercised, if present. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

#### ARTICLE IV

##### STOCK AND TRANSFER OF STOCK

Section 1. Shares of Stock. The shares of capital stock of the corporation shall be represented by a certificate, unless and until the Board of Directors of the corporation adopts a resolution permitting shares to be uncertificated. Notwithstanding the adoption of any such resolution providing for uncertificated shares, every holder of capital stock of the corporation theretofore represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate for shares of capital stock of the corporation signed by the Chief Executive Officer or the President and by the Secretary. To the extent that shares are represented by certificates, the certificates shall be in such form as shall be determined by the Board of Directors and shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. With respect to certificated shares of stock, all certificates surrendered to the corporation for transfer shall be canceled and no new certificate or uncertificated shares shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate, a new certificate or uncertificated shares may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

Section 2. Transfer of Shares. Stock of the corporation shall be transferable in the manner prescribed by applicable law and in these By-Laws. Transfers of stock shall be made on the books of the corporation, and in the case of certificated shares of stock, only by the person named in the certificate or by such person's attorney lawfully constituted in writing and upon the surrender of the certificate therefor, properly endorsed for transfer and payment of all necessary transfer taxes; or, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney lawfully constituted in writing, and upon payment of all necessary transfer taxes and compliance with appropriate procedures for transferring shares in uncertificated form; provided, however, that such surrender and endorsement, compliance or payment of taxes shall not be required in any case in which the officers of the corporation shall determine to waive such requirement. Prior to due presentment for registration of transfer of a certificate representing shares of capital stock of the corporation or of proper transfer instructions with respect to uncertificated shares, the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner. Where a certificate for shares is presented to the corporation with a request to register for transfer, the corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The corporation may require reasonable assurance that said endorsements are genuine and effective and in compliance with such other regulations as may be prescribed under the authority of the Board of Directors.

## ARTICLE V

### INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 1. Indemnification Generally. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or is alleged to have violated the Employee Retirement Income Security Act of 1974, as amended, against expenses (including attorneys' fees), judgments, fines, penalties, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. Indemnification in Actions By or In the Right Of the Corporation. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense and settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Section 3. Success on the Merits; Indemnification Against Expenses. To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or Section 2 of this Article V, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 4. Determination that Indemnification is Proper. Any indemnification under Section 1 or Section 2 of this Article V, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances under the standard of conduct set forth in such Section 1 or Section 2 of this Article V, as the case may be. Such determination shall be made:

- (a) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding;
- (b) If such a quorum is not obtainable, or, even if obtainable if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or
- (c) By the stockholders.

Section 5. Insurance; Indemnification Agreements. The corporation may, but shall not be required to, supplement the right of indemnification under this Article V by any lawful means, including, without limitation by reason of [remuneration], (i) the purchase and maintenance of insurance on behalf of any one or more of such indemnitees, whether or not the corporation would be obligated to indemnify such person under this Article V or otherwise, and (ii) individual or group indemnification agreements with any one or more of such indemnitees.

Section 6. Advancement of Expenses. Expenses (including attorneys' fees) incurred by an indemnitee in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as to such amounts.

Section 7. Rights Not Exclusive. The indemnification and advancement of expenses provided by this Article V shall be not deemed exclusive of any other right to which an indemnified person may be entitled under Section 145 of the General Corporation Law of the State of Delaware (or any successor provision) or otherwise under applicable law, or under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 8. Severability. To the extent that any court of competent jurisdiction shall determine that the indemnification provided under this Article V shall be invalid as applied to a particular claim, issue or matter, the provisions hereof shall be deemed amended to allow indemnification to the maximum extent permitted by law.

Section 9. Modification. This Article V shall be deemed to be a contract between the corporation and each previous, current or future director, officer, employee or agent. The provisions of this Article V shall be applicable to all actions, claims, suits or proceedings, commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this Article V shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding which is based in any material respect from any alleged action or failure to act prior to such amendment, modification or repeal.

**65,000,000 Swiss Francs**

**TWO YEAR CREDIT AGREEMENT**

Dated as of February 24, 2010

Among

**DENTSPLY INTERNATIONAL INC.**

as Borrower

and

**THE INITIAL LENDERS NAMED HEREIN**

as Initial Lenders

and

**PNC BANK, NATIONAL ASSOCIATION**

as Agent

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TWO YEAR CREDIT AGREEMENT

Dated as of February 24, 2010

DENTSPLY INTERNATIONAL INC., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders (the "Initial Lenders") and PNC BANK, NATIONAL ASSOCIATION ("PNC"), as agent (the "Agent") for the Lenders (as hereinafter defined), agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 5% or more of the Voting Stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent's Account" means such account of the Agent as is designated in writing from time to time by the Agent to the Company and the Lenders for such purpose.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit C hereto.

"Bankruptcy Law" means any proceeding of the type referred to in Section 6.01(e) or Title 11, U.S. Code, or any similar foreign, federal or state law for the relief of debtors.

"Base Rate" means for any day, a fluctuating per annum rate of interest equal to the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Open Rate in effect on such day plus ½ of 1% and (c) the Daily LIBOR Rate in effect on such day plus one hundred basis points (1.00%). If for any reason the Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Open Rate for any reason, including the inability or failure of the Agent to obtain sufficient quotations in accordance with the definition of such term, the Base Rate shall be determined without regard to clause (b) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Open Rate or the Daily LIBOR Rate shall be effective on the effective date of such change in the Prime Rate, the Federal Funds Open Rate or the Daily LIBOR Rate, respectively.

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“Business Day” means a day of the year on which banks are not required or authorized by law to close in Philadelphia, Pennsylvania and on which dealings are carried on in the London interbank market and banks are open for business in London and in Switzerland.

“Company Information” has the meaning specified in Section 9.08.

“Consolidated” refers to the consolidation of accounts in accordance with GAAP.

“Daily LIBOR Rate” means, for any day, the rate per annum determined by the Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1%) (a) the Published Rate by (b) a number equal to 1.00 minus the Eurocurrency Rate Reserve Percentage. The Published Rate shall be adjusted as of each Business Day based on changes in the Published Rate or the Eurocurrency Rate Reserve Percentage without notice to the Company, and shall be applicable from the effective date of any such change.

“Debt” of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit or similar extensions of credit, (g) all obligations of such Person in respect of Hedge Agreements, (h) all Debt of others referred to in clauses (a) through (g) above or clause (i) below and other payment obligations (collectively, “Guaranteed Debt”) guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (1) to pay or purchase such Guaranteed Debt or to advance or supply funds for the payment or purchase of such Guaranteed Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Guaranteed Debt or to assure the holder of such Guaranteed Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, and (i) all Debt referred to in clauses (a) through (h) above (including Guaranteed Debt) secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

“Debt for Borrowed Money” of any Person means all items that, in accordance with GAAP, would be classified as indebtedness on a Consolidated balance sheet of such Person, provided that Debt for Borrowed Money of the Company and its Subsidiaries shall not include Debt incurred in connection with the Consignment Agreements relating to the consignment of precious metals between the Company and certain counterparties.

“Default” means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

“Dollars” and the “\$” sign each means lawful currency of the United States of America.

“EBITDA” means, for any period, net income (or net loss) plus the sum of (a) interest expense, (b) income tax expense, (c) depreciation expense and (d) amortization expense, in each case determined in accordance with GAAP for such period.

“Effective Date” has the meaning specified in Section 3.01.

“Eligible Assignee” means (i) a Lender; (ii) an Affiliate of a Lender; and (iii) any other Person approved by the Agent and, unless an Event of Default has occurred and is continuing at the time any assignment is effected in accordance with Section 9.07, the Company, such approval not to be unreasonably withheld or delayed; provided, however, that neither the Company nor an Affiliate of the Company shall qualify as an Eligible Assignee.

“Environmental Action” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“Environmental Law” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equivalent” means, at any time, as determined by the Agent (which determination shall be conclusive absent manifest error), with respect to an amount of any currency (the “Reference Currency”) which is to be computed as an equivalent amount of another currency (the “Equivalent Currency”), the amount of such Equivalent Currency converted from such Reference Currency using the average spot rate quoted to the Agent (based on the market rates then prevailing and available to the Agent) or the commercial market rate of exchange, as determined by the Agent, for the sale of such Equivalent Currency for such Reference Currency at a time determined by the Agent on the second Business Day immediately preceding the event for which such calculation is made.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means any Person that for purposes of Title IV of ERISA is a member of the Company’s controlled group, or under common control with the Company, within the meaning of Section 414 of the Internal Revenue Code.

“ERISA Event” means (a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC, or (ii) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are met with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of the Company or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by the Company or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for the imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan; (g) the Adjusted Funding Target Attainment Percentage (as defined in Section 206(g)(9) of ERISA) of any Plan is, or is deemed to be, less than 80%; or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Plan.

“Eurocurrency Liabilities” has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Eurocurrency Rate” means for any Interest Period, an interest rate per annum equal to the rate obtained by dividing (a) the rate per annum (rounded upwards to the nearest whole multiple of 1/100 of 1% per annum determined by the Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the average of the London interbank offered rate of interest per annum for deposits in Swiss Francs which appears on the relevant Bloomberg page that displays such rates (or, if no such quotation is available on such Bloomberg page, the rate which is quoted by another source for the London interbank offered rates of interest for deposits in Swiss Francs selected by the Agent), at approximately 11:00 a.m., London time, two (2) Business Days prior to the first day of such Interest Period for delivery on the first day of such Interest Period for a period, and in an amount, comparable to such Interest Period and the principal amount of the Term Loans outstanding by (b) a percentage equal to 100% minus the Eurocurrency Rate Reserve Percentage for such Interest Period.

“Eurocurrency Rate Reserve Percentage” for any Interest Period, means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on advances in Swiss Francs is determined) having a term equal to such Interest Period.

“Events of Default” has the meaning specified in Section 6.01.

“Federal Funds Open Rate” means, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption “OPEN” (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Agent (an “Alternate Source”) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Agent at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the “open” rate on the immediately preceding Business Day. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate without notice to the Company.

“GAAP” has the meaning specified in Section 1.03.

“Hazardous Materials” means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

“Hedge Agreements” means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

“Interest Period” means initially the period commencing on the Term Loan Funding Date and ending three months after such date and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending three months after such date. Accordingly, the duration of each such Interest Period shall be three months; provided, however, that:

(a) no Interest Period may end after the Term Loan Maturity Date;

(b) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(c) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

(d) at all times, all of the Term Loans shall have the same Interest Period.

(e) notwithstanding the foregoing, as provided in Section 2.08(c) hereof, upon the occurrence and during the continuance of an Event of Default, unless the Agent otherwise agrees in its sole discretion, the Interest Period for the Term Loans shall be one (1) month.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“Lenders” means each Initial Lender and each Person that shall become a party hereto pursuant to Section 9.07.

“Lending Office” means, with respect to any Lender, the office of such Lender specified as its “Lending Office” opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify in writing to the Company and the Agent.

“Lien” means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“Material Adverse Change” means any material adverse change in the business, financial condition or operations of the Company or the Company and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial condition or operations of the Company or the Company and its Subsidiaries taken as a whole, (b) the rights and remedies of the Agent or any Lender under this Agreement or any Note or (c) the ability of the Company to perform its obligations under this Agreement or any Note.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Company or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

“Multiple Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Company or any ERISA Affiliate and at least one Person other than the Company and the ERISA Affiliates or (b) was so maintained and in respect of which the Company or any ERISA Affiliate could have liability under Section 4063, 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

“Note” means a promissory note of the Company payable to the order of any Lender, delivered pursuant to a request made under Section 2.16 in substantially the form of Exhibit A hereto, evidencing the aggregate indebtedness of the Company to such Lender resulting from the Term Loans made by or owed to such Lender.

“Notice of Borrowing” has the meaning specified in Section 2.02(a).

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001.

“Payment Office” means such office of PNC as shall be from time to time selected by the Agent and notified by the Agent to the Company and the Lenders.

“PBGC” means the Pension Benefit Guaranty Corporation (or any successor).

“Permitted Liens” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(b) hereof; (b) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days; (c) pledges or deposits to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; and (d) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes.

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

“Plan” means a Single Employer Plan or a Multiple Employer Plan.

“Prime Rate” means the rate publicly announced by PNC from time to time as its prime rate. The Prime Rate is determined from time to time by PNC as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by PNC to any particular class or category of customers.

“Published Rate” means the rate of interest published each Business Day in The Wall Street Journal “Money Rates” listing under the caption “London Interbank Offered Rates” for a one-month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the eurodollar rate for a one-month period as published in another publication determined by the Agent).



“Ratable Share” means, as to any Lender, (a) until the funding of the Term Loans, the percentage which such Lender’s Term Loan Commitment constitutes of the aggregate Term Loan Commitments of all of the Lenders and (b) thereafter, the percentage which the principal amount of such Lender’s Term Loan constitutes of the aggregate principal amount of the Term Loans of all of the Lenders then outstanding.

“Register” has the meaning specified in Section 9.07(d).

“Required Lenders” means at any time Lenders owed at least a majority of the then aggregate unpaid principal amount of the Term Loans then owing to the Lenders; provided that, at any time that there are only two Lenders party hereto, Required Lenders shall mean both such Lenders.

“Single Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Company or any ERISA Affiliate and no Person other than the Company and the ERISA Affiliates or (b) was so maintained and in respect of which the Company or any ERISA Affiliate could have liability under Section 4062 or 4069 of ERISA in the event such plan has been or were to be terminated.

“Solvent” and “Solvency” mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Subsidiary” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person’s other Subsidiaries.

“Swiss Francs” means the lawful currency of the Swiss Federation.

“Term Loan” shall have the meaning assigned to such term in Section 2.01 hereof.

“Term Loan Commitment” shall mean, with respect to any Lender, the commitment of such Lender to make a Term Loan on the date hereof pursuant to Section 2.01 in an amount not to exceed the amount set forth opposite such Lender’s name on Schedule I hereto. The aggregate amount of the Term Loan Commitments on the Effective Date is 65,000,000 Swiss Francs.

“Term Loan Funding Date” means the date that is three (3) Business Days after the Effective Date.

“Term Loan Maturity Date” means March 1, 2012, which date is two years from the Term Loan Funding Date.

“Voting Stock” means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

SECTION 1.02 Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

SECTION 1.03 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) (“GAAP”).

## ARTICLE II

### AMOUNTS AND TERMS OF THE TERM LOANS

SECTION 2.01 The Term Loans. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make a term loan ( each, a “Term Loan”) to the Company on the Term Loan Funding Date in Swiss Francs in an amount equal to such Lender’s Ratable Share of the aggregate Term Loans requested by the Company, but not to exceed such Lender’s Term Loan Commitment. The Company may only request the making of Term Loans on the Effective Date, such Term Loans to be funded on the Term Loan Funding Date. The Term Loans shall be in increments of 5,000,000 Swiss Francs. No portion of the Term Loans which are repaid may be reborrowed.

SECTION 2.02 Procedures for Term Loans. (a) The borrowing of the Term Loans shall be made on notice, given not later than 10:00 A.M. Philadelphia, Pennsylvania time on the Effective Date by the Company to the Agent, which shall give to each Lender prompt notice thereof by telecopier. The notice of borrowing (the "Notice of Borrowing") shall be by telephone, confirmed immediately in writing, or telecopier in substantially the form of Exhibit B hereto, specifying therein the requested (i) date of such borrowing, which shall be the Term Loan Funding Date and (ii) the aggregate amount of such borrowing. Each Lender shall, before 1:00 P.M. (Philadelphia, Pennsylvania time) on the Term Loan Funding Date, make available for the account of its Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's ratable portion of such borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Company at the Agent's address referred to in Section 9.02.

(b) [Intentionally Left Blank]

(c) The Notice of Borrowing shall be irrevocable and binding on the Company. The Company shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the Term Loan Funding Date the applicable conditions set forth in Article III, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Term Loans to be made by such Lender when the Term Loans, as a result of such failure, are not made on the Term Loan Funding Date.

(d) Unless the Agent shall have received notice from a Lender prior to the Term Loan Funding Date that such Lender will not make available to the Agent such Lender's ratable portion of the Term Loans, the Agent may assume that such Lender has made such portion available to the Agent on the Term Loan Funding Date in accordance with subsection (a) of this Section 2.02, and the Agent may, in reliance upon such assumption, make available to the Company on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and the Company severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Company until the date such amount is repaid to the Agent, at (i) in the case of the Company, the interest rate applicable at the time to the Term Loans (ii) in the case of such Lender, the cost of funds incurred by the Agent in respect of such amount. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Term Loans for purposes of this Agreement.

(e) The failure of any Lender to make the Term Loans to be made by it on the Term Loan Funding Date shall not relieve any other Lender of its obligation, if any, hereunder to make its Term Loans on the Term Loan Funding Date, but no Lender shall be responsible for the failure of any other Lender to make the Term Loans to be made by such other Lender on the Term Loan Funding Date.

SECTION 2.03 [Intentionally Left Blank]

SECTION 2.04 [Intentionally Left Blank]

SECTION 2.05 [Intentionally Left Blank]

SECTION 2.06 Repayment. The Company shall repay to the Agent for the ratable account of the Lenders on the Term Loan Maturity Date the aggregate principal amount of the Term Loans then outstanding and all accrued and unpaid interest thereon.

SECTION 2.07 Interest on Term Loans. (a) Scheduled Interest. The Company shall pay interest on the unpaid principal amount of the Term Loans owing to each Lender from the date of the making of the Term Loans until such principal amount shall be paid in full, at a rate per annum equal at all times during each Interest Period to the sum of (x) the Eurocurrency Rate for such Interest Period plus (y) one and one-half percent (1.5%), payable in arrears on the last day of such Interest Period and on the date the Term Loans are paid in full.

(b) Default Interest. Upon the occurrence and during the continuance of an Event of Default under Section 6.01(a), the Agent may, and upon the request of the Required Lenders shall, require the Company to pay interest ("Default Interest") on (i) the unpaid principal amount of the Term Loans payable to each Lender, payable in arrears on the dates referred to in clause (a) above, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on the Term Loans payable to each Lender pursuant to clause (a) above and (ii) to the fullest extent permitted by law, the amount of any interest or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to the Base Rate plus 3.5% per annum; provided, however, that following acceleration of the Term Loans pursuant to Section 6.01, Default Interest shall accrue and be payable hereunder whether or not previously required by the Agent.

SECTION 2.08 Interest Rate Determination. (a) [Intentionally Left Blank]

(b) If the Lenders owed at least 51% of the aggregate principal amount of the Term Loans notify the Agent that (i) they are unable to obtain matching deposits in the London inter-bank market at or about 11:00 A.M. (London time) on the second Business Day before the making of the Term Loans in sufficient amounts to fund their respective Term Loan or (ii) the Eurocurrency Rate for any Interest Period will not adequately reflect the cost to such Lenders of making, funding or maintaining their respective Term Loans for such Interest Period, the Agent shall forthwith so notify the Company and the Lenders, whereupon the Company will, on the last day of the then existing Interest Period therefor prepay the Term Loans.

(c) Without limiting the Agent and the Lender's rights and remedies hereunder, upon the occurrence and during the continuation of an Event of Default, unless the Agent otherwise agrees in its sole discretion, the Interest Period for the Term Loans shall be one (1) month.

(d) [Intentionally Left Blank]

(e) [Intentionally Left Blank]

(f) If the Agent determines that reasonable means do not exist for ascertaining the Eurocurrency Rate,

(i) the Agent shall forthwith notify the Company and the Lenders that the Eurocurrency Rate cannot be determined, and

(ii) the Company shall, on the last day of the then existing Interest Period for the Term Loans, prepay, without penalty, the Term Loans in full with accrued interest; provided that if such payment is not made on the last day of an Interest Period, such payment shall be subject to Section 9.04(c).

SECTION 2.09 [Intentionally Left Blank]

SECTION 2.10 Prepayments of Term Loans. The Company may, upon notice at least two Business Days' prior to the date of such prepayment to the Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Company shall, prepay the outstanding principal amount of the Term Loans in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment of Term Loans shall be in an aggregate principal amount of not less than 5,000,000 Swiss Francs or a whole multiple thereof and (y) the Company shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 9.04(c). Each notice of prepayment shall be irrevocable.

SECTION 2.11 Increased Costs. (a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority including, without limitation, any agency of the European Union or similar monetary or multinational authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining the Term Loans (excluding for purposes of this Section 2.11 any such increased costs resulting from (i) Taxes or Other Taxes (as to which Section 2.14 shall govern) and (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its Lending Office or any political subdivision thereof), then the Company shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost; provided, however, that before making any such demand, each Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation would avoid the need for, or reduce the amount of, such increased cost and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate as to the amount of such increased cost, submitted to the Company and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of the Term Loans, then, upon demand by such Lender (with a copy of such demand to the Agent), the Company shall pay to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's Term Loans. A certificate as to such amounts submitted to the Company and the Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.12 Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for any Lender or its Lending Office to perform its obligations hereunder to make or maintain the Term Loans, the Company shall prepay, without penalty (other than, if not paid on the last day of the Interest Period therefor, as provided in Section 9.04(c)), the Term Loans in full with accrued interest on the last day of the Interest Period then in effect or within such earlier period as required by law.

SECTION 2.13 Payments and Computations. (a) The Company shall make each payment hereunder with respect to principal of, interest on, and other amounts relating to, the Term Loans, irrespective of any right of counterclaim or set-off, not later than 11:00 A.M. Philadelphia, Pennsylvania time (at the Payment Office) on the day when due in Swiss Francs to the Agent, by deposit of such funds to the Agent's Account in same day funds. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest, fees or commissions ratably (other than amounts payable pursuant to Sections 2.11, 2.14 or 9.04(c)) to the Lenders for the account of their respective Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 9.07(c), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Company hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder or under the Note held by such Lender, to charge from time to time against any or all of the Company's accounts with such Lender any amount so due.

(c) All computations of interest shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest; provided, however, that, if such extension would cause payment of interest on or principal of the Term Loans to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Agent shall have received notice from the Company prior to the date on which any payment is due to the Lenders hereunder that the Company will not make such payment in full, the Agent may assume that the Company has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Company shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the cost of funds incurred by the Agent in respect of such amount.

(f) To the extent that the Agent receives funds for application to the amounts owing by the Company under or in respect of this Agreement or any Note in currencies other than the currency or currencies required to enable the Agent to distribute funds to the Lenders in accordance with the terms of this Section 2.13, the Agent shall be entitled to convert or exchange such funds into Dollars or into Swiss Francs or from Dollars to Swiss Francs or from Swiss Francs to Dollars, as the case may be, to the extent necessary to enable the Agent to distribute such funds in accordance with the terms of this Section 2.13; provided that the Company and each of the Lenders hereby agree that the Agent shall not be liable or responsible for any loss, cost or expense suffered by the Company or such Lender as a result of any conversion or exchange of currencies affected pursuant to this Section 2.13(f) or as a result of the failure of the Agent to effect any such conversion or exchange; and provided further that the Company agrees to indemnify the Agent and each Lender, and hold the Agent and each Lender harmless, for any and all losses, costs and expenses incurred by the Agent or any Lender for any conversion or exchange of currencies (or the failure to convert or exchange any currencies) in accordance with this Section 2.13(f).

SECTION 2.14 Taxes. (a) Any and all payments by the Company to or for the account of any Lender or the Agent hereunder or under the Notes or any other documents to be delivered hereunder shall be made, in accordance with Section 2.13 or the applicable provisions of such other documents, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Agent, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction under the laws of which such Lender or the Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction of such Lender's Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes being hereinafter referred to as "Taxes"). If the Company shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note or any other documents to be delivered hereunder to any Lender or the Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.14) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Company shall make such deductions and (iii) the Company shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Company shall pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under the Notes or any other documents to be delivered hereunder or from the execution, delivery or registration of, performing under, or otherwise with respect to, this Agreement or the Notes or any other documents to be delivered hereunder (hereinafter referred to as “Other Taxes”).

(c) The Company shall indemnify each Lender and the Agent for and hold it harmless against the full amount of Taxes or Other Taxes (including, without limitation, taxes of any kind imposed or asserted by any jurisdiction on amounts payable under this Section 2.14) imposed on or paid by such Lender or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or the Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes by or on behalf of the Company, the Company shall furnish to the Agent, at its address referred to in Section 9.02, the original or a certified copy of a receipt evidencing such payment to the extent such a receipt is issued therefor, or other written proof of payment thereof that is reasonably satisfactory to the Agent. In the case of any payment hereunder or under the Notes or any other documents to be delivered hereunder by or on behalf of the Company through an account or branch outside the United States or by or on behalf of the Company by a payor that is not a United States person, if the Company determines that no Taxes are payable in respect thereof, the Company shall furnish, or shall cause such payor to furnish, to the Agent, at such address, an opinion of counsel acceptable to the Agent stating that such payment is exempt from Taxes. For purposes of this subsection (d) and subsection (e), the terms “United States” and “United States person” shall have the meanings specified in Section 7701 of the Internal Revenue Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender in the case of each other Lender, and from time to time thereafter as reasonably requested in writing by the Company (but only so long as such Lender remains lawfully able to do so), shall provide each of the Agent and the Company with two original Internal Revenue Service Forms W-8BEN or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or the Notes. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such form; provided, however, that, if at the date of the Assignment and Acceptance pursuant to which a Lender assignee becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service Form W-8BEN or W-8ECI, that the Lender reasonably considers to be confidential, the Lender shall give notice thereof to the Company and shall not be obligated to include in such form or document such confidential information.



(f) For any period with respect to which a Lender has failed to provide the Company with the appropriate form, certificate or other document described in Section 2.14(e) (other than if such failure is due to a change in law, or in the interpretation or application thereof, occurring subsequent to the date on which a form, certificate or other document originally was required to be provided, or if such form, certificate or other document otherwise is not required under subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.14(a) or (c) with respect to Taxes imposed by the United States by reason of such failure; provided, however, that should a Lender become subject to Taxes because of its failure to deliver a form, certificate or other document required hereunder, the Company shall take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

SECTION 2.15 Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Term Loans owing to it (other than pursuant to Sections 2.11, 2.14 or 9.04(c)) in excess of its Ratable Share of payments on account of the Term Loans obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Term Loans owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Company agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Company in the amount of such participation.

SECTION 2.16 Evidence of Debt. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Company to such Lender resulting from the Term Loans owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder in respect of the Term Loans. The Company agrees that upon notice by any Lender to the Company (with a copy of such notice to the Agent) to the effect that a Note is required or appropriate in order for such Lender to evidence (whether for purposes of pledge, enforcement or otherwise) the Term Loans owing to such Lender, the Company shall promptly execute and deliver to such Lender a Note in substantially the form of Exhibit A hereto, payable to the order of such Lender in a principal amount equal to the Term Loans of such Lender.

(b) The Register maintained by the Agent pursuant to Section 9.07(d) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of the Term Loans made hereunder, and the Interest Period applicable thereto which Interest Period shall, except as otherwise specifically provided in Section 2.08(c) in the case of an Event of Default, be three (3) months, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Company to each Lender hereunder and (iv) the amount of any sum received by the Agent from the Company hereunder and each Lender's share thereof.

(c) Entries made in good faith by the Agent in the Register pursuant to subsection (b) above, and by each Lender in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Company to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error; provided, however, that the failure of the Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Company under this Agreement.

SECTION 2.17 Use of Proceeds. The proceeds of the Term Loans shall be used by the Company solely to repay an equal amount of loans in Swiss Francs made to the Company or a Subsidiary thereof by PNC and certain other lenders under that certain Five Year Credit Agreement, dated as of May 9, 2005, among the Company, the lenders party hereto and Citibank, N.A., as agent.

### ARTICLE III

#### CONDITIONS TO EFFECTIVENESS AND LENDING

SECTION 3.01 Conditions Precedent to Effectiveness of Section 2.01. Section 2.01 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) There shall have occurred no Material Adverse Change since December 31, 2009.

(b) There shall exist no action, suit, investigation, litigation or proceeding affecting the Company or any of its Subsidiaries pending or threatened before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(c) Nothing shall have come to the attention of the Lenders during the course of their due diligence investigation to lead them to believe that any information provided to the Lenders prior to such date was or has become misleading, incorrect or incomplete in any material respect; without limiting the generality of the foregoing, the Lenders shall have been given such access to the management, records, books of account, contracts and properties of the Company and its Subsidiaries as they shall have requested.

(d) All governmental and third party consents and approvals necessary in connection with the transactions contemplated hereby shall have been obtained (without the imposition of any conditions that are not acceptable to the Lenders) and shall remain in effect, and no law or regulation shall be applicable in the reasonable judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated hereby.

(e) The Company shall have notified each Lender and the Agent in writing as to the proposed Effective Date.

(f) The Company shall have paid all accrued fees and expenses of the Agent and the Lenders (including the accrued fees and expenses of counsel to the Agent).

(g) On the Effective Date, the following statements shall be true and the Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Company, dated the Effective Date, stating that:

(i) The representations and warranties contained in Section 4.01 are correct on and as of the Effective Date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(h) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent and (except for the Notes) in sufficient copies for each Lender:

(i) The Notes to the order of the Lenders to the extent requested by any Lender pursuant to Section 2.16.

(ii) Certified copies of the resolutions of the Board of Directors of the Company approving this Agreement and the Notes, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and the Notes.

(iii) A certificate of the Secretary or an Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to sign this Agreement and the Notes and the other documents to be delivered hereunder.

(iv) A favorable opinion of Brian M. Addison, General Counsel for the Company, substantially in the form of Exhibit D hereto and as to such other matters as any Lender through the Agent may reasonably request.

#### ARTICLE IV

##### REPRESENTATIONS AND WARRANTIES

SECTION 4.01 Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Company of this Agreement and the Notes to be delivered by it, and the consummation of the transactions contemplated hereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Company's charter or by-laws or (ii) any law or contractual restriction binding on or affecting the Company.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Company of this Agreement or the Notes to be delivered by it.

(d) This Agreement has been, and each of the Notes to be delivered by it when delivered hereunder will have been, duly executed and delivered by the Company. This Agreement is, and each of the Notes when delivered hereunder will be, the legal, valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

(e) The Consolidated balance sheet of the Company and its Subsidiaries as at December 31, 2009, and the related Consolidated statements of income and cash flows of the Company and its Subsidiaries for the fiscal year then ended, which include an opinion of PricewaterhouseCoopers LLC, independent public accountants, copies of which have been furnished to each Lender, fairly present, the Consolidated financial condition of the Company and its Subsidiaries as at such date and the Consolidated results of the operations of the Company and its Subsidiaries for the periods ended on such date, all in accordance with generally accepted accounting principles consistently applied. Since December 31, 2009, there has been no Material Adverse Change.

(f) There is no pending or, to the knowledge of the Company, threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(g) The Company is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of the Term Loans will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(h) The Company is not an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

(i) No other information, exhibit or report furnished by or on behalf of the Company to the Agent or any Lender in connection with the negotiation and syndication of this Agreement or pursuant to the terms of this Agreement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein not misleading.

(j) The Company is, individually and together with its Subsidiaries, Solvent.

## ARTICLE V

### COVENANTS OF THE COMPANY

SECTION 5.01 Affirmative Covenants. So long as any Term Loan shall remain unpaid or any Lender shall have any Term Loan Commitment hereunder, the Company will:

(a) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA, Environmental Laws and the Patriot Act.

(b) Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) except to the extent such breach would not cause an Event of Default under Section 6.01(d) hereof or have a Material Adverse Effect, all other lawful claims; provided, however, that neither the Company nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(c) Maintenance of Insurance. Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such Subsidiary operates; provided, however, that the Company and its Subsidiaries may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such Subsidiary operates and to the extent consistent with prudent business practice.

(d) Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Company and its Subsidiaries may consummate any merger or consolidation permitted under Section 5.02(b) and provided further that neither the Company nor any of its Subsidiaries shall be required to maintain corporate existence of any Subsidiary or preserve any right or franchise if the Board of Directors of the Company or such Subsidiary shall determine that the maintenance or preservation thereof is no longer desirable in the conduct of the business of the Company or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Company, such Subsidiary or the Lenders.

(e) Visitation Rights. At any reasonable time and from time to time, permit the Agent or any of the Lenders or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Company and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants.

(f) Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Company and each such Subsidiary in accordance with generally accepted accounting principles in effect from time to time.

(g) Maintenance of Properties, Etc. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(h) Transactions with Affiliates. Conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of their Affiliates on terms that are fair and reasonable and no less favorable to the Company or such Subsidiary in any material respect than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

(i) Reporting Requirements. Furnish to the Lenders:

(i) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, the Consolidated balance sheet of the Company and its Subsidiaries as of the end of such quarter and Consolidated statements of income and cash flows of the Company and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, treasurer or controller of the Company as having been prepared in accordance with generally accepted accounting principles and certificates of the chief financial officer, treasurer or controller of the Company as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, provided that in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Company shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP;

(ii) as soon as available and in any event within 90 days after the end of each fiscal year of the Company, a copy of the annual audit report for such year for the Company and its Subsidiaries, containing the Consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and Consolidated statements of income and cash flows of the Company and its Subsidiaries for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by PricewaterhouseCoopers LLC or other independent public accountants acceptable to the Required Lenders and certificates of the chief financial officer, treasurer or controller of the Company as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, provided that in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Company shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP;

(iii) as soon as possible and in any event within five days after the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer, treasurer or controller of the Company setting forth details of such Default and the action that the Company has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all reports that the Company sends to any of its securityholders, and copies of all reports and registration statements that the Company or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Company or any of its Subsidiaries of the type described in Section 4.01(f); and

(vi) such other information respecting the Company or any of its Subsidiaries as any Lender through the Agent may from time to time reasonably request.

(j) Subsequent Credit Terms. Notify the Agent in writing prior to entering into any new credit arrangement or any amendment or modification of any existing credit arrangement, in each case providing debt financing of \$10,000,000 (or the Equivalent thereof if the financing is in a currency other than Dollars) or more, pursuant to which the Company or any of its Subsidiaries agree to affirmative or negative covenants (including without limitation financial covenants and limitations on Debt and Liens) which in any such case are less favorable in any material respect to the Company or any of its Subsidiaries than those contained in this Agreement (any such less favorable provisions, the "New Provisions"). Effective upon the Company or any of its Subsidiaries' entry into any such agreement, amendment or modification, this Agreement, at the option of the Required Lenders in their sole discretion, shall be and shall be deemed to be immediately amended to add the New Provisions; provided, however, that the foregoing shall not be applicable to or be deemed to affect any provision of this Agreement if any such agreement, amendment or modification is more favorable to the Company or any of its Subsidiaries. The Company hereby agrees promptly to execute and deliver any and all such amendments, documents and instruments and to take all such further actions as the Agent may, in its sole discretion, deem necessary or appropriate to effectuate the provisions of this Section 5.01(j).

SECTION 5.02 Negative Covenants. So long as any Term Loan shall remain unpaid or any Lender shall have any Term Loan Commitment hereunder, the Company will not:

(a) Liens, Etc. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(i) Permitted Liens,

(ii) purchase money Liens upon or in any real property or equipment acquired or held by the Company or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided, however, that no such Lien shall extend to or cover any properties of any character other than the real property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced, provided further that the aggregate principal amount of the indebtedness secured by the Liens referred to in this clause (ii) shall not exceed the amount specified therefor in Section 5.02(d)(iii) at any time outstanding,

(iii) the Liens existing on the Effective Date and described on Schedule 5.02(a) hereto,

(iv) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Company or any Subsidiary of the Company or becomes a Subsidiary of the Company; provided that such Liens were not created in contemplation of such merger, consolidation or acquisition and do not extend to any assets other than those of the Person so merged into or consolidated with the Company or such Subsidiary or acquired by the Company or such Subsidiary,

(v) other Liens securing Debt in an aggregate principal amount not to exceed the amount specified therefor in Section 5.02(d) (iv) at any time outstanding, and



(vi) the replacement, extension or renewal of any Lien permitted by clause (iii) or (iv) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(b) Mergers, Etc. Merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, or permit any of its Subsidiaries to do so, except that any Subsidiary of the Company may merge or consolidate with or into, or dispose of assets to, any other Subsidiary of the Company, and except that any Subsidiary of the Company may merge into or dispose of assets to the Company, provided, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(c) Accounting Changes. Make or permit, or permit any of its Subsidiaries to make or permit, any change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

(d) Subsidiary Debt. Permit any of its Subsidiaries to create or suffer to exist, any Debt other than:

(i) Debt owed to the Company or to a wholly owned Subsidiary of the Company or Debt under this Agreement or the Notes,

(ii) Debt existing on the Effective Date and described on Schedule 5.02(d) hereto (the "Existing Debt"), and any Debt extending the maturity of, or refunding or refinancing, in whole or in part, the Existing Debt, provided that the principal amount of such Existing Debt shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing, and the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding or refinancing,

(iii) Debt secured by Liens permitted by Section 5.02(a)(ii) aggregating for all of the Company's Subsidiaries not more than \$50,000,000 at any one time outstanding,

(iv) Debt that, in aggregate with all Debt secured by Liens permitted by Section 5.02(a)(v), does not exceed an amount equal to 15% of Consolidated net worth of the Company and its Subsidiaries at any one time outstanding,

(v) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business.

(e) Change in Nature of Business. Make, or permit any of its Subsidiaries to make, any material change in the nature of the business as carried on by the Company and its Subsidiaries at the date hereof.

SECTION 5.03 Financial Covenants. So long as any Term Loan shall remain unpaid or any Lender shall have any Term Loan Commitment hereunder, the Company will:

(a) Leverage Ratio. Maintain a ratio of Consolidated Debt for Borrowed Money to the sum of Consolidated Debt for Borrowed Money plus Consolidated net worth of the Company and its Subsidiaries of not greater than 0.55 to 1.00.

(b) Interest Coverage Ratio. Maintain a ratio of Consolidated EBITDA for the period of four fiscal quarters then ended of the Company and its Subsidiaries to the sum of interest payable on, and amortization of debt discount in respect of, all Debt during such period by the Company and its Subsidiaries of not less than 3.5 to 1.0.

## ARTICLE VI

### EVENTS OF DEFAULT

SECTION 6.01 Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Company shall fail to pay any principal of any Term Loan when the same becomes due and payable; or the Company shall fail to pay any interest on any Term Loan or make any other payment of fees or other amounts payable under this Agreement or any Note within five Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by the Company herein or by the Company (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Company shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(d), (e), (h) or (i), 5.02 or 5.03, or (ii) the Company shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 10 days after written notice thereof shall have been given to the Company by the Agent or any Lender; or

(d) The Company or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least \$25,000,000 in the aggregate (but excluding Debt outstanding hereunder) of the Company or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Company or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Company or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Judgments or orders for the payment of money in excess of \$25,000,000 in the aggregate shall be rendered against the Company or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) (i) Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Stock of the Company (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of the Company; or (ii) during any period of up to 24 consecutive months, commencing after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of the Company shall cease for any reason (other than due to death or disability) to constitute a majority of the board of directors of the Company (except to the extent that individuals who at the beginning of such 24-month period were replaced by individuals (x) elected by a majority of the remaining members of the board of directors of the Company or (y) nominated for election by a majority of the remaining members of the board of directors of the Company and thereafter elected as directors by the shareholders of the Company); or

(h) The Company or any of its ERISA Affiliates shall incur, or shall be reasonably likely to incur liability in excess of \$25,000,000 in the aggregate as a result of one or more of the following: (i) the occurrence of any ERISA Event; (ii) the partial or complete withdrawal of the Company or any of its ERISA Affiliates from a Multiemployer Plan; or (iii) the reorganization or termination of a Multiemployer Plan;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, if prior to the Term Loan Funding Date, declare the obligation of each Lender to make Term Loans to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare the Term Loans, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Term Loans, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Company; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Company under the Federal Bankruptcy Code, (A) if prior to the Term Loan Funding Date, the obligation of each Lender to make Term Loans shall automatically be terminated and (B) the Term Loans, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Company.

## ARTICLE VII

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## ARTICLE VIII

### THE AGENT

SECTION 8.01 Authorization and Action. Each Lender hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Agent shall not be required to take any action that exposes the Agent to personal liability or that is contrary to this Agreement or applicable law. The Agent agrees to give to each Lender prompt notice of each notice given to it by the Company pursuant to the terms of this Agreement.

SECTION 8.02 Agent's Reliance, Etc. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent: (i) may treat the Lender that made any Term Loan as the holder of the Debt resulting therefrom until the Agent receives and accepts an Assignment and Acceptance entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 9.07; (ii) may consult with legal counsel (including counsel for the Company), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance, observance or satisfaction of any of the terms, covenants or conditions of this Agreement on the part of the Company or the existence at any time of any Default or to inspect the property (including the books and records) of the Company; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, this Agreement or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier or telegram) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 8.03 PNC and Affiliates. With respect to its Term Loan Commitment, the Term Loans made by it and the Note issued to it, PNC shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent; and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated, include PNC in its individual capacity. PNC and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, the Company, any of its Subsidiaries and any Person who may do business with or own securities of the Company or any such Subsidiary, all as if PNC were not the Agent and without any duty to account therefor to the Lenders. The Agent shall have no duty to disclose any information obtained or received by it or any of its Affiliates relating to the Company or any of its Subsidiaries to the extent such information was obtained or received in any capacity other than as Agent.

SECTION 8.04 Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 8.05 Indemnification. (a) Each Lender severally agrees to indemnify the Agent (to the extent not reimbursed by the Company) from and against such Lender’s Ratable Share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent in its capacity as such, in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under this Agreement (collectively, the “Indemnified Costs”), provided that no Lender shall be liable for any portion of the Indemnified Costs resulting from the Agent’s gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Company. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 8.05 applies whether any such investigation, litigation or proceeding is brought by the Agent, any Lender or a third party.

(b) [Intentionally Left Blank]

(c) The failure of any Lender to reimburse the Agent promptly upon demand for its ratable share of any amount required to be paid by the Lenders to the Agent as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Agent for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Agent for such other Lender's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 8.05 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes. The Agent agrees to return to the Lenders their respective ratable shares of any amounts paid under this Section 8.05 that are subsequently reimbursed by the Company.

SECTION 8.06 Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders and the Company and may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

## ARTICLE IX

### MISCELLANEOUS

SECTION 9.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Notes, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that (a) no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (i) waive any of the conditions specified in Section 3.01, (ii) change the percentage the aggregate unpaid principal amount of the Term Loans, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder, or (iii) amend this Section 9.01; and (b) no amendment, waiver or consent shall, unless in writing and signed by the Required Lenders and each Lender that is directly affected by such amendment, waiver or consent (i) increase the Term Loans of such Lender, (ii) reduce the principal of, or interest on, the Term Loans or any fees or other amounts payable hereunder to such Lender or (iii) postpone any date fixed for any payment of principal of, or interest on, the Term Loans or any fees or other amounts payable hereunder to such Lender; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under this Agreement or any Note.

SECTION 9.02 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by electronic transmission, teletype transmission or posting on a secured web site), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three days after being deposited in the mail, postage prepaid, or the next Business Day if sent by reputable overnight courier, postage prepaid, for delivery on the next Business Day, or, in the case of teletype notice, when received during normal business hours, or in the case of electronic transmission, when received, and in the case of posting on a secured web site, upon receipt of (i) notice of such posting and (ii) rights to access such web site, addressed as follows in the case of the Company and the Agent, and as set forth in Schedule I or in its Assignment and Acceptance in the case of the other parties hereto, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

If to the Company:                   Dentsply International Inc.  
Susquehanna Commerce Center  
221 West Philadelphia Street  
York, PA 17405-0872  
Attention: Secretary with a copy to Treasurer  
Telecopy: (717) 849-4753

If to the Agent:                       PNC Bank, National Association  
1600 Market Street, 22<sup>nd</sup> Floor  
Philadelphia, PA 19103  
Attention: Meredith Jermann  
Telecopy: (215) 585-6987

SECTION 9.03 No Waiver; Remedies. No failure on the part of any Lender or the Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 9.04 Costs and Expenses. (a) The Company agrees to pay on demand all costs and expenses of the Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, (A) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (B) the reasonable fees and expenses of counsel for the Agent with respect thereto and with respect to advising the Agent as to its rights and responsibilities under this Agreement. The Company further agrees to pay on demand all costs and expenses of the Agent and the Lenders, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Agent and each Lender in connection with the enforcement of rights under this Section 9.04(a).

(b) The Company agrees to indemnify and hold harmless the Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an “Indemnified Party”) from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Term Loans, (ii) the actual or alleged presence of Hazardous Materials on any property of the Company or any of its Subsidiaries or any Environmental Action relating in any way to the Company or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party’s gross negligence or willful misconduct or (iii) any civil penalty or fine assessed by OFAC against, and all reasonable costs and expenses (including counsel fees and disbursements) incurred in connection with defense thereof, by the Agent or any Lender as a result of conduct of the Company that violates a sanction enforced by OFAC. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 9.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Company, its directors, equityholders or creditors or an Indemnified Party or any other Person, whether or not any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Company also agrees not to assert any claim for special, indirect, consequential or punitive damages against the Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, arising out of or otherwise relating to the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Term Loans.

(c) If any payment of principal of the Term Loans is made by the Company to or for the account of a Lender (i) other than on the last day of the Interest Period therefor, as a result of a payment pursuant to Section 2.08, 2.10 or 2.12, acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, or by an Eligible Assignee to a Lender other than on the last day of the Interest Period therefor upon an assignment of rights and obligations under this Agreement pursuant to Section 9.07 as a result of a demand by the Company pursuant to Section 9.07(a) or (ii) as a result of a payment pursuant to Section 2.08, 2.10 or 2.12, the Company shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain the Term Loans.



(d) Without prejudice to the survival of any other agreement of the Company hereunder, the agreements and obligations of the Company contained in Sections 2.11, 2.14 and 9.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes.

SECTION 9.05 Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Term Loans due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Company against any and all of the obligations of the Company now or hereafter existing under this Agreement and the Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmaturred. Each Lender agrees promptly to notify the Company after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

SECTION 9.06 Binding Effect. This Agreement shall become effective (other than Section 2.01, which shall only become effective upon satisfaction of the conditions precedent set forth in Section 3.01) when it shall have been executed by the Company and the Agent and when the Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Company, the Agent and each Lender and their respective successors and assigns, except that the Company shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 9.07 Assignments and Participations. (a) Each Lender may and, if demanded by the Company (so long as no Default shall have occurred and be continuing and following a demand by such Lender pursuant to Section 2.11 or 2.14) upon at least five Business Days' notice to such Lender and the Agent, will assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Term Loans and the Note or Notes held by it); provided, however, that (i) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Term Loans of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than 5,000,000 Swiss Francs or an integral multiple of 1,000,000 Swiss Francs in excess thereof and unless the Company and the Agent otherwise agree (ii) each such assignment shall be to an Eligible Assignee, (iii) each such assignment made as a result of a demand by the Company pursuant to this Section 9.07(a) shall be arranged by the Company after consultation with the Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (iv) no Lender shall be obligated to make any such assignment as a result of a demand by the Company pursuant to this Section 9.07(a) unless and until such Lender shall have received one or more payments from the Company or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Term Loans owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, and (v) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note subject to such assignment and a processing and recordation fee of \$3,500 payable by the parties to each such assignment, provided, however, that in the case of each assignment made as a result of a demand by the Company, such recordation fee shall be payable by the Company except that no such recordation fee shall be payable in the case of an assignment made at the request of the Company to an Eligible Assignee that is an existing Lender. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.11, 2.14 and 9.04 to the extent any claim thereunder relates to an event arising prior to such assignment) and be released from its obligations (other than its obligations under Section 8.05 to the extent any claim thereunder relates to an event arising prior to such assignment) under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company or the performance or observance by the Company of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Note or Notes subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Company.

(d) The Agent shall maintain at its address referred to in Section 9.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and principal amount of the Term Loans owing to each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Company, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Company or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Each Lender may sell participations to one or more banks or other entities (other than the Company or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of the Term Loans owing to it and any Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Company, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of this Agreement or any Note, or any consent to any departure by the Company therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Company furnished to such Lender by or on behalf of the Company; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Company Information relating to the Company received by it from such Lender.

(g) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Term Loans owing to it and any Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 9.08 Confidentiality. Neither the Agent nor any Lender may disclose to any Person any confidential, proprietary or non-public information of the Company furnished to the Agent or the Lenders by the Company (such information being referred to collectively herein as the “Company Information”), except that each of the Agent and each of the Lenders may disclose Company Information (i) to its and its affiliates’ employees, officers, directors, agents and advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Company Information and instructed to keep such Company Information confidential on substantially the same terms as provided herein), (ii) to the extent requested by any regulatory authority, (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section 9.08, to any assignee or participant or prospective assignee or participant, (vii) to the extent such Company Information (A) is or becomes generally available to the public on a non-confidential basis other than as a result of a breach of this Section 9.08 by the Agent or such Lender, or (B) is or becomes available to the Agent or such Lender on a nonconfidential basis from a source other than the Company and (viii) with the consent of the Company.

SECTION 9.09 [Intentionally Left Blank]

SECTION 9.10 Governing Law. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania.

SECTION 9.11 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.12 Judgment. (a) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase Dollars with such other currency on the Business Day preceding that on which final judgment is given.

(b) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Swiss Francs into Dollars, the parties agree to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase Swiss Francs with Dollars on the Business Day preceding that on which final judgment is given.

(c) The obligation of the Company in respect of any sum due from it in any currency (the "Primary Currency") to any Lender or the Agent hereunder shall, notwithstanding any judgment in any other currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Agent (as the case may be), of any sum adjudged to be so due in such other currency, such Lender or the Agent (as the case may be) may in accordance with normal banking procedures purchase the applicable Primary Currency with such other currency; if the amount of the applicable Primary Currency so purchased is less than such sum due to such Lender or the Agent (as the case may be) in the applicable Primary Currency, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Agent (as the case may be) against such loss, and if the amount of the applicable Primary Currency so purchased exceeds such sum due to any Lender or the Agent (as the case may be) in the applicable Primary Currency, such Lender or the Agent (as the case may be) agrees to remit to the Company such excess.

SECTION 9.13 Jurisdiction, Etc. (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Commonwealth of Pennsylvania, the courts of the United States of America for the Eastern District of Pennsylvania, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the Notes, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such Commonwealth of Pennsylvania court or, to the extent permitted by law, in such federal court. The Company hereby further irrevocably consents to the service of process in any action or proceeding in such courts by the mailing thereof by any parties hereto by registered or certified mail, postage prepaid, to the Company at its address specified pursuant to Section 9.02. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or the Notes in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the Notes in any Commonwealth of Pennsylvania or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 9.14 Substitution of Currency. If a change in Swiss Francs occurs pursuant to any applicable law, rule or regulation of any governmental, monetary or multi-national authority, this Agreement (including, without limitation, the definition of Eurocurrency Rate) will be amended to the extent determined by the Agent (acting reasonably and in consultation with the Company) to be necessary to reflect the change in currency and to put the Lenders and the Company in the same position, so far as possible, that they would have been in if no change in Swiss Francs had occurred.

SECTION 9.15 [Intentionally Left Blank].

SECTION 9.16 Patriot Act Notice. Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notifies the Company that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow such Lender or the Agent, as applicable, to identify the Company in accordance with the Patriot Act. The Company shall provide such information and take such actions as are reasonably requested by the Agent or any Lenders in order to assist the Agent and the Lenders in maintaining compliance with the Patriot Act or any similar “know your customer” or other similar checks under all applicable laws and regulations.

SECTION 9.17 Waiver of Jury Trial. Each of the Company, the Agent and the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the Notes or the actions of the Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DENTSPLY INTERNATIONAL INC.

By \_\_\_\_\_  
William R. Jellison  
Senior Vice President and Chief  
Financial Officer

By \_\_\_\_\_  
William E. Reardon  
Treasurer

PNC BANK, NATIONAL ASSOCIATION,  
as Agent

By \_\_\_\_\_  
Title:

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Initial Lenders

PNC BANK, NATIONAL ASSOCIATION,

By

\_\_\_\_\_

Title:

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SCHEDULE I  
DENTSPLY INTERNATIONAL INC.  
TWO YEAR CREDIT AGREEMENT  
LENDING OFFICES

<u>Name of Initial Lender</u>	<u>Term Loan Commitment</u>	<u>Lending Office</u>
PNC Bank, National Association	65,000,000 Swiss Francs	1600 Market Street 22 <sup>nd</sup> Floor Philadelphia, PA 19103 Attn: Meredith Jermann Tel: 215-585-5622 Fax: 215-585-6987

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EXHIBIT A - FORM OF  
TERM LOAN  
PROMISSORY NOTE

\_\_\_\_\_ Swiss Francs

Dated: February 24, 2010

FOR VALUE RECEIVED, the undersigned, DENTSPLY INTERNATIONAL INC., a Delaware corporation (the "Company"), HEREBY PROMISES TO PAY to the order of \_\_\_\_\_ (the "Lender") on the Term Loan Maturity Date (as defined in the Credit Agreement referred to below) the principal sum of **[insert Term Loan Commitment]** Swiss Francs pursuant to the Two Year Credit Agreement dated as of February 24, 2010 among the Company and the lenders parties thereto, and PNC Bank, National Association, as Agent for the Lenders (as amended or modified from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined).

The Company promises to pay interest on the unpaid principal amount of the Term Loans from the Term Loan Funding Date until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest in respect of the Term Loans are payable in Swiss Francs at the Payment Office in same day funds. Each Term Loan owing to the Lender by the Company pursuant to the Credit Agreement, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

DENTSPLY INTERNATIONAL INC.

By \_\_\_\_\_

Title: \_\_\_\_\_

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TERM LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Term Loans	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By
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PNC Bank National Association, as Agent  
for the Lenders parties  
to the Credit Agreement  
referred to below  
1600 Market Street  
Philadelphia, PA 19103

February 24, 2010

Attention: Meredith Jermann  
T: 215-585-5622; F: 215-585-6987  
and  
Christine Yanok  
T: 440-546-7057; F: 440-546-7341

Ladies and Gentlemen:

The undersigned, DENTSPLY INTERNATIONAL INC., refers to the Two Year Credit Agreement, dated as of February 24, 2010 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto and PNC Bank National Association, as Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a borrowing of Term Loans under the Credit Agreement, and in that connection sets forth below the information relating to such borrowing (the "Proposed Borrowing") as required by Section 2.02(a) of the Credit Agreement:

- (i) The Business Day of the Proposed Borrowing is March 1, 2010.
- (ii) The aggregate amount of the Proposed Borrowing is 65,000,000 Swiss Francs.
- (iii) The initial Interest Period for the Proposed Borrowing is three months.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement are correct, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

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Very truly yours,

DENTSPLY INTERNATIONAL INC.

By \_\_\_\_\_  
Title:

Reference is made to the Two Year Credit Agreement dated as of February 24, 2010 (as amended or modified from time to time, the "Credit Agreement") among Dentsply International Inc., a Delaware corporation (the "Company"), the Lenders (as defined in the Credit Agreement), and PNC Bank National Association, as agent for the Lenders (the "Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule I hereto agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Credit Agreement on the date hereof. After giving effect to such sale and assignment, the amount of the Term Loans owing to the Assignee will be as set forth on Schedule 1 hereto.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company or the performance or observance by the Company of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iv) attaches the Note[, if any,] held by the Assignor [and requests that the Agent exchange such Note for a new Note payable to the order of the Assignee in an amount equal to the Term Loans purchased by the Assignee pursuant hereto or new Notes payable to the order of [the Assignee in an amount equal to the Term Loans purchased by the Assignee pursuant hereto and] the Assignor in an amount equal to the Term Loans retained by the Assignor under the Credit Agreement[, respectively,] as specified on Schedule 1 hereto].

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) attaches any U.S. Internal Revenue Service forms required under Section 2.14 of the Credit Agreement.

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4. Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of acceptance hereof by the Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance and recording by the Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement and the Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Schedule 1  
to  
Assignment and Acceptance

Percentage interest assigned: \_\_\_\_\_ %

Assignee's Term Loans Outstanding: \_\_\_\_\_ Swiss Francs

Aggregate outstanding principal amount of Term Loans assigned: \_\_\_\_\_ Swiss Francs

Principal amount of Note payable to Assignee: \_\_\_\_\_ Swiss Francs

Principal amount of Note payable to Assignor: \_\_\_\_\_ Swiss Francs

Effective Date\*: \_\_\_\_\_, 201\_

[NAME OF ASSIGNOR], as Assignor

By \_\_\_\_\_  
Title:

Dated: \_\_\_\_\_, 201\_

[NAME OF ASSIGNEE], as Assignee

By \_\_\_\_\_  
Title:

Dated: \_\_\_\_\_, 201\_

Lending Office:  
[Address]

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\* This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Agent.



Accepted [and Approved]\*\* this  
\_\_\_\_\_ day of \_\_\_\_\_, 201\_

PNC Bank, National Association., as Agent

By \_\_\_\_\_  
Title:

[Approved this \_\_\_\_\_ day  
of \_\_\_\_\_, 201\_

DENTSPLY INTERNATIONAL INC.

By \_\_\_\_\_ \*\*  
Title:

\_\_\_\_\_  
\*\* Required if the Assignee is an Eligible Assignee solely by reason of clause (iii) of the definition of "Eligible Assignee".

February 24, 2010

To each of the Lenders parties  
to the Two Year Credit Agreement dated  
as of February 24, 2010  
among Dentsply International Inc.,  
said Lenders and PNC Bank, National Association,  
as Agent for said Lenders

**Re: Two Year Credit Agreement dated February 24, 2010 ("Credit Agreement")**

Ladies and Gentlemen:

I am General Counsel for DENTSPLY International Inc., a Delaware corporation (the "Borrower"), and its Subsidiaries (as that term is defined in the Credit Agreement defined below). This opinion is furnished to you pursuant to Section 3.01(h)(iv) of the Two Year Credit Agreement, dated as of February 24, 2010 (the "Credit Agreement"), among Dentsply International Inc., the Lenders parties thereto and PNC Bank, National Association, as Agent for said Lenders. All capitalized terms, unless otherwise defined herein, shall have the respective meanings assigned to them in the Credit Agreement. In connection with the Credit Agreement, I am of the opinion that:

1. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.
  2. The execution, delivery and performance by the Borrower of the Credit Agreement and the Notes, and the consummation of the transactions contemplated thereby, are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Charter or the By-laws of the Borrower or (ii) any law, rule or regulation applicable to the Borrower (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System) or (iii) any contractual or legal restriction contained in any document to which the Borrower is a party. The Credit Agreement and the Notes have been duly executed and delivered on behalf of the Borrower.
  3. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Borrower of the Credit Agreement and the Notes.
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4. The Credit Agreement is, and after giving effect to the borrowing of the Term Loans, the Notes will be legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.

5. To the best of my knowledge, there are no pending or overtly threatened actions or proceedings against the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that purport to affect the legality, validity, binding effect or enforceability of the Credit Agreement or any of the Notes or the consummation of the transactions contemplated thereby or that are likely to have a materially adverse effect upon the financial condition or operations of the Borrower and its Subsidiaries, taken as a whole.

The opinions set forth in this letter with respect to enforceability are subject to: (a) the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar law affecting creditors' rights generally; and (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law). Moreover, provisions of the Credit Agreement that permit the Lenders to take action or make determinations, or to benefit from indemnities and similar undertakings of the Borrower, may be subject to a requirement that such action be taken or such determinations be made, and that any action or inaction by the Lenders that may give rise to a request for payment under such an undertaking be taken or not taken, on a reasonable basis and in good faith. The foregoing opinions with respect to enforceability are further qualified by reference to the fact that certain of the remedies and waivers set forth in the Credit Agreement may be rendered unavailable or unenforceable under applicable principles of law or equity but, in my opinion, such unavailability or unenforceability should not render other remedies which are set forth in the Credit Agreement unenforceable or otherwise inadequate for the practical realization of the benefits intended to be provided by the Credit Agreement.

I express no opinion as to: (a) the effect of any law or regulation applicable to the Borrower or the transactions contemplated by the Credit Agreement, as a consequence of any Lender's involvement in such transactions or because of such Lender's legal or regulatory status or any other facts specifically pertaining to such Lender, or (b) as to Section 2.15 of the Credit Agreement insofar as it provides that any Lender purchasing a participation from another Lender pursuant thereto may exercise set-off or similar rights with respect to such participation.

My opinions are issued as of the date hereof and are limited to the laws now in effect as to which my opinions relate and facts and circumstances in existence on the date hereof, and I assume no undertaking to advise you of any changes in the opinions expressed herein as a result of any change in any laws, facts or circumstances which may come to my attention after the date hereof.

I am qualified to practice law in the Commonwealth of Pennsylvania and do not purport to be expert on, or to express any opinion herein concerning, any law other than the laws of the Commonwealth of Pennsylvania, the Delaware General Corporation Law and the federal laws of the United States of America.

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February 24, 2010

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This letter is furnished solely for the benefit of the Agent and the Lenders in connection with matters relating to the Credit Agreement and may not be relied upon by any other person or for any other purpose without my prior written consent, other than any subsequent holder of a Note transferred in accordance with the terms and provisions of the Credit Agreement.

Very truly yours,

Brian M. Addison  
Vice President, Secretary and  
General Counsel

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Section 302 Certifications Statement

I, Bret W. Wise, certify that:

1. I have reviewed this Form 10-Q of DENTSPLY International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under their supervision, 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;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2010

/s/ Bret W. Wise  
Bret W. Wise  
Chairman of the Board and  
Chief Executive Officer

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Section 302 Certifications Statement

I, William R. Jellison, certify that:

1. I have reviewed this Form 10-Q of DENTSPLY International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under their supervision, 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;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2010

/s/ William R. Jellison  
William R. Jellison  
Senior Vice President and  
Chief Financial Officer

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of DENTSPLY International Inc. (the "Company") on Form 10-Q for the period ending March 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), We, Bret W. Wise, Chairman of the Board of Directors and Chief Executive Officer of the Company and William R. Jellison, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge and belief:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company as of the date of the Report.

/s/ Bret W. Wise  
Bret W. Wise  
Chairman of the Board and  
Chief Executive Officer

/s/ William R. Jellison  
William R. Jellison  
Senior Vice President and  
Chief Financial Officer

April 29, 2010

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