SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2007
Commission File Number 0-16211

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

Delaware	39-1434669
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

221 West Philadelphia Street, York, PA	17405-0872
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (717) 845-7511

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	Not applicable

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value $.01 per share (Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [X] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 [X] Accelerated filer [ ] Non-accelerated filer [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes [ ] No [X]

The aggregate market value of the voting common stock held by non-affiliates of the registrant computed by reference to the closing price as of the last business day of the registrants most recently completed second quarter June 30, 2007, was $6,129,023,806.

The number of shares of the registrant's Common Stock outstanding as of the close of business on February 21, 2008 was 150,944,071.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the definitive Proxy Statement of DENTSPLY International Inc. to be used in connection with the 2008 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent provided herein. Except as specifically incorporated by reference herein the Proxy Statement is not deemed to be filed as part of this Annual Report on Form 10-K.

PART I

Item 1. Business

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 import.

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 this Annual Report on Form 10-K as filed on February 25, 2008. Investors are further cautioned that the risk factors in Item 1A, Part I of this Annual Report on 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.

History and Overview

DENTSPLY International Inc. ("DENTSPLY" or the "Company"), a Delaware corporation, was created by a merger of DENTSPLY International Inc. ("Old DENTSPLY") and GENDEX Corporation ("GENDEX") in 1993. Old DENTSPLY, founded in 1899, was a manufacturer and distributor of artificial teeth, dental equipment and dental consumable products. GENDEX, founded in 1983, was a manufacturer of dental x-ray equipment and handpieces. In early 2004, the Company divested the dental x-ray equipment portion of GENDEX in order to primarily focus the Company's product lines on dental consumables, dental laboratory products and dental specialty products.

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's worldwide headquarters and executive offices are located in York, Pennsylvania.

Sales of the Company's dental products accounted for approximately 97% of DENTSPLY's consolidated net sales, excluding precious metal content, for the year ended December 31, 2007. The remaining 3% of consolidated sales are related to materials sold to the investment casting industry and various medical products. The presentation of net sales, excluding precious metal content, could be considered a measure not calculated in accordance with generally accepted accounting principles ("GAAP"), and is therefore considered a non-GAAP measure. This non-GAAP measure is discussed further in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and a reconciliation of net sales to net sales, excluding precious metal content, is provided.

Through the year ended December 31, 2007, the Company conducted its business through four operating segments, all of which were primarily engaged in the design, manufacture and distribution of dental products in three principal categories: 1) dental consumables, 2) dental laboratory products and 3) dental specialty products.

In addition to the United States ("U.S."), the Company conducts its business in over 120 foreign countries, principally through its foreign subsidiaries. DENTSPLY has a long-established presence in Canada and in the European market, particularly in Germany, Switzerland, France, Italy and the United Kingdom. The Company also has a significant market presence in Central and South America including Brazil, Mexico, Argentina, Colombia and Chile; in South Africa; and in the Pacific Rim including Japan, Australia, New Zealand, China (including Hong Kong), Thailand, India, Philippines, Taiwan, South Korea, Vietnam and Indonesia. DENTSPLY has also established marketing activities in Moscow, Russia to serve the countries of the former Soviet Union.

For 2007, 2006 and 2005, the Company's net sales, excluding precious metal content, to customers outside the United States, including export sales, accounted for approximately 59%, 58% and 56%, respectively, of consolidated net sales. Reference is made to the information about the Company's United States and foreign sales by shipment origin set forth in Note 4 to the consolidated financial statements in this Annual Report on Form 10-K.

Principal Products

The worldwide professional dental industry encompasses the diagnosis, treatment and prevention of disease and ailments of the teeth, gums and supporting bone. DENTSPLY's principal dental product categories are dental consumables, dental laboratory products and dental specialty products. These products are produced by the Company in the United States and internationally and are distributed throughout the world under some of the most well-established brand names and trademarks in the industry, including ANKYLOS®, AQUASIL(TM), AQUASIL ULTRA(TM), BIOPURE(TM), CAULK®, CAVITRON®, CERAMCO®, CERCON®, CITANEST®, DELTON®, DENTSPLY®, DETREY®, ELEPHANT®, ESTHET.X®, FRIADENT®, FRIALIT®, GENIE(TM), GOLDEN GATE®, IN-OVATION(TM), INTERACTIVE MYSTIQUE(TM), MAILLEFER®, MIDWEST®, NUPRO®, ORAQIX®, PEPGEN P-15(TM), POLOCAINE®, PRIME & BOND®, PROFILE®, PROTAPER(TM), RINN®, R&R®, SANI-TIP®, SEAL&PROTECT(TM), SHADEPILOT(TM), SULTAN®, THERMAFIL®, TRUBYTE®, XENO®, XIVE® and XYLOCAINE®.

Dental Consumables

Dental consumable products consist of dental sundries and small equipment used in dental offices in the treatment of patients. Sales of dental consumables, excluding precious metal content, accounted for approximately 35% and 40% of the Company’s consolidated sales for the years ended December 31, 2007 and 2006, respectively.

DENTSPLY’s dental sundry products in the dental consumable category include dental anesthetics, prophylaxis paste, dental sealants, impression materials, restorative materials, tooth whiteners and topical fluoride. The Company manufactures thousands of different dental sundry consumable products marketed under more than one hundred brand names.

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

Dental laboratory products are used in the preparation of dental appliances by dental laboratories. Sales of dental laboratory products, excluding precious metal content, accounted for approximately 19% of the Company’s consolidated sales for each of the years ended December 31, 2007 and 2006.

DENTSPLY’s products in the dental laboratory category include dental prosthetics, including artificial teeth, precious metal dental alloys, dental ceramics, and crown and bridge materials. Equipment in this category includes computer aided machining (CAM) ceramic systems and porcelain furnaces.

Dental Specialty Products

Dental specialty products are specialized treatment products used within the dental office and laboratory settings. Sales of specialty products, excluding precious metal content, accounted for approximately 43% and 38% of the Company’s consolidated sales for the years ended December 31, 2007 and 2006, respectively. DENTSPLY’s products in this category include endodontic (root canal) instruments and materials, implants and related products, bone grafting materials, and orthodontic appliances and accessories.

Markets, Sales and Distribution

DENTSPLY distributes approximately 55% of its dental products through domestic and foreign distributors, dealers and importers. However, certain highly technical products such as precious metal dental alloys, dental ceramics, crown and bridge porcelain products, endodontic instruments and materials, orthodontic appliances, implants, and bone substitute and grafting materials are sold directly to the dental laboratory or dental professional in some markets. During 2007 and 2006, one customer, Henry Schein Incorporated, a dental distributor, accounted for 11.6% and 10.9%, respectively, of DENTSPLY’s consolidated net sales. No other single customer represented ten percent or more of DENTSPLY’s consolidated net sales during 2007 or 2006.

Reference is made to the information about the Company's foreign and domestic operations and export sales set forth in Note 4 to the consolidated financial statements in this Annual Report on Form 10-K.

Although many of its sales are made to distributors, dealers and importers, DENTSPLY focuses its marketing efforts on the dentists, dental hygienists, dental assistants, dental laboratories and dental schools who are the end users of its products. As part of this end-user “pull through” marketing approach, DENTSPLY employs approximately 2,100 highly trained, product-specific sales and technical staff to provide comprehensive marketing and service tailored to the particular sales and technical support requirements of the dealers and the end

users. The Company conducts extensive distributor and end-user marketing programs and trains laboratory technicians and dentists in the proper use of its products, introducing them to the latest technological developments at its educational centers located throughout the world. The Company also maintains ongoing relationships with various dental associations and recognized worldwide opinion leaders in the dental field, although there is no assurance that these influential dental professionals will continue to support the Company's products.

DENTSPLY believes that demand in a given geographic market for dental procedures and products vary according to the stage of social, economic and technical development of the particular market. Geographic markets for DENTSPLY's dental products can be categorized into the following two stages of development:

The United States, Canada, Western Europe, Japan, Australia and certain other countries are highly developed markets that demand the most advanced dental procedures and products and have the highest level of expenditures on dental care. In these markets, the focus of dental care is increasingly upon preventive care and specialized dentistry. In addition to basic procedures such as the excavation and filling of cavities and tooth extraction and denture replacement, dental professionals perform an increasing volume of preventive and cosmetic procedures. These markets require varied and complex dental products, utilize sophisticated diagnostic and imaging equipment, and demand high levels of attention to protect against infection and patient cross-contamination.

In certain countries in Central America, South America, Eastern Europe, Pacific Rim, Middle East and Africa, most dental care is often limited to the excavation and filling of cavities and other restorative techniques, reflecting more modest per capita expenditures for dental care. These markets demand diverse products such as high and low speed handpieces, restorative compounds, finishing devices, custom restorative devices, basic surgical instruments, bridgework and artificial teeth for dentures.

The Company offers products and equipment for use in markets at both of these stages of development. The Company believes that demand for more technically advanced products will increase as each of these markets develop. The Company also believes that its recognized brand names, high quality and innovative products, technical support services and strong international distribution capabilities position it well to take advantage of any opportunities for growth in all of the markets that it serves.

The Company believes that the market for its products will grow based on the following factors:

- Increasing worldwide population.
- Growth of the population 65 or older – The percentage of the United States, European, Japanese and other regions population over age 65 is expected to nearly double by the year 2030. In addition to having significant needs for dental care, the elderly are well positioned to pay for the required procedures since they control sizable amounts of discretionary income.
- Natural teeth are being retained longer – Individuals with natural teeth are much more likely to visit a dentist in a given year than those without any natural teeth remaining.
- The changing dental practice in North America and Western Europe – Dentistry in North America and Western Europe has been transformed from a profession primarily dealing with pain, infections and tooth decay to one with increased emphasis on preventive care and cosmetic dentistry.
- Per capita and discretionary incomes are increasing in emerging nations – As personal incomes continue to rise in the emerging nations of the Pacific Rim, Commonwealth of Independent States ("CIS") and Latin America, healthcare, including dental services, are a growing priority.
- The Company's business is less susceptible than other industries to general downturns in the economies in which it operates. Many of the products the Company offers relate to dental procedures that are considered necessary by patients regardless of the economic environment.

Product Development

Technological innovation and successful product development are critical to strengthening the Company's prominent position in worldwide dental markets, maintaining its leadership positions in product categories where it has a high market share and increasing market share in product categories where gains are possible. While many of DENTSPLY's existing products undergo evolutionary improvements, the Company also continues to successfully launch innovative products that represent fundamental change.

New advances in technology are also anticipated to have a significant influence on future products in dentistry. As a result, the Company pursues research and development initiatives to support this technological development, including partnerships and collaborations with various research institutions and dental schools. Through its own internal research centers as well as through its collaborations and partnerships with external research institutions and dental schools, the Company directly invested approximately $48.5 million and $44.4 million for 2007 and 2006, respectively, in connection with the development of new products, improvement of existing products and advances in technology. The continued development of these areas is a critical step in meeting the Company's strategic goal of taking a leadership role in defining the future of dentistry.

In addition to the direct investment in product development and improvement, the Company also invests in these activities through acquisitions, by entering into licensing agreements and by purchasing technologies developed by third parties.

Acquisition Activities

DENTSPLY believes that the dental products industry continues to experience consolidation with respect to both product manufacturing and distribution, although it continues to be fragmented creating a number of acquisition opportunities. As a result, during the past three years, the Company has made several acquisitions, including one manufacturer of dental consumable products, one manufacturer of endodontic materials, two sales and marketing organizations for implant products, and one manufacturer of small dental diagnostic equipment in 2007, two small businesses in 2006, and a group of three orthodontic companies in 2005. Additionally, in 2006, DENTSPLY acquired a 40% interest in a simulation software company and a leading manufacturer of a variety of surgical guides to assist in the placement of dental implants. DENTSPLY also acquired the remaining 40% interest of a dental manufacturing business in Brazil during 2006 (the Company had owned 60% of this business since 2001).

The Company continues to view acquisitions as a key part of its growth strategy. These acquisition activities are intended to supplement the Company's core growth and assure ongoing expansion of its business, including new technologies, additional products and geographic breadth.

Operating and Technical Expertise

DENTSPLY believes that its manufacturing capabilities are important to its success. The manufacture of the Company's products requires substantial and varied technical expertise. Complex materials technology and processes are necessary to manufacture the Company's products. The Company continues to automate its global manufacturing operations in order to remain a low cost producer.

Financing

DENTSPLY's total long-term debt, including the current portion of long-term debt, at December 31, 2007 and 2006 was $482.3 million and $367.4 million, respectively, and the ratios of long-term debt to total capitalization were 24.1% and 22.4%. DENTSPLY defines total capitalization as the sum of total long-term debt, including the current portion, plus total stockholders' equity. DENTSPLY may incur additional debt in the future, including, but not limited to, the funding of additional acquisitions and capital expenditures.

The Company's cash, cash equivalents and short-term investments increased by $251.2 million during the year ended December 31, 2007 to $316.3 million. In 2007, the Company had net borrowings of $99.0 million related to long-term borrowings and repurchased $125.4 million in treasury stock. The net borrowings of $99.0 million were primarily due to the March 13, 2007 private placement note of $149.5 million, which was partially offset by repayments of $50.5 million primarily related to the Swiss franc denominated private placement notes.

Additional information about DENTSPLY's working capital, liquidity and capital resources is provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K.

Competition

The Company conducts its operations, both domestic and foreign, under highly competitive market conditions. Competition in the dental products industry is based primarily upon product performance, quality, safety and ease of use, as well as price, customer service, innovation and acceptance by professionals and technicians. DENTSPLY believes that its principal strengths include its well-established brand names, its reputation for high-quality and innovative products, its leadership in product development and manufacturing, its commitment to customer satisfaction, and support of the Company's products by dental professionals.

The size and number of the Company's competitors vary by product line and from region to region. There are many companies that produce some, but not all, of the same types of products as those produced by the Company.

Regulation

The Company's products are subject to regulation by, among other governmental entities, the United States Food and Drug Administration (the "FDA"). In general, if a dental "device" is subject to FDA regulation, compliance with the FDA's requirements constitutes compliance with corresponding state regulations. In order to ensure that dental products distributed for human use in the United States are safe and effective, the FDA regulates the introduction, manufacture, advertising, labeling, packaging, marketing and distribution of, and record-keeping for, such products. The introduction and sale of dental products of the types produced by the Company are also subject to government regulation in the various foreign countries in which they are produced or sold. DENTSPLY believes that it is in substantial compliance with the FDA and foreign regulatory requirements that are applicable to its products and manufacturing operations.

Dental devices of the types sold by DENTSPLY are generally classified by the FDA into a category that renders them subject only to general controls that apply to all medical devices, including regulations regarding alteration, misbranding, notification, record-keeping and good manufacturing practices. In the European Union, DENTSPLY's products are subject to the medical devices laws of the various member states which are based on a Directive of the European Commission. Such laws generally regulate the safety of the products in a similar way to the FDA regulations. DENTSPLY products in Europe bear the CE mark showing that such products adhere to the European regulations.

All dental amalgam filling materials, including those manufactured and sold by DENTSPLY, contain mercury. Various groups have alleged that dental amalgam containing mercury is harmful to human health and have actively lobbied state and federal lawmakers and regulators to pass laws or adopt regulatory changes restricting the use, or requiring a warning against alleged potential risks, of dental amalgams. The FDA's Dental Devices Classification Panel, the National Institutes of Health and the United States Public Health Service have each indicated that no direct hazard to humans from exposure to dental amalgams has been demonstrated. In response to concerns raised by certain consumer groups regarding dental amalgam, in 2006 the FDA formed an advisory committee to review peer-reviewed scientific literature on the safety of dental amalgam. In Europe, particularly in Scandinavia and Germany, the contents of mercury in amalgam filling materials has been the subject of public discussion. As a consequence, in 1994 the German health authorities required suppliers of dental amalgam to amend the instructions for use for amalgam filling materials to include a precaution against the use of amalgam for children less than eighteen years of age and to women of childbearing age. Additionally, some groups have asserted that the use of dental amalgam should be prohibited because of concerns about environmental impact from the disposition of mercury within dental amalgam. Although the Company is not aware of any such prohibition being adopted, it is possible that such a limitation could be adopted in the future. DENTSPLY also manufactures and sells non-amalgam dental filling materials that do not contain mercury.

Sources and Supply of Raw Materials and Finished Goods

The Company manufactures the majority of the products sold by the Company. All of the raw materials used by the Company in the manufacture of its products are purchased from various suppliers and are typically available from numerous sources. No single supplier accounts for a significant percentage of DENTSPLY's raw material requirements. In addition to those products both manufactured and sold by the Company, some finished goods products sold by the Company are purchased from third party suppliers. Of these finished goods products purchased from third party suppliers, a significant portion of the Company's injectable anesthetic products, orthodontic products and cutting instruments are purchased from a limited number of suppliers.

Intellectual Property

Products manufactured by DENTSPLY are sold primarily under its own trademarks and trade names. DENTSPLY also owns and maintains approximately 2,000 patents throughout the world and is licensed under a small number of patents owned by others.

DENTSPLY's policy is to protect its products and technology through patents and trademark registrations in the United States and in significant international markets for its products. The Company carefully monitors trademark use worldwide, and promotes enforcement of its patents and trademarks in a manner that is designed to balance the cost of such protection against obtaining the greatest value for the Company. DENTSPLY believes its patents and trademark properties are important and contribute to the Company's marketing position but it does not consider its overall business to be materially dependent upon any individual patent or trademark.

Employees

As of December 31, 2007, the Company and its subsidiaries employed approximately 8,900 employees. A small percentage of the Company's employees are represented by labor unions. Hourly workers at the Company's Ransom & Randolph facility in Maumee, Ohio are represented by Local No. 12 of the International Union, United Automobile, Aerospace and Agriculture Implement Workers of America under a collective bargaining agreement. Hourly workers at the Company's Midwest Dental Products facility in Des Plaines, Illinois are represented by International Association of Machinists and Aerospace Workers, AFL-CIO in Chicago under a collective bargaining agreement that expires on May 31, 2009. In Germany, approximately 40% of DeguDent employees, approximately 30% of Friadent employees, approximately 20% VDW employees and approximately 30% of DeTrey employees are represented by labor unions. The Company provides pension and postretirement benefits to many of its employees (see Note 13 to the consolidated financial statements). The Company believes that its relationship with its employees is good.

Environmental Matters

DENTSPLY believes that its operations comply in all material respects with applicable environmental laws and regulations. Maintaining this level of compliance has not had, and is not expected to have, a material effect on the Company's capital expenditures or on its business.

Other Factors Affecting the Business

The Company’s business is subject to quarterly fluctuations with net sales and operating profits historically being higher in the second and fourth quarters. The Company typically implements most of its price changes in the third or fourth quarters of the year. These price changes, other marketing and promotional programs, the management of inventory levels by distributors and the implementation of strategic initiatives, may impact sales levels in a given period. Sales for the industry and the Company are generally strongest in the second and fourth calendar quarters and weaker in the first and third calendar quarters, due to the effects of the items noted above and due to the impact of summer holidays and vacations, particularly throughout Europe.

Securities and Exchange Act Reports

DENTSPLY makes available free of charge through its website at www.DENTSPLY.com its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after such materials are filed with or furnished to, the Securities and Exchange Commission.

The public may read and copy any materials the Company files with the SEC at its Public Reference Room at the following address:

100 F Street, NE
Washington, D.C. 20549

The public may obtain information on the operation of this Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, since the Company is an electronic filer, the public may access reports, the proxy and information statements and other information filed or furnished by the Company at the Internet site maintained by the SEC (http://www.sec.gov).

Following are the significant risk factors that could materially impact DENTSPLY's business. The order in which these factors appear should not be construed to indicate its relative importance or priority.

Negative changes could occur in the dental markets, the general economic environments, or government reimbursement or regulatory programs of the regions in which the Company operates.

The success of the Company is largely dependent upon the continued strength of dental markets and is also somewhat dependent upon the general economic environments of the regions in which it operates. Negative changes to these markets and economies could materially impact the Company's results of operations and financial condition. In addition, many of the Company's markets are affected by government reimbursement and regulatory programs. In certain markets, government and regulatory programs have a more significant impact than other markets. Changes to these programs could have a positive or negative impact on the Company's results.

The Company may be unable to develop innovative products or obtain regulatory approval for new products.

DENTSPLY has identified new products as an important part of its growth opportunities. There can be no assurance that DENTSPLY will be able to continue to develop innovative products and that regulatory approval of any new products will be obtained, or that if such approvals are obtained, such products will be favorably accepted in the marketplace. Additionally, there is no assurance that entirely new technology or approaches to dental treatment or competitors' new products will not be introduced that could render the Company's products obsolete.

The dental supplies market is highly competitive, and there is no guarantee that the Company can compete successfully.

The worldwide market for dental supplies is highly competitive. There can be no assurance that the Company will successfully identify new product opportunities and develop and market new products successfully, or that new products and technologies introduced by competitors will not render the Company's products obsolete or noncompetitive. Additionally, the size and number of the Company's competitors vary by product line and from region to region. There are many companies that produce some, but not all, of the same types of products as those produced by the Company. Certain of DENTSPLY's competitors may have greater resources than does the Company.

The Company's expansion through acquisition involves risks and may not result in the expected benefits.

The Company continues to view acquisitions as a key part of its growth strategy. The Company continues to be active in evaluating potential acquisitions although there is no assurance that these efforts will result in completed transactions as there are many factors that affect the success of such activities. If the Company does succeed in acquiring a business or product, there can be no assurance that the Company will achieve any of the benefits that it might anticipate from such an acquisition and the attention and effort devoted to the integration of an acquired business could divert management's attention from normal business operations. If the Company makes acquisitions, it may incur debt, assume contingent liabilities or create additional expenses, any of which might adversely affect its financial results. Any financing that the Company might need for acquisitions may only be available to it on terms that restrict its business or that impose additional costs that reduce its operating results.

The Company may not generate sufficient cash flow to service its debt, pay its contractual obligations and operate the business.

DENTSPLY's ability to make payments on its indebtedness and contractual obligations, and to fund its operations depends on its future performance and financial results, which, to a certain extent, are subject to general economic, financial, competitive, regulatory and other factors and the interest rate environment that are beyond its control. Although Management believes that the Company has and will continue to have sufficient liquidity, there can be no assurance that DENTSPLY's business will generate sufficient cash flow from operations in the future to service its debt, pay its contractual obligations and operate its business.

The Company may be unable to sustain the operational and technical expertise that is key to its success.

DENTSPLY believes that its manufacturing capabilities are important to its success. The manufacture of the Company's products requires substantial and varied technical expertise. Complex materials technology and processes are necessary to manufacture the Company's products. There can be no assurance that the Company will be able to maintain the necessary operational and technical expertise that is key to its success.

The Company may not be able to repay its outstanding debt in the event that cross default provisions are triggered due to a breach of loan covenants.

DENTSPLY's existing borrowing documentation contains a number of covenants and financial ratios which it is required to satisfy. The most restrictive of these covenants pertain to asset dispositions, maintenance of certain levels of net worth, and prescribed ratios of indebtedness to total capital and operating income excluding depreciation and amortization to interest expense. Any breach of any such covenants or restrictions would result in a default under the existing borrowing documentation that would permit the lenders to declare all borrowings under such documentation to be immediately due and payable and, through cross default provisions, would entitle DENTSPLY's other lenders to accelerate their loans. DENTSPLY may not be able to meet its obligations under its outstanding indebtedness in the event that any cross default provision is triggered.

The Company's international operations are subject to inherent risks that could adversely affect the operating results.

DENTSPLY, with its significant international operations, is subject to fluctuations in exchange rates of various foreign currencies and other risks associated with foreign trade and the impact of currency fluctuations in any given period can be favorable or unfavorable.

The Company may fail to comply with regulations issued by the FDA and similar foreign regulatory agencies.

DENTSPLY's business is subject to periodic review and inspection by the FDA and similar foreign authorities to monitor DENTSPLY's compliance with the regulations administered by such authorities. There can be no assurance that these authorities will not raise compliance concerns. Failure to satisfy any such requirements can result in governmental enforcement actions, including possible product seizure, injunction and/or criminal or civil proceedings.

All dental amalgam filling materials, including those manufactured and sold by DENTSPLY, contain mercury. The FDA's Dental Devices Classification Panel, the National Institutes of Health and the United States Public Health Service have each indicated that no direct hazard to humans from exposure to dental amalgams has been demonstrated. If the FDA were to reclassify dental mercury and amalgam filling materials as classes of products requiring FDA pre-market approval, there can be no assurance that the required approval would be obtained or that the FDA would permit the continued sale of amalgam filling materials pending its determination.

The Company may be unable to obtain a supply for certain finished goods purchased from third parties.

A significant portion of the Company's injectable anesthetic products, orthodontic products and cutting instruments are purchased from a limited number of suppliers. As there are a limited number of suppliers for these products, there can be no assurance that the Company will be able to obtain an adequate supply of these products in the future.

The Company's success is dependent upon its management and employees.

The Company's success is dependent upon its management and employees. The loss of senior management employees or any failure to recruit and train needed managerial, sales and technical personnel, could have a material adverse effect on the Company.

The Company faces the inherent risk of litigation.

The Company's business involves a risk of product liability and other claims, and from time to time the Company is named as a defendant in these cases. The primary risks to which the Company is exposed are related to those products manufactured by the Company. The Company has insurance policies, including product liability insurance, covering these risks in amounts that are considered adequate; however, the Company cannot provide assurance that the maintained coverage is sufficient to cover future claims or that the coverage will be available in adequate amounts or at a reasonable cost. A successful claim brought against the Company in excess of available insurance, or any claim that results in significant adverse publicity against the Company, could harm its business. Various parties, including the Company, own and maintain patents and other intellectual property rights applicable to the dental field. Although the Company believes it operates in a manner that does not infringe upon any third party intellectual property rights, it is possible that a party could assert that one or more of the Company's products infringe upon such party's intellectual property and force the Company to discontinue the sale of certain products.

The Company may fail to meet or exceed the expectations of securities analysts and investors, which could cause its stock price to decline.

DENTSPLY experiences fluctuations in quarterly earnings. As a result, the Company may fail to meet or exceed the expectations of securities analysts and investors, which could cause its stock price to decline. The Company's business is subject to quarterly fluctuations with net sales and operating profits historically being higher in the second and fourth quarters. The Company typically implements most of its price changes in the third or fourth quarters of the year. These price changes, other marketing and promotional programs, which are offered to customers from time to time in the ordinary course of business, the management of inventory levels by distributors and the implementation of strategic initiatives, may impact sales levels in a given period. Net sales and operating profits generally have been lower in the first and third quarters, primarily due not only to increased sales in the quarters preceding the first and third quarters, but also due to the impact of summer holidays and vacations, particularly throughout Europe.

The market price for the Company's common stock may become volatile.

A variety of factors may have a significant impact on the market price of DENTSPLY's common stock causing volatility. These factors include, but are not necessarily limited to: the publication of earnings estimates or other research reports and speculation in the press or investment community; changes in the Company's industry and competitors; the Company's financial condition, results of operations and cash flows; any future issuances of DENTSPLY's common stock, which may include primary offerings for cash, stock splits, issuances in connection with business acquisitions, restricted stock and the grant or exercise of stock options from time to time; general market and economic conditions; and any outbreak or escalation of hostilities in areas the Company does business.

In addition, the NASDAQ National Market can experience extreme price and volume fluctuations that can be unrelated or disproportionate to the operating performance of the companies listed on the NASDAQ. Broad market and industry factors may negatively affect the market price of the Company's common stock, regardless of actual operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against companies. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm the Company's business.

Certain provisions in the Company's governing documents may discourage third-party offers to acquire DENTSPLY that might otherwise result in the Company's stockholders receiving a premium over the market price of their shares.

Certain provisions of DENTSPLY's Certificate of Incorporation and By-laws and of Delaware law could have the effect of making it difficult for a third party to acquire control of DENTSPLY. Such provisions include the division of the Board of Directors of DENTSPLY into three classes, with the three-year term of a class expiring each year, a provision allowing the Board of Directors to issue preferred stock having rights senior to those of the common stock and certain procedural requirements which make it difficult for stockholders to amend DENTSPLY's By-laws and call special meetings of stockholders. In addition, members of DENTSPLY's management and participants in its Employee Stock Ownership Plan ("ESOP") collectively own approximately 5% of the outstanding common stock of DENTSPLY.

The Company is exposed to the risk of changes in interest and foreign exchange rates.

The Company's balance sheet includes debt and net investment hedges that are sensitive to movements in interest and foreign exchange rates. Changes in interest rates and foreign exchange rates may have an adverse effect on the Company's statement of income.

ITEM 1B. Unresolved Staff Comments

None

Item 2. Properties

The following is a listing of DENTSPLY's principal manufacturing and distribution locations as of December 31, 2007:

Location	Function	Leased or Owned
United States:		
Milford, Delaware (1)	Manufacture of consumable dental products	Owned
Bradenton, Florida (3)	Manufacture of orthodontic accessory products	Leased
Baldwin, Georgia (3)	Manufacture of orthodontic accessory products	Leased
Des Plaines, Illinois (1)	Manufacture and assembly of dental handpieces	Leased
Elgin, Illinois (1)	Manufacture of dental x-ray film holders, film mounts and accessories	Owned
Elgin, Illinois (1)	Manufacture of dental x-ray film holders, film mounts and accessories	Leased
Englewood, New Jersey (1)	Manufacture and distrubtion of consumable dental products	Leased
Bohemia, New York (3)	Manufacture and distribution of orthodontic products and materials	Leased
Maumee, Ohio (4)	Manufacture and distribution of investment casting products	Owned
Middletown, Pennsylvania (1)	Distribution of dental products	Leased
York, Pennsylvania (4)	Manufacture and distribution of artificial teeth and other dental laboratory products	Owned
York, Pennsylvania (1)	Manufacture of small dental equipment and preventive dental products	Owned
Johnson City, Tennessee (3)	Manufacture and distribution of endodontic instruments and materials	Leased
Foreign:		
Catanduva, Brazil (3)	Manufacture and distribution of dental anesthetic products	Owned
Petropolis, Brazil (3)	Manufacture and distribution of artificial teeth and consumable dental products	Owned
Tianjin, China (2)	Manufacture and distribution of dental products	Leased
Ivry Sur-Seine, France (2)	Manufacture and distribution of investment casting products	Leased
Bohmte, Germany (4)	Manufacture and distribution of dental laboratory products	Owned

Hanau, Germany (4)	Manufacture and distribution of precious metal dental alloys, dental ceramics and dental implant products	Owned
Konstanz, Germany (1)	Manufacture and distribution of consumable dental products	Owned
Mannheim, Germany (4)	Manufacture and distribution of dental implant products	Owned
Mannheim, Germany (4)	Manufacture and distribution of dental implant products	Leased
Munich, Germany (3)	Manufacture and distribution of endodontic instruments and materials	Owned
Radolfzell, Germany (5)	Distribution of dental products	Leased
Rosbach, Germany (4)	Manufacture and distribution of dental ceramics	Owned
Nasu, Japan (2)	Manufacture and distribution of precious metal dental alloys, consumable dental products and orthodontic products	Owned
Hoorn, Netherlands (4)	Manufacture and distribution of precious metal dental alloys and dental ceramics	Owned
Las Piedras, Puerto Rico (4)	Manufacture of crown and bridge materials	Owned
Ballaigues, Switzerland (3)	Manufacture and distribution of endodontic instruments, plastic components and packaging material	Owned
Le Creux, Switzerland (3)	Manufacture and distribution of endodontic instruments	Owned
Shanghai, China (4)	Manufacture and distribution of dental laboratory products	Owned

(1) - These properties are included in the United States, Germany, and Certain Other European Regions Consumable Businesses segment.

(2) - These properties are included in the France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses segment.

(3) - These properties are included in the Canada/Latin America/Endodontics/Orthodontics segment.

(4) - These properties are included in the Global Dental Laboratory Business/Implants/Non-Dental segment.

(5) - This property is a distribution warehouse not managed by named segments.

In addition, the Company maintains sales and distribution offices at certain of its foreign and domestic manufacturing facilities, as well as at various other United States and international locations. The Company maintains offices in Toronto, Mexico City, Paris, Rome, Weybridge, Hong Kong and Melbourne. Most of these various sites around the world that are used exclusively for sales and distribution are leased.

The Company also owns its corporate headquarters located in York, Pennsylvania.

DENTSPLY believes that its properties and facilities are well maintained and are generally suitable and adequate for the purposes for which they are used.

Item 3. Legal Proceedings

On January 5, 1999, the Department of Justice filed a Complaint against the Company in the United States 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 preventing DENTSPLY from taking action to restrict its tooth dealers from adding new competitive teeth lines. This decision relates only to the distribution of artificial teeth in the United States and, notwithstanding the outcome of this case, the Company is confident that it can continue to develop this business.

Subsequent to the filing of the Department of Justice Complaint in 1999, several private party class actions were filed based on allegations similar to those in the Department of Justice case, on behalf of dental laboratories, and denture patients in seventeen states who purchased Trubyte teeth or products containing Trubyte teeth. These cases were transferred to the United States District Court in Wilmington, Delaware. The Court granted the Company's Motion on the lack of standing of the laboratory and patient class actions to pursue damage claims. The Plaintiffs in the laboratory case 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 in the laboratory case 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. DENTSPLY and the dealers filed Motions to dismiss Plaintiffs' claims, except for the resale price maintenance claims. The District Court has granted the Motions filed by DENTSPLY and the dealers, leaving only the resale price maintenance claim. The Plaintiffs have appealed the dismissal of their claims to the Third Circuit. Additionally, manufacturers of two competitive tooth lines and a dealer, as a putative class action, have filed separate actions seeking unspecified damages alleged to have been incurred as a result of the Company's tooth distribution practice found to be a violation of the antitrust law.

On March 27, 2002, a Complaint was filed in Alameda County, California (which was transferred to Los Angeles County) by Bruce Glover, DDS alleging, inter alia, breach of express and implied warranties, fraud, unfair trade practices and negligent misrepresentation in the Company's manufacture and sale of Advance® cement. The Judge entered an Order granting class certification, as an opt-in class, which was later converted to an opt-out class. In general, the Class is defined as California dentists who purchased and used Advance® cement and were required, because of failures of the cement, to repair or reperform dental procedures for which they were not paid. The parties entered a settlement agreement, which was approved by the Court at a fairness hearing on June 15, 2007. The settlement establishes a procedure by which dentists, who believe they were required to perform dental work because of a problem caused by Advance® cement, can submit claims for review and reimbursement of unpaid fees. The Company's primary level insurance carrier has confirmed coverage for claims in this matter up to one million dollars, their asserted policy limits. Litigation is pending with the Company's excess insurance carrier regarding the level and coverage of its insurance for this case.

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 have appealed the decertification of the class to the California Court of Appeals.

On December 12, 2006, a Complaint was filed by Carole Hildebrand, DDS and Robert Jaffin, DDS in the Eastern District of PA. 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 based on assertions that the Company's Cavitron® ultrasonic scaler was sold in breach of contract and warranty arising from misrepresentations about the potential uses of the product because it cannot deliver potable or sterile water. The Complaint seeks a refund of the purchase price paid for Cavitron® ultrasonic scalers. Plaintiffs have filed their Motion for class certification to which the Company has filed its response.

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

Not applicable.

Executive Officers of the Registrant

The following table sets forth certain information regarding the executive officers of the Company as of February 25, 2008.

Name	Age	Position
Bret W. Wise	47	Chairman of the Board, Chief Executive Officer and President
Christopher T. Clark	46	Executive Vice President and Chief Operating Officer
William R. Jellison	50	Senior Vice President and Chief Financial Officer
James G. Mosch	50	Senior Vice President
Robert J. Size	49	Senior Vice President
Brian M. Addison	53	Vice President, Secretary and General Counsel

Bret W. Wise was named Chairman of the Board, Chief Executive Officer and President of the Company effective January 1, 2007. Prior to that time, Mr. Wise was President and Chief Operating Officer since January 2006 and Executive Vice President since January 2005. During his tenure as Executive Vice President, Mr. Wise oversaw two of DENTSPLY's operating groups including all business unit products that are sold through distributors in the United States, Europe and Canada, and the laboratory business units in Europe. In addition he had direct responsibility for corporate research and business development activities. Prior to that time, he was Senior Vice President and Chief Financial Officer of the Company since November 2002. Prior to that time, Mr. Wise was Senior Vice President and Chief Financial Officer with Ferro Corporation of Cleveland, OH. Prior to joining Ferro Corporation in 1999, Mr. Wise held the position of Vice President and Chief Financial Officer at WCI Steel, Inc., of Warren, OH, from 1994 to 1999. Prior to joining WCI Steel, Inc., Mr. Wise was a partner with KPMG LLP. Mr. Wise is a Certified Public Accountant.

Christopher T. Clark was named Executive Vice President and Chief Operating Officer of the Company effective January 1, 2007. Prior to that time, Mr. Clark was Senior Vice President since January 2003, with operating responsibilities over both manufacturing operations and selling organizations located in the United States, Europe and Japan. Prior to that appointment, Mr. Clark served as Vice President and General Manager of DENTSPLY's global imaging business since June 1999, with operations in the United States, Germany and Italy, serving markets worldwide. Prior to that time, he served as Vice President and General Manager of the Prosthetics Division since July of 1996. Prior to that, Mr. Clark was Director of Marketing of the Prosthetics Division since September 1992 when he started with the Company.

William R. Jellison was named Senior Vice President and Chief Financial Officer of the Company effective January 2005. In this position, he is responsible for Accounting, Treasury, Tax, Information Technology and Internal Audit. Prior to that time he was Senior Vice President since November 2002, with operating responsibilities over both manufacturing operations and selling organizations located in the United States, Europe and Asia. From the period April 1998 to November 2002, Mr. Jellison served as Senior Vice President and Chief Financial Officer of the Company. Prior to that time, Mr. Jellison held various financial management positions including Vice President of Finance, Treasurer and Corporate Controller for Donnelly Corporation of Holland, Michigan since 1980. Mr. Jellison is a Certified Management Accountant.

James G. Mosch was named Senior Vice President effective November 2002, with operating responsibilities over both manufacturing operations and selling organizations located in the United States, Europe, Australia, Brazil, Latin America and Mexico. In January 2007, he assumed responsibility for business development. Through December 2004, he was also responsible for the Company's selling location in Canada. Prior to this appointment, Mr. Mosch served as Vice President and General Manager of the DENTSPLY Professional operating unit since July 1994 when he started with the Company.

Robert J. Size was named Senior Vice President effective January 1, 2007, with operating responsibilities over both manufacturing operations and selling organizations located in the United States and Europe, as well as the DENTSPLY North America (DNA) sales organization and centralized distribution. Prior to this appointment, Mr. Size served as Vice President and General Manager of the Caulk division since June 2003 and was named Vice President in January 2006, with responsibility for the Caulk, DeTrey and Rinn operating units. Prior to that time, he was the CEO and President of Superior MicroPowders and held various cross-functional and international leadership positions with The Cookson Group.

Brian M. Addison has been Vice President, Secretary and General Counsel of the Company since January 1, 1998. Prior to that, he was Assistant Secretary and Corporate Counsel since December 1994. Prior to that he was a Partner at the Harrisburg, Pennsylvania law firm of McNees, Wallace & Nurick, and prior to that he was Senior Counsel at Hershey Foods Corporation.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The information set forth under the caption "Supplemental Stock Information" is filed as part of this Annual Report on Form 10-K.

The Board of Directors has authorized the Company to repurchase shares under its stock repurchase program in an amount up to 14,000,000 shares of treasury stock. The table below contains certain information with respect to the repurchase of shares of the Company's common stock during the quarter ended December 31, 2007.

Period	Total Number of Shares Purchased	Total Cost of Shares Purchased	Average Price Paid Per Share	Number of Shares That May Be Purchased Under The Share Repurchase Program
		(in thousands, except per share amounts)		
October 1-31, 2007	-	$ -	$ -	2,633.4
November 1-30, 2007	906.3	37,279.9	41.14	1,919.2
December 1-31, 2007	-	-	-	2,046.1
	906.3	$ 37,279.9	$ 41.14	

Performance Graph

A performance graph comparing the Company's cumulative total stockholder return (Common Stock price appreciation plus dividends, on a reinvested basis) over the last five fiscal years with the NASDAQ Composite Index and the Standard & Poor's Health Care Index is provided as Exhibit 99.1 of the Company's Annual Report on Form 10-K as filed on February 25, 2008.

Item 6. Selected Financial Data

The information set forth under the caption “Selected Financial Data” is filed as part of this Annual Report on Form 10-K.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The information set forth under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations” is filed as part of this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

The information set forth under the caption “Quantitative and Qualitative Disclosure about Market Risk” is filed as part of this Annual Report on Form 10-K.

Item 8. Financial Statements and Supplementary Data

The information set forth under the captions “Management’s Report on Internal Control Over Financial Reporting,” “Report of Independent Registered Public Accounting Firm,” “Consolidated Statements of Income,” “Consolidated Balance Sheets,” “Consolidated Statements of Stockholders' Equity,” “Consolidated Statements of Cash Flows,” and “Notes to Consolidated Financial Statements” is filed as part of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

(a) 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 Exchange Act of 1934, as amended) as of the end of the period covered by this report were effective.

(b) Management’s Report on Internal Control Over Financial Reporting

Management’s report on the Company’s internal control over financial reporting is included under Item 15(a)(1) of this Annual Report on Form 10-K.

(c) Changes in Internal Control Over Financial Reporting

There have been no changes in the Company’s internal control over financial reporting that occurred during the year ended December 31, 2007 that have materially affected, or are likely to materially affect, its internal control over financial reporting.

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information (i) set forth under the caption “Executive Officers of the Registrant” in Part I of this Annual Report on Form 10-K and (ii) set forth under the captions “Election of Directors” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the 2008 Proxy Statement is incorporated herein by reference.

Code of Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to the Chief Executive Officer and the Chief Financial Officer and substantially all of the Company's management level employees. This Code of Business Conduct and Ethics is provided as Exhibit 14 of the Company’s Annual Report on Form 10-K as filed on February 25, 2008.

Item 11. Executive Compensation

The information set forth under the caption “Executive Compensation” in the 2008 Proxy Statement is incorporated herein by reference.

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

The information set forth under the caption “Security Ownership of Certain Beneficial Owners and Management” and “Securities Authorized for Issuance Under Equity Compensation Plans” in the 2008 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required under this item number is presented in the 2008 Proxy Statement, which is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information set forth under the caption “Relationship with Independent Registered Public Accounting Firm” in the 2008 Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedule

(a) Documents filed as part of this Report

1 Financial Statements

The following consolidated financial statements of the Company are filed as part of this Annual Report on Form 10-K:

Management's Report on Internal Control Over Financial Reporting
Report of Independent Registered Public Accounting Firm
Consolidated Statements of Income - Years ended December 31, 2007, 2006 and 2005
Consolidated Balance Sheets - December 31, 2007 and 2006
Consolidated Statements of Stockholders' Equity and Comprehensive Income - Years ended December 31, 2007, 2006 and 2005
Consolidated Statements of Cash Flows - Years ended December 31, 2007, 2006 and 2005
Notes to Consolidated Financial Statements

2 Financial Statement Schedule

The following financial statement schedule is filed as part of this Annual Report on Form 10-K and is covered by the Report of Independent Registered Public Accounting Firm:

Schedule II -- Valuation and Qualifying Accounts.

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required to be included herein under the related instructions or are inapplicable and, therefore, have been omitted.

3 Exhibits. The Exhibits listed below are filed or incorporated by reference as part of the Company's Annual Report on Form 10-K as filed on February 25, 2008.

Exhibit Number		Description
3.1		Restated Certificate of Incorporation (2)
3.2		By-Laws, as amended (7)
4.1	(a)	United States Commercial Paper Issuing and paying Agency Agreement dated as of August 12, 1999 between the Company and the Chase Manhattan Bank (5)
	(b)	United States Commercial Paper Dealer Agreement dated as of March 28, 2002 between the Company and Salomon Smith Barney Inc. (8)
	(c)	Euro Commercial Paper Note Agreement dated as of October 26, 2006 between the Company and Citibank International plc. (10)
	(d)	Euro Commercial Paper Dealer Agreement dated as of October 26, 2006 between the Company and Citibank International plc. (10)
4.2	(a)	Floating Rate Senior Notes Agreement, due March 13, 2010 dated as of March 13, 2007
4.3	(a)	5-Year Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 9, 2005 among the Company, the Initial Lenders named therein, the banks named therein, Citibank N.A. as Administrative Agent, JPMorgan Chase Bank, N.A. as Syndication Agent, Harris Trust and Savings Bank, Manufacturers and Traders Trust Company, and Wachovia Bank, N.A. as Co-Documentation Agents, and Citigroup Global Markets, Inc. and J.P. Morgan Securities Inc. as Joint Lead Arrangers and Joint Bookrunners. (9)
10.1		1998 Stock Option Plan (1)
10.2		2002 Amended and Restated Equity Incentive Plan
10.3		Restricted Stock Unit Deferral Plan (10)
10.4	(a)	Trust Agreement for the Company's Employee Stock Ownership Plan between the Company and T. Rowe Price Trust Company dated as of November 1, 2000 (6)
	(b)	Plan Recordkeeping Agreement for the Company's Employee Stock Ownership Plan between the Company and T. Rowe Price Trust Company dated as of November 1, 2000 (6)
10.5		DENTSPLY Supplemental Saving Plan Agreement dated as of December 10, 2007

10.6		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Bret W. Wise*
10.7		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Christopher T. Clark*
10.8		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and William R. Jellison*
10.9		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Brian M. Addison*
10.10		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and James G. Mosch*
10.11		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Robert J. Size*
10.12		DENTSPLY International Inc. Directors' Deferred Compensation Plan effective January 1, 1997 (3)*
10.13		Board Compensation Arrangement
10.14		Supplemental Executive Retirement Plan effective January 1, 1999 (4)*
10.15		Written Description of the Amended and Restated Incentive Compensation Plan (10)
10.16		AZ Trade Marks License Agreement, dated January 18, 2001 between AstraZeneca AB and Maillefer Instruments Holdings, S.A. (6)
10.17	(a)	Precious metal inventory Purchase and Sale Agreement dated November 30, 2001, as amended October 10, 2006 between Bank of Nova Scotia and the Company (10)
	(b)	Precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between JPMorgan Chase Bank and the Company (7)
	(c)	Precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between Mitsui & Co., Precious Metals Inc. and the Company (7)
	(d)	Precious metal inventory Purchase and Sale Agreement dated December 15, 2005 between ABN AMRO NV, Australian Branch and the Company (10)
	(e)	Precious metal inventory Purchase and Sale Agreement dated January 30, 2002 between Dresdner Bank AG, Frankfurt, and the Company
14		DENTSPLY International Inc. Code of Business Conduct and Ethics
21.1		Subsidiaries of the Company
23.1		Consent of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP
31		Section 302 Certification Statements
32		Section 906 Certification Statement
99.1		Performance Graph

* Management contract or compensatory plan.

(1) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 333-56093).

(2) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 333-101548).

(3) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, File No. 0-16211.

(4) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, File No. 0-16211.

(5) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, File No. 0-16211.

(6) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, File No. 0-16211.

(7) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, File No. 0-16211.

(8) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, File No. 0-16211.

(9) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005, File No. 0-16211.

(10) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File No. 0-16211.

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
FOR THE THREE YEARS ENDED DECEMBER 31, 2007

Description	Balance at Beginning of Period	Additions: Charged (Credited) To Costs And Expenses	Additions: Charged to Other Accounts	Write-offs Net of Recoveries		Translation Adjustment	Balance at End of Period
			(in thousands)				
Allowance for doubtful accounts:							
For Year Ended December 31,							
2005	$ 17,224	$ 2,063	$ (581)	$ (2,884)		$ (1,031)	$ 14,791
2006	14,791	2,148	(416)	(1,516)		1,176	16,183
2007	16,183	2,854	(182)	(1,927)		1,650	18,578
Allowance for trade discounts:							
For Year Ended December 31,							
2005	$ 1,158	$ 1,111	$ -	$ (1,781)		$ (20)	$ 468
2006	468	(25)	-	-		14	457
2007	457	(155)	-	-		5	307
Inventory valuation reserves:							
For Year Ended December 31,							
2005	$ 27,898	$ 1,994	$ (682)	$ (2,360)		$ (1,743)	$ 25,107
2006	25,107	2,211	(341)	(2,180)		1,508	26,305
2007	26,305	3,134	(449)	(4,525)		1,725	26,190
Deferred tax asset valuation allowance:							
For Year Ended December 31,							
2005	$ 23,421	$ 16,328	$ -	$ (604)		$ (3,161)	$ 35,984
2006	35,984	12,006	-	(813)		2,202	49,379
2007	49,379	7,076	-	(11,124)	(a)	4,919	50,250

(a) The significant increase for write-offs during 2007 is the result of a restructuring project, where-in net operating losses subject to a full valuation allowance are not available for future use.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
SELECTED FINANCIAL DATA

	Year ended December 31,						
	2007	2006	2005		2004		2003
Statement of Income Data:	(in thousands, except per share amounts)						
Net sales	$ 2,009,833	$ 1,810,496	$ 1,715,135		$ 1,694,232		$ 1,567,994
Net sales without precious metal content	1,819,899	1,623,074	1,542,711		1,481,083		1,364,346
Gross profit	1,040,783	929,011	869,018		846,518		770,533
Restructuring, impairment and other costs (income)	10,527	7,807	232,755	(a)	7,124		3,700
Operating income	354,891	314,794	2,922		295,130		267,983
Income before income taxes	358,135	314,837	71,038		274,155		251,196
Net income from continuing operations	$ 259,654	$ 223,718	$ 45,413		$ 210,286		$ 169,853
Net income from discontinued operations	-	-	-		42,879	(b)	4,330
Total net income	$ 259,654	$ 223,718	$ 45,413		$ 253,165		$ 174,183
Earnings per common share - basic:							
Continuing operations	$ 1.71	$ 1.44	$ 0.29		$ 1.31		$ 1.08
Discontinued operations	-	-	-		0.27		0.03
Total earnings per common share - basic	$ 1.71	$ 1.44	$ 0.29		$ 1.58		$ 1.11
Earnings per common share - diluted:							
Continuing operations	$ 1.68	$ 1.41	$ 0.28		$ 1.28		$ 1.06
Discontinued operations	-	-	-		0.26		0.03
Total earnings per common share - diluted	$ 1.68	$ 1.41	$ 0.28		$ 1.54		$ 1.09
Cash dividends declared per common share	$ 0.16500	$ 0.14500	$ 0.12500		$ 0.10875		$ 0.09850
Weighted Average Common Shares Outstanding:							
Basic	151,707	155,229	59,191		160,775		157,646
Diluted	154,721	158,271	62,017		164,028		161,294
Balance Sheet Data:							
Cash, cash equivalents and short-term investments	$ 316,323	$ 65,143	$ 434,525		$ 506,369		$ 163,755
Property, plant and equipment, net	371,409	329,616	316,218		399,880		371,990
Goodwill and other intangibles, net	1,203,587	1,063,030	1,001,827		1,261,993		1,213,960
Total assets	2,675,569	2,181,350	2,410,373		2,798,145		2,445,587
Total debt	483,307	370,156	682,316		852,819		812,175
Stockholders' equity	1,516,106	1,273,835	1,246,596		1,443,973		1,122,069
Return on average stockholders' equity	18.6%	17.8%	3.4%		19.7%		17.8%
Long-term debt to total capitalization	24.1%	22.4%	35.3%		37.1%		42.0%
Other Data:							
Depreciation and amortization	$ 50,289	$ 47,434	$ 50,560		$ 49,296		$ 45,661
Cash flows from operating activities	387,697	271,855	232,769		306,259		257,992
Capital expenditures	64,163	50,616	45,293		52,036		73,157
Interest (income) expense, net	(2,645)	(1,683)	8,768		19,629		24,205
Inventory days	95	96	90		92		93
Receivable days	51	57	53		47		50
Operational tax rate	30.3%	30.5%	29.0%		30.4%		31.6%

(a) The Company recorded $230.8 million of impairment and restructuring charges related to the closing of the pharmaceutical manufacturing facility outside of Chicago.
(b) The Company sold the assets and related liabilities of the Gendex business.

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 import.

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 this Annual Report on Form 10-K as filed on February 25, 2008. Investors are further cautioned that the risk factors in Item 1A, Part I of this Annual Report on 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 International Inc. believes it is the world's largest manufacturer of professional dental products. The Company is headquartered in the United States and operates in more than 120 other countries, principally through its foreign subsidiaries. The Company also has strategically located distribution centers to enable it to better serve its customers and increase its operating efficiency. While the United States and Europe are the Company's largest markets, the Company serves all of the major professional dental markets worldwide.

The principal benchmarks used by the Company in evaluating its business are: (1) internal growth in the United States, Europe and all other regions; (2) operating margins of each reportable segment; (3) the development, introduction and contribution of innovative new products; (4) growth through acquisition; and (5) continued focus on controlling costs and enhancing efficiency. The Company defines “internal growth” as the increase in net sales from period to period, excluding precious metal content, the impact of changes in currency exchange rates and the net sales, for a period of twelve months following the transaction date, of businesses that have been acquired or divested.

Management believes that an average overall internal growth rate of 4-6% is a long-term sustainable rate for the Company. This annualized growth rate expectation typically includes approximately 1-2% of price increases. The Company typically implements most of its price changes in the third or fourth quarters of the year. These 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 levels in a given period.

During 2007, the Company's overall internal growth was approximately 6.4% compared to 4.3% in 2006. Internal growth rates in the United States (40.5% of sales) and Europe (39.0% of sales), the largest dental markets in the world, were 4.2% and 7.3%, respectively during 2007 compared to 1.2% and 7.4%, respectively for 2006. As discussed further within the Overview section and the Results of Continuing Operations, the internal growth in the United States during 2007 was led by solid growth in the Orthodontic and Implant businesses. The internal growth in the United States during 2007 as compared to 2006 was negatively impacted by the U.S Strategic Partnership Program for the first nine months of the year and positively impacted in the last quarter of 2007. The program was announced in the third quarter of 2006 and implemented in the fourth quarter of 2006. Additionally, as discussed further within the Results of Continuing Operations, the internal growth rate in Europe during 2007 as compared to 2006 was favorably impacted by the continued strong performance in all of the dental specialty businesses. The internal growth rate in all other regions (20.5% of sales), was 9.4% in 2007 compared to 5.6% in 2006. The 9.4% internal growth in all other regions during 2007 was driven by strong growth in Japan, Canada, Middle East and Australia. 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, and if such rates are less than expected, the Company’s projected growth rates and results of operations may be adversely affected.

Product innovation is a key component of the Company's overall growth strategy. During both 2006 and 2007, the Company continued to introduce multiple new products or significant product enhancements. New advances in technology are anticipated to have a significant influence on future products in dentistry. As a result, the Company has pursued several research and development initiatives to support this technological development, including partnerships and 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 acquisition. Management believes that there will continue to be adequate opportunities to participate as a consolidator in the industry for the foreseeable future (see also Acquisition Activity in Part I, Item 1 of this Annual Report on Form 10-K). As further discussed in Note 3 to the consolidated financial statements, during 2007, the Company has purchased several small businesses.

The Company also remains focused on reducing costs and achieving operational efficiencies. Management expects to continue to consolidate operations or functions and reduce the cost of those operations and functions while improving service levels. 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 opportunities will improve the cost structure and offset areas of rising costs such as energy, benefits, financial reporting, regulatory oversight and compliance.

In late 2006, the Company entered into a U.S. Strategic Partnership Program, designed to significantly improve its ability to collaborate with, provide value to its key distributor partners, and gain improved access to end user data. Currently, this program encompasses most of the Company's divisions selling through the United States dental distributors and has resulted in a consolidated network of United States distributors.

In late 2005, the Company closed its Chicago-based pharmaceutical manufacturing facility and outsourced the production of the injectable dental anesthetic products and the non-injectable Oraqix® products. The Company currently has contract manufacturing relationships for the supply of injectable dental anesthetic products. There can be no assurance that the Company will be able to continue to obtain an adequate supply of its injectable products in the future.

FACTORS IMPACTING COMPARABILITY BETWEEN YEARS

Adoption of SFAS 158

In 2007, the Company early adopted the provision of Statement of Financial Accounting Standards No. 158 ("SFAS 158"), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" for December 31, 2006. SFAS 158, which is an amendment of SFAS No. 87, 88, 106 and 132(R), requires the alignment of the measurement date and the year-end balance sheet date. The Company adopted this provision for the 2007 fiscal year with the only impact being to the Swiss pension plan that has been measured as of September 30 in prior years. As allowed under SFAS 158, the Company computed the net benefit expense for the period from the early measurement date of September 30, 2006 through December 31, 2007, which is the end of the fiscal year of adoption. The Company recognized three months of the net benefit expense as an adjustment to retained earnings in 2007. The net of tax adjustment to retained earnings is $0.4 million.

Adoption of FIN 48

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109, Accounting for Income Taxes," which clarifies the accounting for income taxes. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Interpretation requires that the Company recognize in the 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. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure. The provisions of FIN 48 are effective beginning January 1, 2007 with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. As a result of the implementation the Company recognized a $3.8 million increase to reserves for uncertain tax positions.

The total amount of gross unrecognized tax benefits, as of the date of adoption, is approximately $48.7 million. Of this total, approximately $37.8 million (net of the federal benefit of state issues) represents the amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate. It is reasonably possible that certain amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date of the Company's consolidated financial statements. Expiration of statutes of limitation in various jurisdictions could include unrecognized tax benefits of approximately $7.1 million, $2.0 million of which will have no impact upon the effective income tax rate. A decrease of unrecognized tax benefits of approximately $ 10.7 million, $5.1 million of which will have no impact upon the effective income tax rate could occur as a result of final settlement and resolution of outstanding tax matters in foreign jurisdictions during the next twelve months.

Revisions in Classification

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

RESULTS OF CONTINUING OPERATIONS, 2007 COMPARED TO 2006

Net Sales

The discussion below summarizes the Company's sales growth, excluding precious metal content, from internal growth and net acquisition growth, and highlights the impact of foreign currency translation. These disclosures of net sales growth provide the reader with sales results on a comparable basis between periods.

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 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 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 alloy sale prices are typically adjusted when the prices of underlying precious metals change.

The presentation of net sales, excluding precious metal content, could be considered a measure not calculated in accordance with generally accepted accounting principles (GAAP), and is therefore considered a non-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.

	Year Ended December 31,			
	2007	2006	$ Change	% Change
		(in millions)		
Net Sales	$ 2,009.8	$ 1,810.5	$ 199.3	11.0%
Precious Metal Content of Sales	(189.9)	(187.4)	(2.5)	1.3%
Net Sales Excluding Precious Metal Content	$ 1,819.9	$ 1,623.1	$ 196.8	12.1%

The net sales growth, excluding precious metal content, of 12.1% was comprised of 6.4% of internal growth, 4.1% of foreign currency translation and 1.6% related to acquisitions. The 6.4% internal growth was comprised of 4.2% in the United States, 7.3% in Europe and 9.4% for all other regions combined.

Internal Sales Growth

	December 31, 2007		December 31, 2006	
	Percentage of Sales	Internal Growth Rates	Percentage of Sales	Internal Growth Rates
United States	40.5%	4.2%	42.4%	1.2%
Europe	39.0%	7.3%	37.7%	7.4%
Other Regions	20.5%	9.4%	19.9%	5.6%
Overall internal growth rate		6.4%		4.3%

United States

The internal sales growth of 4.2%, excluding precious metal content, in the United States was a result of continued growth in the dental specialty category, and improved growth in the dental laboratory and dental consumable product categories.

Europe

In Europe, the internal sales growth of 7.3%, excluding precious metal content, was driven by the continued strong sales growth in the dental specialty category and partially offset by lower internal growth in the dental consumables and dental laboratory categories. Additionally, the Company believes that a significant contraction in the precious metal alloy market occurred, in part, due to the dramatic increase in the price of precious metals and to the shift toward all ceramic products in the past few years.

All Other Regions

The internal growth of 9.4% in all other regions was largely the result of strong growth in the dental specialty category. In addition, during 2007, the Pacific Rim, Canada, Middle East and Australia regions experienced strong internal growth.

Gross Profit

	Year Ended December 31,			
	2007	2006	$ Change	% Change
	(in millions)			
Gross Profit	$ 1,040.8	$ 929.0	$ 111.8	12.0%
Gross Profit as a percentage of net sales including precious metal content	51.8%	51.3%		
Gross Profit as a percentage of net sales excluding precious metal content	57.2%	57.2%		

The 2007 gross profit as a percentage of net sales, excluding precious metal content, was unfavorably impacted by recent business acquisitions and unfavorable purchase price variances related to the weakening U.S. dollar, offset by cost improvements through the Company's lean manufacturing initiatives.

Expenses

Selling, General and Administrative ("SG&A") Expenses

	Year Ended December 31,			
	2007	2006	$ Change	% Change
	(in millions)			
SG&A expenses	$ 675.4	$ 606.4	$ 69.0	11.4%
SG&A expenses as a percentage of net sales including precious metal content	33.6%	33.5%		
SG&A expenses as a percentage of net sales excluding precious metal content	37.1%	37.4%		

The 11.4% increase in SG&A expenses reflects additional SG&A expenses of $9.4 million from acquired companies and increases from unfavorable currency translation impacts of approximately $25.7 million. The remaining increase in SG&A expenses is primarily a result of increased sales and marketing expenditures to support growth in the dental specialty businesses and higher growth regions, partially offset by a reduction in stock compensation expense as a result of accelerated vesting in 2006. SG&A expenses as a percentage of net sales, excluding precious metal content, decreased from 37.4% in 2006 to 37.1% in 2007. The 2007 expense ratio was favorably impacted by lower stock based compensation and improved leverage on the investments in strategic initiatives.

Restructuring, Impairment and Other Costs, Net

	Year Ended December 31,			
	2007	2006	$ Change	% Change
	(in millions)			
Restructuring, impairment and other costs, net	$ 10.5	$ 7.8	$ 2.7	34.6%

During 2007, the Company recorded net restructuring, impairment and other costs of $10.5 million. The Company initiated several restructuring plans primarily related to the closure and consolidation of certain production and selling facilities in the United States, Europe, Asia and South America in order to better leverage the Company's resources by reducing costs and obtaining operational efficiencies. These restructuring plans included charges of $5.4 million. Additionally, the Company also recorded a total of $5.0 million in expenses related to several legal claims (see also Note 14 to the consolidated financial statements).

During 2006, the Company recorded net restructuring, impairment and other costs of $7.8 million. The net costs of $7.8 million were primarily for additional restructuring costs incurred related to the decision to shut down the pharmaceutical manufacturing facility in Chicago, Illinois and costs related to the consolidation of certain United States and European selling and production facilities. These restructuring costs were partially offset by the gain of $2.9 million on the sale of the assets previously associated with the pharmaceutical manufacturing facility which the Company had announced in early 2006 that it would be closing. Additionally, these costs were further offset by the gain of $1.0 million on the sale of assets associated with a German manufacturing facility which was closed down in 1998 as part of a restructuring plan.

Other Income and Expenses

	Year Ended December 31,		
	2007	2006	$ Change
		(in millions)	
Net interest (income)	$ (2.6)	$ (1.6)	$ (1.0)
Other (income) expense, net	(0.6)	1.6	(2.2)
Net interest & other (income) expense	$ (3.2)	$ 0.0	$ (3.2)

Net Interest (Income) Expense

The change in net interest income in 2007 compared to 2006 was mainly the result of lower average debt and investment levels following the 350.0 million Eurobond maturity in December, 2006, offset somewhat by higher average interest rates. In addition, higher average interest rates on Euro and Swiss franc basis swaps combined with weaker U.S. dollar average exchange rates against both currencies resulted in lower net interest received on the Company's net investment hedges (see also Note 5 to the consolidated financial statements).

Other (Income) Expense, Net

Other (Income) Expense in the 2007 period included $0.5 million of currency transaction gains and $0.1 million of other non-operating gains. The 2006 period included $0.1 million of currency transaction losses and $1.5 million of other non-operating losses.

Income Taxes and Net Income

	Year Ended December 31,		
	2007	2006	$ Change
		(in millions, except per share data)	
Income Tax Rates	27.5%	28.9%	
Net Income	$ 259.7	$ 223.7	$ 36.0
Fully Diluted earnings per common share	$ 1.68	$ 1.41	

Income Taxes

The Company's effective tax rates for 2007 and 2006 were 27.5% and 28.9%, respectively. The Company's operating tax rates for 2007 and 2006 were 30.3% and 30.5%, respectively. The Company benefited from various tax adjustments of $9.9 million and $4.8 million in 2007 and 2006, respectively (see also Note 12 to the consolidated financial statements).

Net Income

Fully diluted earnings per share from continuing operations during 2007 were $1.68 compared to $1.41 during the same period in 2006. Net income for the 2007 period included the after tax impact from restructuring costs of $6.7 million, or $0.04 per diluted share and a net tax benefit of $9.9 million, or $0.06 per diluted share due to tax related adjustments. The net income for the 2006 period included the after tax impact from restructuring costs of $5.0 million, or $0.03 per diluted share and a net tax benefit of $4.8 million, or $0.03 per diluted share due to tax related adjustments.

Operating Segment Results

In January 2007, the Company reorganized its operating group structure expanding into four operating groups from the three groups under the prior management structure. These operating groups are considered the Company's reportable segments under SFAS 131 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. Each of these operating groups covers a wide range of product categories and geographic regions. The product categories and geographic regions often overlap across the groups. Further information regarding the details of each group is presented in Note 4 to the consolidated financial statements. The management of each group is evaluated for performance and incentive compensation purposes on net third party sales, excluding precious metal content, and segment operating income.

Net Sales, excluding precious metal content

	Year Ended December 31,			
	2007	2006	$ Change	% Change
		(in millions)		
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 433.9	$ 395.0	$ 38.9	9.8%
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	$ 352.0	$ 308.4	$ 43.6	14.1%
Canada/Latin America/Endodontics/ Orthodontics	$ 583.9	$ 520.9	$ 63.0	12.1%
Global Dental Laboratory Business/ Implants/Non-Dental	$ 453.7	$ 402.7	$ 51.0	12.7%

Segment Operating Income

	Year Ended December 31,			
	2007	2006	$ Change	% Change
		(in millions)		
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 138.9	$ 143.5	$ (4.6)	-3.2%
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	$ 7.2	$ 3.0	$ 4.2	NM
Canada/Latin America/Endodontics/ Orthodontics	$ 180.9	$ 171.5	$ 9.4	5.5%
Global Dental Laboratory Business/ Implants/Non-Dental	$ 115.3	$ 97.5	$ 17.8	18.3%

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

Net sales, excluding precious metal content, increased 9.8% during the year ended December 31, 2007 compared to 2006. This increase was driven by positive internal growth, the acquisition of Sultan Healthcare, and positive currency translation. The implementation of the U.S Strategic Partnership Program hindered this segment in both 2007 and 2006.

Operating income decreased $4.6 million during the year ended December 31, 2007 compared to 2006. The decrease was due to higher expense allocation from Corporate headquarters of sales and marketing expenses to better reflect activity within the segment. This decrease was partially offset by the favorable impact from acquisition activity and currency translation.

France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses

Net sales, excluding precious metal content, increased 14.1%, including the favorable impact of currency translation, during the year ended December 31, 2007 compared to 2006. Strong internal growth occurred in CIS, Middle East, United Kingdom and Pacific Rim businesses.

Operating income increased $4.2 million during the year ended December 31, 2007 compared to 2006. The increase was primarily related to sales growth and currency translation.

Canada/Latin America/Endodontics/Orthodontics

Net sales, excluding precious metal content, increased 12.1%, including the favorable impact of currency translation, during the year ended December 31, 2007 compared to 2006. Strong internal growth occurred in the Orthodontic, Endodontic, and Canadian businesses.

Operating income increased $9.4 million during the year ended December 31, 2007 compared to 2006. The increase in operating profits was driven primarily by sales growth across the segment, partially offset by the additional operational investment into the combined Endodontic/Implant businesses in the United States. The increase was also related to positive currency translation.

Global Dental Laboratory Business/Implants/Non-Dental

Net sales, excluding precious metal content, increased 12.7%, including favorable impact of currency translation, during the year ended December 31, 2007 compared to 2006. Strong internal growth occurred in the Implants business, and the United States dental laboratory business also grew at a faster rate in 2007. Additionally, the Company believes that a significant contraction in the precious metal alloy market occurred, in part, due to the dramatic increase in the price of precious metals and the move to all ceramic products, such as the Company's Cercon® product, in the past few years.

Operating income increased $17.8 million during the year ended December 31, 2007 compared to 2006. The increase in operating profits was driven primarily by the sales growth in the Implants business. In addition, operating profit was positively impacted from currency translation.

RESULTS OF CONTINUING OPERATIONS, 2006 COMPARED TO 2005

Net Sales

The discussion below summarizes the Company’s sales growth, excluding precious metal content, from internal growth and net acquisition growth and highlights the impact of foreign currency translation. These disclosures of net sales growth provide the reader with sales results on a comparable basis between periods.

	Year Ended December 31,			
	2006	2005	$ Change	% Change
		(in millions)		
Net Sales	$ 1,810.5	$ 1,715.1	$ 95.4	5.6%
Precious Metal Content of Sales	(187.4)	(172.4)	(15.0)	8.7%
Net Sales Excluding Precious Metal Content	$ 1,623.1	$ 1,542.7	$ 80.4	5.2%

The sales growth, excluding precious metal content, of 5.2% was comprised of 4.3% internal growth, 0.6% due to foreign currency translation and 0.3% related to acquisitions. The 4.3% internal growth was comprised of 1.2% in the United States, 7.4% in Europe and 5.6% for all other regions combined.

Internal Sales Growth

	December 31, 2006		December 31, 2005	
	Percentage of Sales	Internal Growth Rates	Percentage of Sales	Internal Growth Rates
United States	42.4%	1.2%	43.8%	5.2%
Europe	37.7%	7.4%	36.7%	-2.7%
Other Regions	19.9%	5.6%	19.5%	3.9%
Overall internal growth rate		4.3%		2.0%

United States

The internal sales growth of 1.2%, excluding precious metal content, in the United States was a result of moderate growth in the dental specialty category, partially offset by lower sales in the dental consumable and dental laboratory product categories. This below average growth rate was mainly the result of the internal growth rate of negative 5.5% in the fourth quarter of 2006 that was primarily attributable to the impact of the U.S. Strategic Partnership Program that was announced at the end of the third quarter and implemented in the fourth quarter of 2006. In line with expectations, the fourth quarter internal sales growth for the United States region was significantly impacted by the lower sales to discontinued distributors, the contraction of distributor inventories as a result of the use of residual inventories purchased during the third quarter ahead of the early fourth quarter price increase, the balancing of promotional activities between distributors and end-users, as well as the contraction of dealer inventories as a result of the U.S. Strategic Partnership Program. The impact from these items primarily related to the dental consumable and the dental laboratory product categories.

In addition to the impact from the items discussed above, the full year internal growth rate in the United States dental laboratory product category was unfavorably impacted by the consolidation of distributors, particularly with regard to tooth products.

Europe

In Europe, the internal sales growth of 7.4%, excluding precious metal content, was driven by the continued strong sales growth in the endodontic, orthodontic and implant products within the dental specialty product category. The growth rate was partially offset by lower growth in the dental laboratory product category, particularly in Germany, where the Company believed that the market was negatively impacted by reimbursement changes enacted in 2005 and by a significant contraction in the precious metal alloy market due to the dramatic increase in the price of precious metals over the past few years impacting the value-added sales portion of the precious metal alloy business. In 2006, the Company overcame these market issues in part through the introduction of new technologies and the continued strong growth of its all ceramic crown and bridge Cercon® product.

All Other Regions

The internal growth of 5.6% in all other regions was largely the result of strong growth in the dental specialty category in most countries included in the other regions, primarily led by Asia, Latin America, Canada and Australia. In addition, during 2006 the Asia, Middle East and Australia regions experienced strong internal sales growth in the dental consumable product category, partially offset by lower sales in the consumable product category for the Japan and Canada regions. Finally, the Latin America and Middle East regions experienced strong internal growth in the dental laboratory product category, partially offset by lower sales in the dental laboratory product category in the Canada and Australia regions.

Gross Profit

	Year Ended December 31,			
	2006	2005	$ Change	% Change
		(in millions)		
Gross Profit	$ 929.0	$ 869.0	$ 60.0	6.9%
Gross Profit as a percentage of net sales including precious metal content	51.3%	50.7%		
Gross Profit as a percentage of net sales excluding precious metal content	57.2%	56.3%		

The 0.9% increase from 2005 to 2006 in the gross profit as a percentage of net sales, excluding precious metal content, was primarily due to favorable shifts in the product and geographic mix, improved leveraging of resources, lean manufacturing initiatives, as well as a reduction in expenditures, as a result of the Company’s decision to close its Chicago-based pharmaceutical manufacturing facility. These favorable impacts were partially offset by the impact on sales in the fourth quarter of 2006 from the U.S. Strategic Partnership Program.

Expenses

Selling, General and Administrative Expenses

	Year Ended December 31,			
	2006	2005	$ Change	% Change
		(in millions)		
SG&A expenses	$ 606.4	$ 563.3	$ 43.1	7.7%
SG&A expenses as a percentage of net sales including precious metal content	33.5%	32.8%		
SG&A expenses as a percentage of net sales excluding precious metal content	37.4%	36.5%		

The 7.7% increase in SG&A expenses reflects additional SG&A expenses of $1.3 million from acquired companies and increases from unfavorable currency translation impacts of approximately $3.0 million. SG&A expenses, measured against sales, including precious metal content, increased to 33.5% compared to 32.8% in 2005. SG&A expenses, as measured as a percentage of sales, excluding precious metal content, increased to 37.4% compared to 36.5% in 2005. The 2006 expense ratio was negatively impacted by $18.5 million of pre-tax stock-based compensation expense as a result of the adoption of SFAS 123(R) on January 1, 2006, as well as costs related to the implementation of the U.S. Strategic Partnership Program and the merger of the United States Endodontic and Implant divisions. This increase in expenses was partially offset by the favorable impact of the decision to shut down the pharmaceutical manufacturing facility in Chicago, Illinois. The 2005 expense ratio was negatively impacted as a result of higher expense levels in 2005 related to costs associated with the global tax project and the biennial International Dental Show (“IDS”).

Restructuring Impairment and Other Costs, Net

	Year Ended December 31,			
	2006	2005	$ Change	% Change
		(in millions)		
Restructuring, impairment and other costs, net	$ 7.8	$ 232.8	$(225.0)	-96.6%

During 2006, the Company recorded net restructuring, impairment and other costs of $7.8 million. The net costs of $7.8 million were primarily for additional restructuring costs incurred related to the decision to shut down the pharmaceutical manufacturing facility in Chicago, Illinois and costs related to the consolidation of certain United States and European selling and production facilities. These restructuring costs were partially offset by the gain of $2.9 million on the sale of the assets previously associated with the pharmaceutical manufacturing facility which the Company had announced in early 2006 that it would be closing. Additionally, these costs were further offset by the gain of $1.0 million on the sale of assets associated with a German manufacturing facility which was closed down in 1998 as part of a restructuring plan.

During 2005, the Company recorded restructuring and other costs of $232.8 million. This amount was mainly attributable to the impairment of the indefinite-lived injectable anesthetic intangible acquired from AstraZeneca in 2001 as well as the impairment of the fixed assets associated with the pharmaceutical manufacturing facility. Included in the $232.8 million charge were restructuring charges of $3.1 million that were recorded during 2005 largely as a result of the decision to shut down the anesthetics manufacturing facility in Chicago, Illinois. These costs were partially offset by a change in estimate of $1.2 million primarily related to the reversal of accrued severance costs associated with the 2004 European Shared Services Center that were no longer necessary.

Other Income and Expenses

	Year Ended December 31,		
	2006	2005	$ Change
		(in millions)	
Net interest (income) expense	$ (1.6)	$ 8.8	$ (10.4)
Other (income) expense, net	1.6	(6.9)	8.5
Net interest & other (income) expense	$ 0.0	$ 1.9	$ (1.9)

Net Interest (Income) Expense

The change from net interest expense in 2005 to net interest income in 2006 was mainly the result of the effectiveness of the Company's cross currency interest rate swaps designated as net investment hedges, lower average debt levels and higher average cash, cash equivalents and short-term investment levels. The cross currency interest rate swaps were put into place throughout 2005 and the first quarter of 2006.

Other (Income) Expense, Net

Other (Income) Expense in the 2006 period included $0.1 million of currency transaction losses and $1.5 million of other non-operating losses. The 2005 period included $6.7 million of currency transaction gains and $0.2 million of other non-operating gains. The currency transaction gain in 2005 was primarily the result of a transaction involving the transfer in 2005 of intangible assets between legal entities with different functional currencies. Exchange transaction gains or losses occur from movement of foreign currency rates between the date of the transaction and the date of final financial settlement.

Income Taxes and Net Income

	Year Ended December 31,		
	2006	2005	$ Change
		(in millions, except per share data)	
Income Tax Rates	28.9%	36.1%	
Net Income	$ 223.7	$ 45.4	$ 178.3
Fully Diluted earnings per common share	$ 1.41	$ 0.28	

Income Taxes

The Company's effective tax rates for 2006 and 2005 were 28.9% and 36.1%, respectively. The Company's operating tax rates for 2006 and 2005 were 30.5% and 29.0%, respectively. The Company benefited from various tax adjustments of $4.8 million and $8.9 million in 2006 and 2005, respectively.

Net Income

Fully diluted earnings per share from continuing operations during 2006 were $1.41 compared to $0.28 during the same period in 2005. Net income for the 2006 period included the after tax impact of expensing stock options of $13.3 million, or $0.08 per diluted share, the after tax impact from restructuring costs of $5.0 million, or $0.03 per diluted share and a net tax benefit of $4.8 million, or $0.03 per diluted share due to tax related adjustments. The net income for the 2005 period included the negative after tax impact of $178.9 million, or $1.10 per diluted share from impairment and restructuring charges primarily associated with the injectable anesthetic facility and indefinite-lived intangible assets. The negative impacts during the 2005 period related to the impairment and restructuring charges were partially offset by net non-recurring benefits related to tax reorganization and repatriation activities of $8.9 million, or $0.05 per diluted share. Stock option expense was not included in net income until January 1, 2006 upon the Company's adoption of SFAS 123(R).

Operating Segment Results

In January 2007, the Company reorganized its operating group structure into four operating groups from the three groups under the prior management structure. These operating groups are considered the Company's reportable segments under SFAS 131 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. Each of these operating groups covers a wide range of product categories and geographic regions. The product categories and geographic regions often overlap across the groups. Further information regarding the details of each group is presented in Note 4 to the consolidated financial statements. The management of each group is evaluated for performance and incentive compensation purposes on net third party sales, excluding precious metal content, and segment operating income.

Net Sales, excluding precious metal content

	Year Ended December 31,			
	2006	2005	$ Change	% Change
	(in millions)			
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 395.0	$ 386.9	$ 8.1	2.1%
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	$ 308.4	$ 286.2	$ 22.2	7.8%
Canada/Latin America/Endodontics/ Orthodontics	$ 520.9	$ 493.1	$ 27.8	5.6%
Global Dental Laboratory Business/ Implants/Non-Dental	$ 402.7	$ 379.7	$ 23.0	6.1%

Segment Operating Income

	Year Ended December 31,			
	2006	2005	$ Change	% Change
	(in millions)			
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 143.5	$ 120.6	$ 22.9	19.0%
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	$ 3.0	$ 1.2	$ 1.8	NM
Canada/Latin America/Endodontics/ Orthodontics	$ 171.5	$ 160.9	$ 10.6	6.6%
Global Dental Laboratory Business/ Implants/Non-Dental	$ 97.5	$ 87.4	$ 10.1	11.6%

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

Net sales, excluding precious metal content, increased 2.1% during the year ended December 31, 2006 compared to 2005. Lower internal growth in the United States Dental Consumable Business was a result of the lower sales to discontinued distributors, the balancing of promotional activities between distributors and end-users, as well as the contraction of dealer inventories largely as a result of the U.S. Strategic Partnership Program.

Operating income increased $22.9 million during the year ended December 31, 2006 compared to 2005. The increase was primarily related to lower expenses as a result of the closure of the pharmaceutical plant in Chicago, Illinois.

France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses

Net sales, excluding precious metal content, increased 7.8% during the year ended December 31, 2006 compared to 2005. Strong internal growth occurred in the Italy, CIS, Middle East and Asia businesses.

Operating income increased $1.8 million during the year ended December 31, 2006 compared to 2005 due to increased net sales.

Canada/Latin America/Endodontics/Orthodontics

Net sales, excluding precious metal content, increased 5.6%, including the favorable impact of currency translation, during the year ended December 31, 2006 compared to 2005. Strong internal growth occurred in the Orthodontic business and continued growth occurred in the Endodontic business, partially offset by lower sales in Latin America.

Operating income increased $10.6 million during the year ended December 31, 2006 compared to 2005. The increase in operating profits was driven primarily by sales growth in the Orthodontic business.

Global Dental Laboratory Business/Implants/Non-Dental

Net sales, excluding precious metal content, increased 6.1%, including the favorable impact of currency translation, during the year ended December 31, 2006 compared to 2005. Strong growth occurred in the Implants business and currency translation also added to the positive growth.

Operating income increased $10.1 million during the year ended December 31, 2006 compared to 2005. The increase in operating profits was driven primarily by the sales growth in the Implant business, slightly offset by the Global Dental Laboratory business.

FOREIGN CURRENCY

Since approximately 59% of the Company's 2007 net sales, excluding precious metal content, were generated in currencies other than the U.S. dollar, the value of the U.S. dollar in relation to those currencies affects the results of operations of the Company. The impact of currency fluctuations in any given period can be favorable or unfavorable. The impact of foreign currency fluctuations of European currencies on operating income is partially offset by sales in the United States of products sourced from plants and third party suppliers located overseas, principally in Germany and Switzerland. On a net basis, net income benefited from changes in currency translation in 2007 and 2006 compared to prior years.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The Company has identified below the accounting estimates believed to be critical to its business and results of operations. These critical estimates represent those accounting policies that involve the most complex or subjective decisions or assessments.

Goodwill and Other Long-Lived Assets

The Company follows Statement of Financial Accounting Standards No. 142 (“SFAS 142”), “Goodwill and Other Intangible Assets,” which requires that at least an annual impairment test be applied to goodwill and indefinite-lived intangible assets. The Company performs impairment tests on at least an annual basis using a fair value approach rather than an evaluation of the undiscounted cash flows. If impairment related to goodwill is identified under SFAS 142, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill. If impairment is identified on indefinite-lived intangibles, the resulting charge reflects the excess of the asset’s carrying cost over its fair value.

Other long-lived assets, such as identifiable intangible assets and fixed assets, are amortized or depreciated over their estimated useful lives. In accordance with Statement of Financial Accounting Standards No. 144 (“SFAS 144”), “Accounting for the Impairment or Disposal of Long-Lived Assets,” these assets are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable with impairment being based upon an evaluation of the identifiable undiscounted cash flows. If impaired, the resulting charge reflects the excess of the asset’s carrying cost over its fair value.

Assessment of the potential impairment of goodwill, indefinite-lived intangible assets and long-lived assets is an integral part of the Company’s normal ongoing review of operations. Testing for potential impairment of these assets is significantly dependent on numerous assumptions and reflects management’s best estimates at a particular point in time. The dynamic economic environments in which the Company’s businesses operate and key economic and business assumptions with respect to projected selling prices, increased competition and introductions of new technologies can significantly affect the outcome of impairment tests. Estimates based on these assumptions may differ significantly from actual results. Changes in factors and assumptions used in assessing potential impairments can have a significant impact on the existence and magnitude of impairments, as well as the time at which such impairments are recognized. If there are unfavorable changes in these environments or assumptions, future cash flows, the key variable in assessing the impairment of these assets, may decrease and as a result the Company may be required to recognize impairment charges. Future changes in the environment and the economic outlook for the assets being evaluated could also result in additional impairment charges being recognized. Information with respect to the Company’s significant accounting policies on long-lived assets is included in Note 1 to the consolidated financial statements.

Inventories

Inventories are stated at the lower of cost or market. The cost of inventories is determined primarily by the first-in, first-out ("FIFO") or average cost methods, with a small portion being determined by the last-in, first-out ("LIFO") method. 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. If actual market conditions are less favorable than those anticipated, additional inventory reserves may be required.

Accounts Receivable

The Company sells dental equipment and supplies both through a worldwide network of distributors and directly to end users. For customers on credit terms, the Company performs ongoing credit evaluation of those customers' financial condition and generally does not require collateral from them. The Company establishes allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, their ability to make required payments may become impaired, and increases in these allowances may be required. In addition, a negative impact on sales to those customers may occur.

Accruals for Product Returns, Customer Rebates and Product Warranties

The Company makes provisions for customer returns, customer rebates and for product warranties at the time of sale. These accruals are based on past history, projections of customer purchases and sales and expected product performance in the future. Because the actual results for product returns, rebates and warranties are dependent in part on future events, these matters require the use of estimates. The Company has a long history of product performance in the dental industry and thus has an extensive knowledge base from which to draw in measuring these estimates.

Income Taxes

Income taxes are determined using the liability method of accounting for income taxes in accordance with Statement of Financial Accounting Standard No. 109 ("SFAS 109"), "Accounting for Income Taxes." Under SFAS 109, tax expense includes the United States and international income taxes plus the provision for Unites States taxes on undistributed earnings of international subsidiaries not deemed to be permanently invested.

Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes. Deferred tax assets are recognized if it is more likely than not that the assets will be realized in future years. The Company establishes a valuation allowance for deferred tax assets for which realization is not likely. As of December 31, 2007, the Company recorded a valuation allowance of $50.3 million against the benefit of certain net operating loss carryforwards of foreign and domestic subsidiaries.

The Company operates within multiple taxing jurisdictions and in the normal course of business is examined in various jurisdictions. The reversal of the accruals is recorded when examinations are completed, statutes of limitation are closed or tax laws are changed.

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109, Accounting for Income Taxes," which clarifies the accounting for income taxes. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Interpretation requires that the Company recognize in the 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. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure. The provisions of FIN 48 are effective beginning January 1, 2007 with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. As a result of the implementation the Company recognized a $3.8 million increase to reserves for uncertain tax positions.

Pension and Other Postretirement Benefits

Substantially all of the employees of the Company and its subsidiaries are covered by government or Company-sponsored defined benefit or defined contribution plans. Additionally, certain union and salaried employee groups in the U.S. are covered by postretirement healthcare plans. Costs for Company-sponsored plans are based on expected return on plan assets, discount rates, employee compensation increase rates and health care cost trends. Expected return on plan assets, discount rates and health care cost trend assumptions are particularly important when determining the Company's benefit obligations and net periodic benefit costs associated with postretirement benefits. Changes in these assumptions can impact the Company's pretax earnings. In determining the cost of postretirement benefits, certain assumptions are established annually to reflect market conditions and plan experience to appropriately reflect the expected costs as actuarially determined. These assumptions include medical inflation trend rates, discount rates, employee turnover and mortality rates. In establishing its discount rates, the Company predominantly uses observed indices of high-grade corporate bond yields with durations that are equivalent to the expected duration of the underlying liability. The discount rate for each plan is based on observed corporate bond yield indices in the respective economic region covered by the plan. The expected return on plan assets is the weighted average long-term expected return based upon asset allocations and historic average returns for the markets where the assets are invested, principally in foreign locations. Additional information related to the impact of changes in these assumptions is provided in Note 13 to the consolidated financial statements.

The Company adopted the FASB issued SFAS 158. SFAS 158, which is an amendment of SFAS No. 87, 88, 106 and 132(R), requires the Company to report the funded status of its defined benefit pension and other postretirement benefit plans on its balance sheets as a net liability or asset. As allowed under SFAS 158, the Company computed the net benefit expense for the period from the early measurement date of September 30, 2006 through December 31, 2007, which is the end of the fiscal year of adoption. The Company recognized three months of the net benefit expense as an adjustment to retained earnings in 2007. The net of tax adjustment to retained earnings is $0.4 million (see also Note 13 to the consolidated financial statements).

Derivative Financial Instruments

The Company employs derivative financial instruments to hedge certain anticipated transactions, firm commitments, or assets and liabilities denominated in foreign currencies. Additionally, the Company utilizes interest rate swaps to convert floating rate debt to fixed rate, fixed rate debt to floating rate, cross currency basis swaps to convert debt denominated in one currency to another currency, and commodity swaps to fix its variable raw materials costs. The Company complies with Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities." This standard, as amended by SFAS 138 and 149, requires that all derivative instruments be recorded on the balance sheet at their fair value and that changes in fair value be recorded each period in current earnings or comprehensive income.

Litigation

The Company and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company records liabilities when a loss is probable and can be reasonably estimated. These estimates made by management are based on an analysis made by internal and external legal counsel who consider information known at the time. The Company believes it has estimated liabilities for probable losses well in the past; however, the unpredictability of court decisions could cause a liability to be incurred in excess of estimates. Legal costs related to these lawsuits are expensed as incurred.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities during the year ended December 31, 2007 were $387.7 million compared to $271.9 million during the year ended December 31, 2006. The increase of $115.8 million was primarily the result of higher earnings in the 2007 period and favorable working capital changes. Improvements in inventory and accounts receivable management contributed $39.1 million to the improvement in cash flow. For the year ended December 31, 2007, the number of days for sales outstanding in accounts receivable and inventory were 51 days and 95 days, respectively, compared to the previous year of 57 days and 96 days, respectively. Current income taxes paid and deferred tax provisions benefited the Company's 2007 cash flow improvement by $50.8 million. This improvement is a result of a net operating loss utilization from the 2005 Pharmaceutical impairment. This increase is also a result of the one time payment of approximately $23.0 million in taxes during 2006, primarily associated with the 2005 repatriation of earnings.

Investing activities during 2007 include capital expenditures of $64.2 million. The Company expects that capital expenditures will range from $70.0 million to $80.0 million in 2008. During 2007, the Company had expenditures related to the acquisition of identifiable intangible assets of $1.7 million. Also, activity related to the acquisition of businesses, for the year ended December 31, 2007, was $101.5 million which was primarily due to the acquisition of several small companies in 2007 and final payments on two 2005 acquisitions (see also Note 3 to the consolidated financial statements).

At December 31, 2007, the Company had authorization to maintain up to 14,000,000 shares of treasury stock under its stock repurchase program as approved by the Board of Directors. Under this program, the Company purchased 3,389,969 shares during 2007 at an average price of $37.00. As of December 31, 2007 and 2006, the Company held 11,953,884 and 10,984,633 shares of treasury stock, respectively. The Company also received proceeds of $45.6 million primarily as a result of 2,342,965 stock option exercises during the year ended December 31, 2007.

DENTSPLY's total long-term debt, including the current portion of long-term debt, at December 31, 2007 and 2006 was $482.3 million and $367.4 million, respectively. The Company's long-term borrowings increased by a net of $114.9 million during the year ended December 31, 2007. This net change included net new borrowings of $99.0 million during the year ended 2007, plus an increase of $15.9 million due to exchange rate fluctuations on debt denominated in foreign currencies During the year ended December 31, 2007, the Company's ratio of long-term debt to total capitalization increased to 24.1% compared to 22.4% at December 31, 2006.

Under its multi-currency revolving credit agreement, the Company is able to borrow up to $500.0 million through May 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 excluding depreciation and amortization to interest expense. At December 31, 2007, the Company was in compliance with these covenants. The Company also has available an aggregate $250.0 million under two commercial paper facilities; a $250.0 million United States facility and a $250.0 million U.S. dollar equivalent European facility ("Euro CP facility"). Under the Euro CP facility, borrowings can be denominated in Swiss francs, Japanese yen, Euros, British pounds and U.S. dollars. The multi-currency revolving credit facility serves as a back-up to these commercial paper facilities. The total available credit under the commercial paper facilities and the multi-currency facility in the aggregate is $500.0 million with $225.0 million outstanding under the multi-currency facility and $106.1 million outstanding under the commercial paper facilities at December 31, 2007.

The Company also has access to $35.9 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 December 31, 2007, $1.1 million is outstanding under these short-term lines of credit. At December 31, 2007, the Company had total unused lines of credit related to the revolving credit agreement and the uncommitted short-term lines of credit of $203.7 million.

At December 31, 2007, the Company held $91.9 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.

The Company's cash, cash equivalents and short-term investments increased $251.2 million during the year ended December 31, 2007 to $316.3 million. In 2007, the Company had net new borrowings of $99.0 million and repurchased $125.4 million in treasury stock. The net new borrowings of $99.0 million were primarily due to the proceeds from the March 13, 2007 private placement note of $149.5 million, which was partially offset by repayments of $50.5 million related to the Swiss franc denominated private placement notes.

On March 13, 2007, the Company entered into a note purchase agreement with a group of initial purchasers, providing for the issuance of $150.0 million aggregate principal amount of floating rate senior notes due 2010 (the "Notes") through a private placement. The net proceeds from the offering after deducting placement fees and expenses of the offering was $149.5 million. The obligations of DENTSPLY and the initial purchasers are subject to the terms and conditions of the Note Agreement.

The following table presents the Company's scheduled contractual cash obligations at December 31, 2007:

Contractual Obligations	Less Than 1 Year	1-3 Years	3-5 Years	Greater Than 5 Years	Total
			(in thousands)		
Long-term borrowings	$ 188	$ 481,398	$ 156	$ 509	$482,251
Operating leases	24,039	25,860	10,955	6,919	67,773
Interest on long-term borrowings, net of interest rate swap agreements	14,151	24,115	3,562	106	41,934
Postretirement obligations	8,041	17,392	18,603	54,348	98,384
Precious metal consignment agreements	91,882	-	-	-	91,882
	$138,301	$ 548,765	$ 33,276	$ 61,882	$782,224

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 current cash, cash equivalents and short-term investment balances, funds generated from operations and amounts available under its existing credit facilities.

Due to the uncertainty with respect to the timing of future cash flows associated with the Company's unrecognized tax benefits at December 31, 2007, the Company is unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authority. Therefore, $50.8 million of the unrecognized tax benefit has been excluded from the contractual obligations table above (see also Note 12 to the consolidated financial statements).

NEW ACCOUNTING PRONOUNCEMENTS

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141(R) ("SFAS 141(R)"), "Business Combinations." SFAS 141(R) provides greater consistency in the accounting and financial reporting of business combinations. It requires the acquiring entity in a business combination to recognize all assets acquired and liabilities assumed in the transaction, establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed, and requires the acquirer to disclose the nature and financial effect of the business combination. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008. The Company will adopt SFAS 141(R) in the first quarter of fiscal year 2009 and is currently evaluating the impact the adoption will have on the Company's financial statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160 ("SFAS 160"), "Noncontrolling Interests in Consolidated Financial Statements." This Statement amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective for fiscal years beginning after December 15, 2008. The Company will adopt SFAS 160 in the first quarter of fiscal year 2009 and is currently evaluating the impact the adoption will have on the Company's financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159 ("SFAS 159"), "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS 159 permits entities to choose to measure financial instruments and certain other items at fair value that are not currently required to be measured at fair value. This will allow entities the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Statement should not be applied retrospectively to fiscal years beginning prior to that effective date, except as permitted for early adoption. The Company is still evaluating the impact of adopting SFAS 159 on the financial statements.

In September 2006, the FASB issued SFAS No. 157 ("SFAS 157"), "Fair Value Measurements," which requires the Company to define fair value, establish a framework for measuring fair value in generally accepted accounting principles (GAAP), and expand disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements. Accordingly, this Statement does not expand the use of fair value to any new circumstances. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is still evaluating the impact of adopting SFAS 157 on the financial statements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The information provided below about the Company's market sensitive financial instruments includes “forward-looking statements” that involve risks and uncertainties. Actual results could differ materially from those expressed in the forward-looking statements. The Company's major market risk exposures are changing interest rates, movements in foreign currency exchange rates and potential price volatility of commodities used by the Company in its manufacturing processes. The Company's policy is to manage interest rates through the use of floating rate debt and interest rate swaps to adjust interest rate exposures when appropriate, based upon market conditions. The Company employs foreign currency denominated debt and currency swaps which serve to partially offset the Company's exposure on its net investments in subsidiaries denominated in foreign currencies. 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 order to limit the unanticipated earnings fluctuations from volatility in commodity prices, the Company selectively enters into commodity swaps to convert variable raw material costs to fixed costs. The Company does not hold or issue derivative financial instruments for speculative or trading purposes. The Company is subject to other foreign exchange market risk exposure in addition to the risks on its financial instruments, such as possible impacts on its pricing and production costs, which are difficult to reasonably predict, and have therefore not been included in the table below. All items described are non-trading and are stated in U.S. dollars.

Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. The Company believes the carrying amounts of cash and cash equivalents, short-term investments, accounts receivable (net of allowance for doubtful accounts), prepaid expenses and other current assets, accounts payable, accrued liabilities, income taxes payable and notes payable approximate fair value due to the short-term nature of these instruments. The Company estimates the fair value and carrying value of its total long-term debt was $482.3 million as of December 31, 2007. The fair value of the Company’s long-term debt equaled its carrying value as the Company’s debt is variable rate and reflects current market rates. The interest rates on private placement notes, revolving debt and commercial paper are variable and therefore the fair value of these instruments approximates their carrying values.

Derivative Financial Instruments

The Company employs derivative financial instruments to hedge certain anticipated transactions, firm commitments, or assets and liabilities denominated in foreign currencies. Additionally, the Company utilizes interest rate swaps to convert floating rate debt to fixed rate, cross currency basis swaps to convert debt denominated in one currency to another currency and commodity swaps to fix its variable raw materials.

Foreign Exchange Risk Management The Company enters into forward foreign exchange contracts to selectively hedge assets and liabilities denominated in foreign currencies. Market value gains and losses are recognized in income currently and the resulting gains or losses offset foreign exchange gains or losses recognized on the foreign currency assets and liabilities hedged.

The Company selectively enters into forward foreign exchange contracts to hedge anticipated purchases of product to effectively fix certain variable costs. These forwards are used to stabilize the cost of certain of the Company's products. The Company generally accounts for the forward foreign exchange contracts as cash flow hedges under SFAS 133. As a result, the Company records the fair value of the swap primarily through other comprehensive income based on the tested effectiveness of the forward foreign exchange contracts. Realized gains or losses in other comprehensive income are released and recorded to costs of products sold as the products associated with the forward foreign exchange contracts are sold. During the fourth quarter of 2006, the Company elected to prospectively measure the effectiveness of cash flow hedges of anticipated transactions on a spot to spot basis rather than on a forward to forward basis. Accordingly, any time value component of the hedge fair value is deemed ineffective and will be reported currently as interest expense in the period which it is applicable. The spot to spot change in the derivative fair value will be deferred in other comprehensive income and released and recorded to costs of products sold as the products associated with the forward foreign exchange contracts are sold. 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.

Determination of hedge activity is based upon market conditions, the magnitude of the foreign currency assets and liabilities and perceived risks. The Company’s significant contracts outstanding as of December 31, 2007 are summarized in the table that follows. These foreign exchange contracts generally have maturities of less than twelve months and the counterparties to the transactions are typically large international financial institutions.

The Company has numerous investments in foreign subsidiaries. The net assets of these subsidiaries are exposed to volatility in currency exchange rates. Currently, the Company uses both 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, which are included in accumulated other comprehensive income.

In the first quarter of 2005, the Company entered into cross currency interest rate swaps with a notional principal value of Swiss francs 457.5 million paying three month Swiss franc Libor and receiving three month U.S. dollar Libor on $384.4 million. In the first quarter of 2006, the Company entered into additional cross currency interest rate swaps with a notional principal value of Swiss francs 55.5 million paying three month Swiss franc Libor and receiving three month U.S. dollar Libor on $42.0 million. In the fourth quarter of 2006, the Company entered into additional cross currency interest rate swaps with a notional principal value of Swiss francs 80.4 million paying three month Swiss franc Libor and receiving three month U.S. dollar Libor on $64.4 million. In the first quarter of 2007, the Company entered into additional cross currency interest rate swaps with a notional principal value of Swiss francs 56.6 million paying three month Swiss franc Libor and receiving three month U.S. dollar Libor on $46.3 million. Additionally, in the fourth quarter of 2005, the Company entered into cross currency interest rate swaps with a notional principal value of Euro 358.0 million paying three month Euro Libor and receiving three month U.S. dollar Libor on $419.7 million. The Swiss franc and Euro cross currency interest rate 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 accumulated other comprehensive income, net of tax effects.

At December 31, 2007 and 2006, the Company had Euro-denominated, Swiss franc-denominated, and Japanese yen-denominated debt and cross currency interest rate swaps (at the parent company level) to hedge the currency exposure related to a designated portion of the net assets of its European, Swiss and Japanese subsidiaries. The fair value of the cross currency interest rate swap agreements is the estimated amount the Company would (pay) receive at the reporting date, taking into account the effective interest rates and foreign exchange rates. As of December 31, 2007 and December 31, 2006, the estimated net fair values of the cross currency interest rate swap agreements were negative $138.1 million and negative $48.1 million, respectively, which are recorded in accumulated other comprehensive income, net of tax effects. At December 31, 2007 and 2006, 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 $156.8 million and $105.8 million, respectively, which were included in accumulated other comprehensive income, net of tax effects. The Company’s outstanding debt denominated in foreign currencies and the outstanding cross currency interest rate swaps as of December 31, 2007 are summarized in the table that follows.

Interest Rate Risk Management The Company uses interest rate swaps to convert a portion of its variable rate debt to fixed rate debt. As of December 31, 2007, the Company has three groups of significant variable rate to fixed rate 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 rate of 1.6% for a term of ten years, ending in March 2012. Another swap has a notional amount of 65.0 million Swiss francs, and effectively converts the underlying variable interest rates to a fixed rate of 4.2% for a term of seven years, ending in March 2012. A third group of swaps has a notional amount of $150.0 million, and effectively converts the underlying variable interest rates to a fixed rate of 3.9% for a term of two years, ending March, 2010.

Commodity Risk Management The Company selectively enters into commodity swaps to effectively fix certain variable raw material costs. These swaps are used purely to stabilize the cost of components used in the production of certain of the Company's products. The Company generally accounts for the commodity swaps as cash flow hedges under SFAS 133. As a result, the Company records the fair value of the swap primarily through other comprehensive income based on the tested effectiveness of the commodity swap. Realized gains or losses in other comprehensive income are released and recorded to costs of products sold as the products associated with the commodity swaps are sold. During the fourth quarter of 2006, the Company elected to prospectively measure the effectiveness of cash flow hedges of anticipated transactions on a spot to spot basis rather than on a forward to forward basis. Accordingly, any time value component of the hedge fair value is deemed ineffective and will be reported currently as interest expense in the period which it is applicable. The spot to spot change in the derivative fair value will be deferred in other comprehensive income and released and recorded to costs of products sold as the products associated with the forward foreign exchange contracts are sold. 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 Company’s significant contracts outstanding as of December 31, 2007 are summarized in the table that follows.

Off Balance Sheet Arrangements

Consignment Arrangements

The Company consigns the precious metals used in the production of precious metal alloy products from various financial institutions. Under these consignment arrangements, the banks own the precious metal, and, accordingly, the Company does not report this consigned inventory as part of its inventory on its consolidated balance sheet. These agreements are cancelable by either party at the end of each consignment period, which typically run for a period of one to nine months; however, because the Company typically has access to numerous financial institutions with excess capacity, consignment needs created by cancellations can be shifted among the other institutions. The consignment agreements allow the Company to take ownership of the metal at approximately the same time customer orders are received and to closely match the price of the metal acquired to the price charged to the customer (i.e., the price charged to the customer is largely a pass through).

As precious metal prices fluctuate, the Company evaluates the impact of the precious metal price fluctuation on its target gross margins for precious metal alloy products and revises the prices customers are charged for precious metal alloy products accordingly, depending upon the magnitude of the fluctuation. While the Company does not separately invoice customers for the precious metal content of precious metal alloy products, the underlying precious metal content is the primary component of the cost and sales price of the precious metal alloy products. For practical purposes, if the precious metal prices go up or down by a small amount, the Company will not immediately modify prices, as long as the cost of precious metals embedded in the Company's precious metal alloy price closely approximates the market price of the precious metal. If there is a significant change in the price of precious metals, the Company adjusts the price for the precious metal alloys, maintaining its margin on the products.

At December 31, 2007, the Company had 117,983 troy ounces of precious metal, primarily gold, platinum and palladium, on consignment for periods of less than one year with a market value of $91.9 million. Under the terms of the consignment agreements, the Company also makes compensatory payments to the consignor banks based on a percentage of the value of the consigned precious metals inventory. At December 31, 2007, the average annual rate charged by the consignor banks was 1.8%. These compensatory payments are considered to be a cost of the metals purchased and are recorded as part of the cost of products sold.

EXPECTED MATURITY DATES

(represents notional amounts for derivative financial instruments)

							December 31, 2007	
						2013 and	Carrying	Fair
	2008	2009	2010	2011	2012	beyond	Value	Value
Financial Instruments					(in thousands)			
Notes Payable:								
U.S. dollar denominated	$ 410	$ -	$ -	$ -	$ -	$ -	$ 410	$ 410
Average interest rate	0.56%						0.56%	
Taiwan dollar denominated	197	-	-	-	-	-	197	197
Average interest rate	0.00%						0.00%	
Euro denominated	288	-	-	-	-	-	288	288
Average interest rate	5.17%						5.17%	
Brazil Reais denominated	161	-	-	-	-	-	161	161
Average interest rate	11.70%						11.70%	
Total Notes Payable	1,056	-	-	-	-	-	1,056	1,056
	3.42%						3.42%	
Current Portion of Long-term Debt:								
U.S. dollar denominated	49	-	-	-	-	-	49	49
Average interest rate	6.75%						6.75%	
Euro denominated	139	-	-	-	-	-	139	139
Average interest rate	2.89%						2.89%	
Total Current Portion of Long-Term Debt	188	-	-	-	-	-	188	188
	3.90%						3.90%	
Long Term Debt:								
U.S. dollar denominated	-	18	256,100	-	-	-	256,118	256,118
Average interest rate		8.70%	5.40%				5.40%	
Swiss franc denominated	-	-	57,267	-	-	-	57,267	57,267
Average interest rate			3.10%				3.10%	
Japanese yen denominated	-	-	112,296	-	-	-	112,296	112,296
Average interest rate			1.32%				1.32%	
Euro denominated	-	201	55,516	77	79	509	56,382	56,382
Average interest rate		6.22%	4.98%	3.26%	3.26%	3.26%	4.96%	
Total Long Term Debt, net of current portion	-	219	481,179	77	79	509	482,063	482,063
		6.42%	4.13%	3.26%	3.26%	3.26%	4.13%	

EXPECTED MATURITY DATES

(represents notional amounts for derivative financial instruments)

							December 31, 2007	
	2008	2009	2010	2011	2012	2013 and beyond	Carrying Value	Fair Value
					(in thousands)			
Derivative Financial Instruments								
Foreign Exchange								
Forward Contracts:								
Forward sale, 18.0 million								
Australian dollars	15,039	770	-	-	-	-	(212)	(212)
Forward sale, 25.5 million								
Canadian dollars	23,470	2,240	-	-	-	-	494	494
Forward purchase, 3.4 million								
Canadian dollars	(3,432)	-	-	-	-	-	(12)	(12)
Forward sale, 1.8 billion								
Japanese yen	16,188	-	-	-	-	-	6	6
Forward purchase, 2.1 billion								
Japanese yen	(18,420)	-	-	-	-	-	947	947
Forward sale, 48.1 million								
Mexican Pesos	4,406	-	-	-	-	-	70	70
Forward sale, 1.1 million								
Norwegian Krone	204	-	-	-	-	-	(3)	(3)
Forward sale, 0.6 million								
Euros	802	-	-	-	-	-	7	7
Forward purchase, 7.2 million								
Euros	(10,442)	-	-	-	-	-	(27)	(27)
Forward sale, 0.6 million								
Swiss francs	531	-	-	-	-	-	4	4
Forward purchase, 5.8 million								
Swiss francs	(5,078)	-	-	-	-	-	(46)	(46)
Total Foreign Exchange Forward Contracts	23,268	3,010	-	-	-	-	1,228	1,228
Interest Rate Swaps:								
Interest rate swaps - euro	82	82	735	-	-	-	16	16
Average interest rate	3.5%	3.5%	3.5%					
Interest rate swaps - Japanese yen	-	-	-	-	112,296	-	(2,185)	(2,185)
Average interest rate					1.6%			
Interest rate swaps - Swiss francs	-	-	-	-	57,267	-	(2,656)	(2,656)
Average interest rate					4.2%			
Interest rate swaps - US dollars	-	-	150,000	-	-	-	(264)	(264)
Average interest rate			3.9%					
Total Interest Rate Swaps	82	82	150,735	-	169,564	-	(5,089)	(5,089)

EXPECTED MATURITY DATES

(represents notional amounts for derivative financial instruments)

							December 31, 2007	
	2008	2009	2010	2011	2012	2013 and beyond	Carrying Value	Fair Value
					(in thousands)			
Cross Currency Basis Swaps:								
Swiss franc 650.0 million @ 1.21	-	-	572,672	-	-	-	(35,516)	(35,516)
pay CHF 3mo. Libor rec. USD 3mo. Libor			-2.15%					
Euros 358.0 million @ $1.17	-	-	522,250	-	-	-	(102,565)	(102,565)
pay EUR 3mo. Libor rec. USD 3mo. Libor			-0.19%					
Total Cross Currency Basis Swaps	-	-	1,094,922	-	-	-	(138,081)	(138,081)
Commodity Contracts:								
Silver Swap - U.S. dollar	(1,113)	-	-	-	-	-	235	235
Platinum Swap - U.S. dollar	(693)	-	-	-	-	-	126	126
Total Commodity Contracts	(1,806)	-	-	-	-	-	361	361

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities and Exchange Act of 1934, as amended. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. A Company's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

Management of the Company has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2007. In making its assessment, management used the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its assessment management concluded that, as of December 31, 2007, the Company's internal control over financial reporting was effective based on the criteria established in *Internal Control – Integrated Framework* issued by the COSO.

/s/	Bret W. Wise	/s/	William R. Jellison
	Bret W. Wise Chairman of the Board, President and Chief Executive Officer February 25, 2008		William R. Jellison Senior Vice President and Chief Financial Officer February 25, 2008

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
of DENTSPLY International Inc.

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of DENTSPLY International Inc. and its subsidiaries at December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and the financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in "Management's Report on Internal Control over Financial Reporting" appearing under Item 15(a)(1). Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 25, 2008

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2007	2006	2005
	(in thousands, except per share amounts)		
Net sales (Note 4)	$ 2,009,833	$ 1,810,496	$ 1,715,135
Cost of products sold	969,050	881,485	846,117
Gross profit	1,040,783	929,011	869,018
Selling, general and administrative expenses	675,365	606,410	563,341
Restructuring, impairment and other costs (Note 14)	10,527	7,807	232,755
Operating income	354,891	314,794	72,922
Other income and expenses:			
Interest expense	23,783	34,897	27,912
Interest income	(26,428)	(36,580)	(19,144)
Other (income) expense, net (Note 5)	(599)	1,640	(6,884)
Income before income taxes	358,135	314,837	71,038
Provision for income taxes (Note 12)	98,481	91,119	25,625
Net income from continuing operations	$ 259,654	$ 223,718	$ 45,413
Earnings per common share - basic (Note 2)			
Total earnings per common share - basic	$ 1.71	$ 1.44	$ 0.29
Earnings per common share - diluted (Note 2)			
Total earnings per common share - diluted	$ 1.68	$ 1.41	$ 0.28
Cash dividends declared per common share	$ 0.16500	$ 0.14500	$ 0.12500
Weighted average common shares outstanding (Note 2):			
Basic	151,707	155,229	159,191
Diluted	154,721	158,271	162,017

The accompanying notes are an integral part of these financial statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2007	2006
Assets	(in thousands)	
Current Assets:		
Cash and cash equivalents	$ 169,384	$ 65,064
Short-term investments	146,939	79
Accounts and notes receivable-trade, net (Note 1)	307,622	290,791
Inventories, net (Notes 1 and 6)	258,032	232,441
Prepaid expenses and other current assets (Notes 12 and 15)	100,045	129,816
Total Current Assets	982,022	718,191
Property, plant and equipment, net (Notes 1 and 7)	371,409	329,616
Identifiable intangible assets, net (Notes 1 and 8)	76,167	67,648
Goodwill, net (Notes 1 and 8)	1,127,420	995,382
Other noncurrent assets, net (Notes 12, 13 and 15)	118,551	70,513
Total Assets	$ 2,675,569	$ 2,181,350
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 82,321	$ 79,951
Accrued liabilities (Note 9)	189,405	181,196
Income taxes payable	39,441	47,292
Notes payable and current portion of long-term debt (Note 10)	1,244	2,995
Total Current Liabilities	312,411	311,434
Long-term debt (Note 10)	482,063	367,161
Deferred income taxes	60,547	53,191
Other noncurrent liabilities (Note 13 and 15)	304,146	175,507
Total Liabilities	1,159,167	907,293
Minority interests in consolidated subsidiaries	296	222
Commitments and contingencies (Note 16)		
Stockholders' Equity:		
Preferred stock, $.01 par value; .25 million shares authorized; no shares issued	-	-
Common stock, $.01 par value; 200 million shares authorized; 162.8 million shares issued at December 31, 2007 and December 31, 2006	1,628	1,628
Capital in excess of par value	173,084	168,135
Retained earnings	1,582,683	1,352,342
Accumulated other comprehensive income	145,819	79,914
Treasury stock, at cost, 12.0 million shares at December 31, 2007 and 11.0 million shares at December 31, 2006	(387,108)	(328,184)
Total Stockholders' Equity	1,516,106	1,273,835
Total Liabilities and Stockholders' Equity	$ 2,675,569	$ 2,181,350

The accompanying notes are an integral part of these financial statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

(in thousands)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
Balance at December 31, 2004	$ 814	$ 193,303	$ 1,126,262	$ 164,100	$ (36,480)	$ 1,447,999
Comprehensive Income:						
Net income	-	-	45,413	-	-	45,413
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustment	-	-	-	(123,202)	-	(123,202)
Unrealized gain on available-for-sale securities	-	-	-	22	-	22
Net gain on derivative financial instruments	-	-	-	27,951	-	27,951
Minimum pension liability adjustment	-	-	-	(12,417)	-	(12,417)
Comprehensive Income						(62,233)
Exercise of stock options	-	(31,313)	-	-	63,089	31,776
Share based compensation expense	-	990	-	-	-	990
Tax benefit from stock options exercised	-	12,643	-	-	-	12,643
Treasury shares purchased	-	-	-	-	(164,760)	(164,760)
Cash dividends ($0.125 per share)	-	-	(19,819)	-	-	(19,819)
Balance at December 31, 2005	$ 814	$ 175,623	$ 1,151,856	$ 56,454	$(138,151)	$ 1,246,596
Comprehensive Income:						
Net income	-	-	223,718	-	-	223,718
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustment	-	-	-	79,127	-	79,127
Unrealized loss on available-for-sale securities	-	-	-	(31)	-	(31)
Net loss on derivative financial instruments	-	-	-	(47,877)	-	(47,877)
Minimum pension liability adjustment	-	-	-	8,362	-	8,362
Comprehensive Income						263,299
Exercise of stock options	-	(45,929)	-	-	99,540	53,611
Tax benefit from stock options exercised	-	18,923	-	-	-	18,923
Share based compensation expense	-	19,623	-	-	-	19,623
Funding of Employee Stock Option Plan	-	(105)	-	-	4,199	4,094
Unrecognized losses and prior service cost, net	-	-	-	(16,121)	-	(16,121)
Treasury shares purchased	-	-	-	-	(293,772)	(293,772)
2006 Stock Dividend	814	-	(814)	-	-	-
Cash dividends ($0.145 per share)	-	-	(22,418)	-	-	(22,418)
Balance at December 31, 2006	$ 1,628	$ 168,135	$ 1,352,342	$ 79,914	$(328,184)	$ 1,273,835
Comprehensive Income:						
Net income	-	-	259,654	-	-	259,654
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustment	-	-	-	106,231	-	106,231
Unrealized loss on available-for-sale securities	-	-	-	(333)	-	(333)
Net loss on derivative financial instruments	-	-	-	(53,790)	-	(53,790)
Unrecognized losses and prior service cost, net	-	-	-	13,797	-	13,797
Comprehensive Income						325,559
Exercise of stock options	-	(20,592)	-	-	66,186	45,594
Tax benefit from stock options exercised	-	11,414	-	-	-	11,414
Share based compensation expense	-	14,088	-	-	-	14,088
Funding of Employee Stock Option Plan	-	39	-	-	313	352
Treasury shares purchased	-	-	-	-	(125,423)	(125,423)
Adjustments to initially apply SFAS 158 & FIN 48		-	(4,282)			(4,282)
Cash dividends ($0.165 per share)	-	-	(25,031)	-	-	(25,031)
Balance at December 31, 2007	$ 1,628	$ 173,084	$ 1,582,683	$ 145,819	$(387,108)	$ 1,516,106

The accompanying notes are an integral part of these financial statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31, 2007	2006	2005
Cash flows from operating activities:			
Net income	$ 259,654	$ 223,718	$ 45,413
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	42,628	40,419	42,031
Amortization	7,661	7,015	8,529
Deferred income taxes	25,568	53,700	(91,777)
Share based compensation expense	14,088	19,623	990
Restructuring, impairment and other costs	2,778	893	232,755
Stock option income tax benefit	(11,414)	(11,461)	-
Other non-cash (income) costs	1,892	271	(2,017)
Gain on sale of business	-	-	-
(Gain)/loss on disposal of property, plant and equipment	(1,904)	509	1,506
Changes in operating assets and liabilities, net of acquisitions:			
Accounts and notes receivable-trade, net	9,029	(19,979)	(31,589)
Inventories, net	(716)	(10,775)	(7,460)
Prepaid expenses and other current assets	644	(404)	(4,230)
Other non current assets	1,253	705	(854)
Accounts payable	(7,395)	(6,581)	(6,784)
Accrued liabilities	(2,984)	6,114	(14,465)
Income taxes	46,910	(31,957)	54,045
Other noncurrent liabilities	5	45	6,676
Net cash provided by operating activities	387,697	271,855	232,769
Cash flows from investing activities:			
Cash paid for acquisitions of businesses and equity investments	(101,492)	(32,083)	(18,097)
Capital expenditures	(64,163)	(50,616)	(45,293)
Expenditures for identifiable intangible assets	(1,665)	(1,998)	(3,473)
Purchases of short-term investments	(138,471)	(285,412)	(148,546)
Liquidations of short-term investments	73	285,638	241,264

Proceeds from sale of property, plant and equipment	6,327	8,180	555
Realization of cross currency swap value	-	-	23,836
Net cash (used in) provided by investing activities	(299,391)	(76,291)	50,246
Cash flows from financing activities:			
Proceeds from long-term borrowings, net of deferred financing costs	149,500	206,323	6,700
Payments on long-term borrowings	(50,543)	(569,573)	(66,805)
(Decrease) increase in short-term borrowings	(2,166)	1,244	(141)
Proceeds from exercise of stock options	45,594	53,611	31,776
Excess tax benefits from share based compensation	11,414	11,461	-
Cash paid for treasury stock	(125,422)	(293,772)	(164,760)
Cash dividends paid	(25,134)	(21,863)	(19,141)
Net cash provided by (used in) financing activities	3,243	(612,569)	(212,371)
Effect of exchange rate changes on cash and cash equivalents	12,771	48,085	(40,201)
Net increase (decrease) in cash and cash equivalents	104,320	(368,920)	30,443
Cash and cash equivalents at beginning of period	65,064	433,984	403,541
Cash and cash equivalents at end of period	$ 169,384	$ 65,064	$ 433,984

The accompanying notes are an integral part of these financial statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
(in thousands)	2007	2006	2005
Supplemental disclosures of cash flow information:			
Interest paid, net of amounts capitalized	$ 21,926	$ 11,170	$ 19,864
Income taxes paid	$ 38,091	$ 68,407	$ 62,291

The accompanying notes are an integral part of these financial statements.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies employed by the Company are discussed below and in other notes to the consolidated financial statements.

Description of Business

DENTSPLY designs, develops, manufactures and markets a broad range of products for the dental market. The Company believes that it is the world's leading manufacturer and distributor of dental prosthetics, precious metal dental alloys, dental ceramics, endodontic instruments and materials, prophylaxis paste, dental sealants, ultrasonic scalers and crown and bridge materials; the leading United States manufacturer and distributor of dental handpieces, dental x-ray film holders, film mounts and bone substitute/grafting materials; and a leading worldwide manufacturer or distributor of dental injectable anesthetics, impression materials, orthodontic appliances, dental cutting instruments and dental implants. The Company distributes its dental products in over 120 countries under some of the most well established brand names in the industry.

DENTSPLY is committed to the development of innovative, high-quality, cost effective products for the dental market.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries in which the Company exercises control (collectively the “Company”). Investments in 20% to 50% owned companies in which the Company significantly influences operating and financial policy are accounted for by the equity method. The Company’s equity in the net income (loss) of these companies is not material. All significant intercompany accounts and transactions are eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates, if different assumptions are made or if different conditions exist.

Cash and Cash Equivalents

Cash and cash equivalents include deposits with banks as well as highly liquid time deposits with original maturities at the date of purchase of ninety days or less.

Short-term Investments

Short-term investments are highly liquid time deposits with original maturities at the date of purchase greater than ninety days and with remaining maturities of approximately one year or less.

Accounts and Notes Receivable-Trade

The Company sells dental products through a worldwide network of distributors and directly to end users. For customers on credit terms, the Company performs ongoing credit evaluation of those customers' financial condition and generally does not require collateral from them. The Company establishes allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Accounts and notes receivable-trade are stated net of these allowances that were $18.9 million and $16.6 million at December 31, 2007 and 2006, respectively. The Company recorded provisions for doubtful accounts, included in “Selling, general and administrative expenses,” of approximately $2.7 million for 2007, $2.1 million for 2006, and $3.2 million for 2005.

Certain of the Company’s customers are offered cash rebates based on targeted sales increases. In accounting for these rebate programs, the Company records an accrual as a reduction of net sales for the estimated rebate as sales take place throughout the year in accordance with EITF 01-09, “ Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products).”

Inventories

Inventories are stated at the lower of cost or market. At December 31, 2007 and 2006, the cost of $10.6 million, or 4.1%, and $11.2 million, or 4.8%, 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.

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 December 31, 2007 and 2006 by $4.4 million and $3.3 million, respectively.

Valuation of Goodwill, Indefinite-Lived Intangible Assets and Other Long-Lived Assets

Assessment of the potential impairment of goodwill, indefinite-lived intangible assets and other long-lived assets is an integral part of the Company's normal ongoing review of operations. Testing for potential impairment of these assets is significantly dependent on numerous assumptions and reflects management's best estimates at a particular point in time. The dynamic economic environments in which the Company's businesses operate and key economic and business assumptions with respect to projected selling prices, increased competition and introductions of new technologies can significantly affect the outcome of impairment tests. Estimates based on these assumptions may differ significantly from actual results. Changes in factors and assumptions used in assessing potential impairments can have a significant impact on the existence and magnitude of impairments, as well as the time at which such impairments are recognized. If there are unfavorable changes in these environments or assumptions, future cash flows, the key variable in assessing the impairment of these assets, may decrease and as a result the Company may be required to recognize impairment charges. Future changes in the environment and the economic outlook for the assets being evaluated could also result in additional impairment charges being recognized. Information with respect to the Company's significant accounting policies on long-lived assets for each category of long-lived asset is discussed below.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Except for leasehold improvements, depreciation for financial reporting purposes is computed by the straight-line method over the following estimated useful lives: buildings - generally 40 years and machinery and equipment - 4 to 15 years. The cost of leasehold improvements is amortized over the shorter of the estimated useful life or the term of the lease. Maintenance and repairs are charged to operations; replacements and major improvements are capitalized. These assets are reviewed for impairment whenever events or circumstances suggest that the carrying amount of the asset may not be recoverable in accordance with Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets." Impairment is based upon an evaluation of the identifiable undiscounted cash flows. If impaired, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

Identifiable Finite-lived Intangible Assets

Identifiable finite-lived intangible assets, which primarily consist of patents, trademarks and licensing agreements, are amortized on a straight-line basis over their estimated useful lives. These assets are reviewed for impairment whenever events or circumstances suggest that the carrying amount of the asset may not be recoverable in accordance with SFAS 144. The Company closely monitors intangible assets related to new technology for indicators of impairment as these assets have more risk of becoming impaired. Impairment is based upon an evaluation of the identifiable undiscounted cash flows. If impaired, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

Goodwill and Indefinite-Lived Intangible Assets

The Company follows Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets," which requires that at least an annual impairment test be applied to goodwill and indefinite-lived intangible assets. The Company performs impairment tests on at least an annual basis using a fair value approach rather than an evaluation of the undiscounted cash flows. If impairment is identified on goodwill under SFAS 142, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill. If impairment is identified on indefinite-lived intangibles, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

The Company performed the required annual impairment tests for 2007 and no impairment was identified. This impairment assessment included an evaluation of approximately twenty-five reporting units. In addition to the annual impairment test, SFAS 142 also requires that impairment assessments be made more frequently if events or changes in circumstances indicate that the goodwill or indefinite-lived intangible assets might be impaired. As the Company learns of such changes in circumstances through periodic analysis of actual events or through the annual development of operating unit business plans in the fourth quarter of each year or otherwise, impairment assessments are performed as necessary.

Derivative Financial Instruments

The Company adopted Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities," on January 1, 2001. This standard, as amended by Statement of Financial Accounting Standards No. 138 ("SFAS 138"), "Accounting for Certain Derivative Instruments and Certain Hedging Activities", Statement of Financial Accounting Standards No. 149 ("SFAS 149"), "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", and Statement of Financial Accounting Standards No. 155 ("SFAS 155"), "Accounting for Certain Hybrid Financial Instruments—an amendment of FASB Statements No. 133 and 140", requires that all derivative instruments be recorded on the balance sheet at their fair value and that changes in fair value be recorded each period in current earnings or accumulated other comprehensive income.

The Company employs derivative financial instruments to hedge certain anticipated transactions, firm commitments, or assets and liabilities denominated in foreign currencies. Additionally, the Company utilizes interest rate swaps to convert floating rate debt to fixed rate, fixed rate debt to floating rate, cross currency basis swaps to convert debt denominated in one currency to another currency, and commodity swaps to fix its variable raw materials costs.

Pension and Other Postretirement Benefits

Substantially all of the employees of the Company and its subsidiaries are covered by government or Company-sponsored defined benefit or defined contribution plans. Additionally, certain union and salaried employee groups in the United States are covered by postretirement healthcare plans. Costs for Company-sponsored plans are based on expected return on plan assets, discount rates, employee compensation increase rates and health care cost trends. Expected return on plan assets, discount rates and health care cost trend assumptions are particularly important when determining the Company's benefit obligations and net periodic benefit costs associated with postretirement benefits. Changes in these assumptions can impact the Company's pretax earnings. In determining the cost of postretirement benefits, certain assumptions are established annually to reflect market conditions and plan experience to appropriately reflect the expected costs as actuarially determined. These assumptions include medical inflation trend rates, discount rates, employee turnover and mortality rates. The Company predominantly uses liability durations in establishing its discount rates, which are observed from indices of high-grade corporate bond yields in the respective economic regions of the plans. The expected return on plan assets is the weighted average long-term expected return based upon asset allocations and historic average returns for the markets where the assets are invested, principally in foreign locations. Additional information related to the impact of changes in these assumptions is provided in Note 13 to the consolidated financial statements.

The Company adopted FASB issued Statement of Financial Accounting Standards No. 158 ("SFAS 158"), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" for December 31, 2006. SFAS 158, which is an amendment of SFAS No. 87, 88, 106 and 132(R), requires the Company to report the funded status of its defined benefit pension and other postretirement benefit plans on its balance sheets as a net liability or asset. As allowed under SFAS 158, the Company computed the net benefit expense for the period from the early measurement date of September 30, 2006 through December 31, 2007, which is the end of the fiscal year of adoption. The Company recognized three months of the net benefit expense as an adjustment to retained earnings in 2007. The net of tax adjustment to retained earnings is $0.4 million (see also Note 13 to the consolidated financial statements).

Litigation

The Company and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company records liabilities when a loss is probable and can be reasonably estimated. These estimates are made by management based on an analysis made by internal and external legal counsel, which consider information known at the time. Legal costs related to these lawsuits are expensed as incurred.

Foreign Currency Translation

The functional currency for foreign operations, except for those in highly inflationary economies, has been determined to be the local currency.

Assets and liabilities of foreign subsidiaries are translated at exchange rates on the balance sheet date; revenue and expenses are translated at the average year-to-date rates of exchange. The effects of these translation adjustments are reported in stockholders' equity within accumulated other comprehensive income. During the year ended December 31, 2007, the Company had translation gains of $114.6 million, partially offset by losses of $8.4 million on its loans designated as hedges of net investments. During the year ended December 31, 2006, the Company had translation gains of $89.0 million, partially offset by losses of $9.9 million on its loans designated as hedges of net investments. During the year ended December 31, 2005, the Company had translation losses of $173.3 million, partially offset by gains of $50.1 million on its loans designated as hedges of net investments.

Exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved and translation adjustments in countries with highly inflationary economies are included in income. Exchange gains of $0.5 million, exchange losses of $0.2 million and exchange gains of $6.7 million in 2007, 2006 and 2005, respectively, are included in "Other (income) expense, net."

Revenue Recognition

Revenue, net of related discounts and allowances, is recognized when the earnings process is complete. This occurs when products are shipped to or received by the customer in accordance with the terms of the agreement, title and risk of loss have been transferred, collectibility is probable and pricing is fixed or determinable. Net sales include shipping and handling costs collected from customers in connection with the sale. Sales taxes, value added taxes and other similar types of taxes collected from customers in connection with the sale are recorded by the Company on a net basis and are not included in the statement of income.

A portion of the Company's net sales is comprised of sales of precious metals generated through its precious metal alloy product offerings. As the precious metal content of the Company's sales is largely a pass-through to customers, 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 alloy sale prices are typically adjusted when the prices of underlying precious metals change. The precious metals content of sales was $189.9 million, $187.4 million and $172.4 million for 2007, 2006 and 2005, respectively.

Warranties

The Company provides warranties on certain equipment products. Estimated warranty costs are accrued when sales are made to customers. Estimates for warranty costs are based primarily on historical warranty claim experience.

Research and Development Costs

Research and development ("R&D") costs relate primarily to internal costs for salaries and direct overhead costs. In addition, the Company contracts with outside vendors to conduct R&D activities. All such R&D costs are charged to expense when incurred. The Company capitalizes the costs of equipment that have general R&D uses and expenses such equipment that is solely for specific R&D projects. The depreciation related to this capitalized equipment is included in the Company's R&D costs. R&D costs are included in "Selling, general and administrative expenses" and amounted to approximately $48.5 million, $44.4 million and $47.0 million for 2007, 2006 and 2005, respectively.

Income Taxes

Income taxes are determined using the liability method of accounting for income taxes in accordance with SFAS 109. Under SFAS 109, tax expense includes United States and international income taxes plus the provision for United States taxes on undistributed earnings of international subsidiaries not deemed to be permanently invested. Tax credits and other incentives reduce tax expense in the year the credits are claimed. Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes. Deferred tax assets are recognized if it is more likely than not that the assets will be realized in future years. The Company establishes a valuation allowance for deferred tax assets for which realization is not likely.

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109, Accounting for Income Taxes," which clarifies the accounting for income taxes. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Interpretation requires that the Company recognize in the 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. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure.

Earnings Per Share

Basic earnings per share is calculated by dividing net earnings by the weighted average number of shares outstanding for the period. Diluted earnings per share is calculated by dividing net earnings by the weighted average number of shares outstanding for the period, adjusted for the effect of an assumed exercise of all dilutive options outstanding at the end of the period.

Business Acquisitions

The Company frequently purchases businesses and occasionally purchases partial interests in businesses. These acquisitions are accounted for as purchases and result in the recognition of goodwill in the Company's financial statements. This goodwill arises because the purchase prices for these businesses reflect a number of factors including the future earnings and cash flow potential of these businesses; the multiple to earnings, cash flow and other factors at which similar businesses have been purchased by other acquirers; the competitive nature of the process by which the Company acquired the business; and because of the complementary strategic fit and expected synergies these businesses bring to existing operations.

The Company makes an initial allocation of the purchase price at the date of acquisition based upon its understanding of the fair market value of the acquired assets and liabilities. The Company obtains this information during due diligence and through other sources. In the months after closing, as the Company obtains additional information about these assets and liabilities and learns more about the newly acquired business, it is able to refine the estimates of fair market value and more accurately allocate the purchase price. Examples of factors and information that the Company uses to refine the allocations include: tangible and intangible asset evaluations and appraisals; evaluations of existing contingencies and liabilities; product line integration information; and information systems compatibilities. The only items considered for subsequent adjustment are items identified as of the acquisition date. Subsequent to the purchase date, the Company continues to evaluate the initial purchase price allocations for the acquisitions and will adjust the allocations as additional information relative to the estimated integration costs of the acquired businesses and the fair market values of the assets and liabilities of the businesses become known. These purchase price adjustments can occur for up to one year from the acquisition date.

Stock Compensation

Effective January 1, 2006, the Company adopted the provisions of SFAS 123(R), "Share-Based Payments," requiring that compensation cost relating to share-based payment transactions be recognized in the financial statements. The cost of share-based payments is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity awards). The compensation cost is only recognized for the portion of the awards that are expected to vest. Prior to January 1, 2006, the Company applied the intrinsic value method and accounted for share-based compensation to employees in accordance with Accounting Principles Board Opinion No. 25 ("APB 25"), "Accounting for Stock Issued to Employees," and related interpretations. The Company also followed the disclosure requirements of Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," as amended by Statement of Financial Accounting Standards No. 148 ("SFAS 148"), "Accounting for Stock-Based Compensation-Transition and Disclosure."

The Company adopted SFAS 123(R) using the modified prospective method and, accordingly, the consolidated financial statements as of and for the periods ended December 31, 2006 reflect the impact of adopting SFAS 123(R). Also in accordance with the modified prospective method of adoption, the financial statement amounts for periods prior to January 1, 2006 presented in this Annual Report on Form 10-K have not been restated to reflect the fair value method of recognizing compensation cost relating to non-qualified stock options.

In addition to the requirement to recognize compensation cost for those awards granted subsequent to the adoption of SFAS 123(R), SFAS 123(R) also requires that stock-based compensation be recognized for stock-based awards granted prior to the adoption of SFAS 123(R), but not yet vested as of the date of adoption. This compensation cost is based on the grant date fair value estimated in accordance with the pro forma provisions of SFAS 148 and SFAS 123.

SFAS 123(R) also amended SFAS No. 95 ("SFAS No. 95"), "Statement of Cash Flows," to require that excess tax benefits from exercised options be reported as a financing cash inflow rather than as a reduction of taxes paid. Prior to the adoption of SFAS 123(R), the Company recorded all tax benefits from deductions in excess of compensation expense as an operating cash flow in accordance with SFAS No. 95. Upon the adoption of SFAS 123(R) on January 1, 2006, the Company began to reflect the tax benefits from deductions in excess of compensation expense as an inflow from financing activities in the Statement of Cash Flows rather than as an operating cash flow as in prior periods. As the Company has adopted SFAS 123(R) using the modified prospective method, no adjustment has been made to the prior period reported in this Annual Report on Form 10-K (see also Note 11 to the consolidated financial statements)

Segment Reporting

The Company follows Statement of Financial Accounting Standards No. 131 ("SFAS 131"), "Disclosures about Segments of an Enterprise and Related Information." SFAS 131 establishes standards for disclosing information about reportable segments in financial statements. 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 in 2007, 2006 and 2005. In 2007, the Company had four reportable segments and a description of the activities of these segments is included in Note 4 to the consolidated financial statements.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) includes foreign currency translation adjustments related to the Company's foreign subsidiaries, net of the related changes in certain financial instruments hedging these foreign currency investments. In addition, changes in the fair value of the Company's available-for-sale investment securities and certain derivative financial instruments and changes in its minimum pension liability are recorded in accumulated other comprehensive income (loss). These changes are recorded in accumulated other comprehensive income (loss) net of any related tax effects. For the years ended December 31, 2007, 2006 and 2005, these adjustments were net of tax effects of $111.3 million, $73.6 million and $48.1 million, respectively, primarily related to foreign currency translation adjustments.

The balances included in accumulated other comprehensive income in the consolidated balance sheets are as follows:

	December 31,	
	2007	2006
	(in thousands)	
Foreign currency translation adjustments	$ 241,071	$ 134,840
Net loss on derivative financial instruments	(85,854)	(32,064)
Unrealized gain on available-for-sale securities	-	333
Unrecognized losses and prior service cost, net	(9,398)	(23,195)
	$ 145,819	$ 79,914

The cumulative foreign currency translation adjustments included translation gains of $331.1 million and $216.4 million as of December 31, 2007 and 2006, respectively, offset by losses of $90.0 million and $81.6 million, respectively, on loans designated as hedges of net investments.

Revisions in Classification

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

Cost of Sales

Cost of sales represents costs directly related to the manufacture and distribution of the Company's products. Primary costs include raw materials, packaging, direct labor, overhead, shipping and handling, warehousing and the depreciation of manufacturing, warehousing and distribution facilities. Overhead and related expenses include salaries, wages, employee benefits, utilities, lease costs, maintenance and property taxes.

Selling, General and Administrative

Selling, general and administrative expenses represent costs incurred in generating revenues and in managing the business of the Company. Such costs include advertising and other marketing expenses, salaries, employee benefits, incentive compensation, research and development, travel, office expenses, lease costs, amortization of capitalized software and depreciation of administrative facilities.

New Accounting Pronouncements

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141(R) ("SFAS 141(R)"), "Business Combinations." SFAS 141(R) provides greater consistency in the accounting and financial reporting of business combinations. It requires the acquiring entity in a business combination to recognize all assets acquired and liabilities assumed in the transaction, establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed, and requires the acquirer to disclose the nature and financial effect of the business combination. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008. The Company will adopt SFAS 141(R) in the first quarter of fiscal year 2009 and is currently evaluating the impact the adoption will have on the Company's financial statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160 ("SFAS 160"), "Noncontrolling Interests in Consolidated Financial Statements." This Statement amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective for fiscal years beginning after December 15, 2008. The Company will adopt SFAS 160 in the first quarter of fiscal year 2009 and is currently evaluating the impact the adoption will have on the Company's financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159 ("SFAS 159"), "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS 159 permits entities to choose to measure financial instruments and certain other items at

fair value that are not currently required to be measured at fair value. This will allow entities the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Statement should not be applied retrospectively to fiscal years beginning prior to that effective date, except as permitted for early adoption The Company is still evaluating the impact of adopting SFAS 159 on the financial statements.

In September 2006, the FASB issued SFAS No. 157 (“SFAS 157”), “Fair Value Measurements,” which requires the Company to define fair value, establish a framework for measuring fair value in generally accepted accounting principles (GAAP), and expand disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements. Accordingly, this Statement does not expand the use of fair value to any new circumstances. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is still evaluating the impact of adopting SFAS 157 on the financial statements.

NOTE 2 - EARNINGS PER COMMON SHARE

On May 10, 2006, the Company announced that its Board of Directors declared a two-for-one stock split in the form of a stock dividend. This stock split became effective on July 17, 2006 and has been retroactively reflected for all periods presented in this Annual Report on Form 10-K.

The following table sets forth the computation of basic and diluted earnings per common share:

	Net Income	Shares	Earnings per common share
Year Ended December 31, 2007			
Basic	$ 259,654	151,707	$ 1.71
Incremental shares from assumed exercise of dilutive options	-	3,014	
Diluted	$ 259,654	154,721	$ 1.68
Year Ended December 31, 2006			
Basic	$ 223,718	155,229	$ 1.44
Incremental shares from assumed exercise of dilutive options	-	3,042	
Diluted	$ 223,718	158,271	$ 1.41
Year Ended December 31, 2005			
Basic	$ 45,413	159,191	$ 0.29
Incremental shares from assumed exercise of dilutive options	-	2,826	
Diluted	$ 45,413	162,017	$ 0.28

Options to purchase 0.2 million, 2.2 million and 2.3 million shares of common stock that were outstanding during the years ended 2007, 2006 and 2005, respectively, 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.

NOTE 3 - BUSINESS ACQUISITIONS

The Company accounts for all acquisitions under the purchase method of accounting; accordingly, the results of the operations acquired are included in the accompanying financial statements for the periods subsequent to the respective dates of the acquisitions.

During 2007, the Company acquired Sultan Healthcare, Inc., DFT Dis Hekimligi Irunleri A.S. Ata Anil ("DFT"), NEKS Technologies, Inc., TMV Medica SA and Sportswire LLC. The Company purchased Sultan Healthcare, Inc. and NEKS Technologies to further strengthen its dental consumable business through product offerings. The Company purchased Sportswire LLC, DFT and TMV Medica SA to further strengthen its dental specialty business. As a result of the acquisitions, the Company expects a range of $50.0 million to $65.0 million in incremental annual sales, excluding precious metal content. The aggregate purchase price, net of cash acquired, was $97.2 million.

The following list provides information about the acquired companies:

- Sultan Healthcare, Inc., based in New Jersey, is a well-known United States dental consumable manufacturer recognized primarily for infection control products, dental materials and preventive products;
- DFT Dis Hekimligi Urunleri A.S. Ata Anil ("DFT") is a sales and marketing organization for implant products in Turkey;
- NEKS Technologies, Inc. is a dental equipment manufacturer in Quebec, Canada, which develops and commercializes proprietary, non-invasive, handheld dental instruments for early diagnosis of pathologies;
- TMV Medica SA is a sales and marketing organization for implant products in Spain; and
- Sportswire LLC is a manufacturer of endodontic materials based in Oklahoma.

The results of operations for the five businesses have been included in the accompanying financial statements since the effective date of the respective transaction. The purchase prices of these acquisitions have been allocated based on estimates of fair values of assets acquired and liabilities assumed. The aggregate purchase price allocation for these acquisitions is as follows (in thousands):

Current assets	$ 17,031
Property, plant and equipment	2,265
Identifiable intangible assets and goodwill	85,978
Other long-term assets	228
Total assets	$ 105,502
Current liabilities	(7,877)
Long-term liabilities	(418)
Total liabilities	$ (8,295)
Net assets	$ 97,207

As a result of the 2007 acquisitions, the Company has recorded a total of $9.8 million in intangible assets. Of this total amount of intangible assets, $7.9 million was recorded as trademarks and brand names with an average weighted life of 15 years, and $1.9 million was allocated to other intangible assets with an average weighted life of 18 years.

The Company has recorded a total of $76.2 million in goodwill related to the unallocated portions of the respective purchase prices. Of this total amount of goodwill, $73.9 million is expected to be fully deductible for tax purposes. Goodwill was assigned to the following three segments:

- $65.6 million to United States, Germany, and Certain Other European Regions Consumable Businesses;
- $8.3 million Canada/ Latin America/ Endodontics/ Orthodontics; and,
- $2.3 million to Global Dental Laboratory Business/ Implants/Non-Dental.

The purchase agreements for the Sultan Healthcare, Inc., NEKS Technologies, Inc. and DFT acquisitions provide for additional payments to be made based upon the operating performance of the businesses.

Several of the Company's 2005 acquisitions included provisions for possible additional payments based on the performance of the individual businesses post closing (generally for two to three years). During 2007, the Company paid $8.3 million in additional purchase price under these agreements. Additionally in 2007, the Company recorded $2.1 million in additional purchase price as a result of the attainment of certain provisions within the purchase price agreements. This amount was paid in 2008.

During 2006, the Company acquired a small dental business in Asia, an implant distribution business in Italy, and the remaining 40% interest of a dental manufacturing business in Brazil (the Company had owned 60% of this business since 2001). The aggregate purchase price for these three transactions was approximately $6.6 million (net of cash acquired of $0.3 million). The purchase agreement for the business in Asia also provides for an additional payment to be made based upon the operating performance of the business during the five-year period ending in February 2011. The results of operations for the Asian and Italian businesses have been included in the accompanying financial statements since the effective date of the transactions, and the purchase prices have been allocated based on preliminary estimates of the fair values of assets acquired and liabilities assumed. As the Company had previously owned a controlling 60% interest in the Brazilian business, the balance sheet and the results of operations of that business have been consolidated in the Company's financial statements since 2001, with the resulting immaterial minority interest in net income or net loss being removed through Other (income) expense, net and the minority share of equity being shown on the balance sheet in Minority interests in consolidated subsidiaries.

During 2006, the Company also acquired a 40% interest in Materialise Dental N.V. ("Materialise"), a simulation software company and a leading manufacture of a variety of surgical guides to assist in the placement of dental implants. The 40% interest was purchased for approximately $25.5 million and the transaction provides the opportunity for the Company to acquire the remaining 60% interest over time. The Company will account for this investment under the equity method due to the Company's ability to exercise significant influence over operational and financial policy, as evidenced by the Company assuming two Director seats of Materialise. As required by APB 18, "The Equity Method of Accounting for Investments in Common Stock," the difference between the cost of an equity investment and the underlying equity in the net assets of the investee should be accounted for according to its nature. As such, the Company has determined the difference between the cost of the investment in Materialise and the Company's proportionate share of the underlying equity in the net assets of Materialise, and has evaluated this difference to determine its nature. Based on this evaluation, the Company has determined that the investment in Materialise exceeds the Company's underlying equity in the net assets by approximately $24.5 million, of which $2.8 million is attributable primarily to patents and other intangible assets, with the remainder being attributable to goodwill. The amount attributable to patents and other intangible assets will be amortized over five to nine years, which is the estimated useful life of the underlying assets. The Company's equity in the net income (loss) of Materialise is not material and is included in "Other (income) expense, net."

The Company has evaluated its investment in Materialise in accordance with the provisions in FASB Interpretation No. 46, "Consolidation of Variable Interest Entities," and has determined that the Company should not consolidate Materialise. The Company will continue to evaluate its investment in Materialise under the provisions of FIN 46, which may result in the future consolidation of Materialise by the Company.

In January 2005, the Company acquired all the outstanding capital stock of GAC SA from the Gebroulaz Foundation. GAC SA is primarily a distributor of orthodontic products with subsidiaries in Switzerland, France, Germany and Norway. The Company purchased GAC SA primarily to further strengthen its orthodontic business through the acquired company's presence in the orthodontic market in Europe. In May 2005, the Company acquired the assets of Raintree Essix, L.L.C. ("Raintree"). Raintree is a brand leader for specialty plastic sheets used in orthodontic treatment, as well as other accessories for the orthodontic market. The Company purchased Raintree primarily to further strengthen its orthodontic product offerings. In May 2005, the Company also acquired all the outstanding capital stock of Glenroe Technologies, Inc. ("Glenroe"). Glenroe is a manufacturer of orthodontic accessory products including elastic force materials, specialty plastics and intricate molded plastic parts. The Company purchased Glenroe primarily to further strengthen its orthodontic product offerings. The above described transactions included aggregate payments at closing of approximately $18.1 million (net of cash acquired of $2.7 million). Each transaction included provisions for possible additional payments based on the performance of the individual businesses post closing (generally for two to three years). All of these acquired companies are included in the "Canada/ Latin America/ Endodontics/ Orthodontics " operating segment.

The results of operations of the acquired companies are included in the accompanying financial statements since the effective dates of the transactions. The purchase price of these acquisitions has been allocated on the basis of estimates of the fair values of assets acquired and liabilities assumed. The aggregate purchase price allocation for these acquisitions is as follows (in thousands):

Current assets	$ 6,033
Property, plant and equipment	2,063
Identifiable intangible assets and goodwill	25,094
Other long-term assets	26
Total assets	$ 33,216
Current liabilities	(5,070)
Long-term liabilities	(2,049)
Total liabilities	$ (7,119)
Net assets	$ 26,097

NOTE 4 - SEGMENT AND GEOGRAPHIC INFORMATION

Segment Information

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 under SFAS 131 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 segments are consistent with those described for the consolidated financial statements in the summary of significant accounting policies (see Note 1 to the consolidated financial statements). The Company measures segment income for reporting purposes as net operating profit before restructuring, impairment, interest and taxes. A description of the services provided within each of the Company's four reportable segments is provided below. The disclosure below reflects the Company's segment reporting structure through December 31, 2007.

A description of the activities of the Company's four reportable segments follows:

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.

France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses

This business group includes responsibility for the sales and distribution for chairside consumable products and certain small equipment, certain laboratory products and certain endodontic products in France, United Kingdom, Italy, CIS, Middle East, Africa, Asia, Japan and Australia, as well as the sale and distribution of implant products and bone substitute/grafting materials in Italy, Asia and Australia. This business group also includes the manufacturing and sale of orthodontic products and the manufacturing of certain laboratory products in Japan, and the manufacturing of certain laboratory products 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 chairside consumable and laboratory products in Brazil. It also has responsibility for the sales and distribution of most Company 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 sales and distribution of certain Company endodontic products in the United States, Canada, Switzerland, Benelux, Scandinavia and Eastern Europe, and 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. This business group is also responsible for sales and distribution in the United States for implant and bone substitute/grafting materials and the distribution of implants in Brazil.

Global Dental Laboratory Business/Implants/Non-Dental

This business group includes the responsibility for the design, manufacture, world-wide sales and distribution for laboratory products, excluding certain laboratory products mentioned earlier, 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, Italy, Asia, Australia and sales and distribution of implants in Brazil. This business group is also responsible for 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 selling, general and administrative costs.

Generally, the Company evaluates performance of the operating groups based on the groups' operating income and net third party sales, excluding precious metal content. The Company considers net third party sales, excluding precious metal content, as the appropriate sales measurement due to the fluctuations of precious metal prices and due to the fact that the precious metal content is largely a pass-through to customers and has minimal effect on earnings.

The following table sets forth information about the Company's operating groups for 2007, 2006 and 2005.

Third Party Net Sales

	2007	2006	2005
		(in thousands)	
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 433,867	$ 395,044	$ 386,859
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	376,644	333,271	310,762
Canada/Latin America/Endodontics/ Orthodontics	587,539	524,170	495,638
Global Dental Laboratory Business/ Implants/Non-Dental	615,368	561,988	525,037
All Other (a)	(3,585)	(3,977)	(3,161)
Total Net Sales	$ 2,009,833	$ 1,810,496	$ 1,715,135

Third Party Net Sales, excluding precious metal content

	2007	2006	2005
		(in thousands)	
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 433,867	$ 395,044	$ 386,859
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	352,018	308,449	286,209
Canada/Latin America/Endodontics/ Orthodontics	583,885	520,865	493,135
Global Dental Laboratory Business/ Implants/Non-Dental	453,714	402,693	379,669
All Other (a)	(3,585)	(3,977)	(3,161)
Total Net Sales, excluding Precious Metal Content	$ 1,819,899	$ 1,623,074	$ 1,542,711
Precious Metal Content of Sales	189,934	187,422	172,424
Total Net Sales, including Precious Metal Content	$ 2,009,833	$ 1,810,496	$ 1,715,135

(a) Includes amounts recorded at Corporate headquarters.

Intersegment Net Sales

	2007	2006	2005
		(in thousands)	
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 97,636	$ 91,239	$ 79,005
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	9,650	9,260	9,364
Canada/Latin America/Endodontics/ Orthodontics	88,953	72,970	64,140
Global Dental Laboratory Business/ Implants/Non-Dental	80,774	72,035	59,363
All Other (a)	198,706	171,411	165,238
Eliminations	(475,719)	(416,915)	(377,110)
Total	$ -	$ -	$ -

Depreciation and Amortization

	2007	2006	2005
		(in thousands)	
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 10,977	$ 10,488	$ 14,030
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	2,902	3,625	4,379
Canada/Latin America/Endodontics/ Orthodontics	14,934	12,584	11,945
Global Dental Laboratory Business/ Implants/Non-Dental	14,762	12,484	12,675
All Other (b)	6,714	8,253	7,531
Total	$ 50,289	$ 47,434	$ 50,560

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

Segment Operating Income

	2007	2006	2005
		(in thousands)	
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 138,940	$ 143,522	$ 120,585
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	7,229	3,018	1,222
Canada/Latin America/Endodontics/ Orthodontics	180,944	171,517	160,934
Global Dental Laboratory Business/ Implants/Non-Dental	115,260	97,469	87,394
All Other (a)	(76,955)	(92,925)	(64,458)
Segment Operating Income	$ 365,418	$ 322,601	$ 305,677
Reconciling Items:			
Restructuring and other costs	10,527	7,807	232,755
Interest Expense	23,783	34,897	27,912
Interest Income	(26,428)	(36,580)	(19,144)
Other (income) expense, net	(599)	1,640	(6,884)
Income before income taxes	$ 358,135	$ 314,837	$ 71,038

Assets

	2007	2006	2005
		(in thousands)	
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 382,913	$ 290,244	$ 314,320
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	315,531	380,567	356,171
Canada/Latin America/Endodontics/ Orthodontics	715,300	673,272	630,444
Global Dental Laboratory Business/ Implants/Non-Dental	898,043	811,852	707,709
All Other (b)	363,782	25,414	401,729
Total	$ 2,675,569	$ 2,181,349	$ 2,410,373

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

Capital Expenditures

	2007	2006	2005
		(in thousands)	
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 10,451	$ 9,368	$ 19,222
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	1,923	2,206	2,307
Canada/Latin America/Endodontics/ Orthodontics	22,376	14,651	10,812
Global Dental Laboratory Business/ Implants/Non-Dental	24,258	13,853	7,643
All Other (a)	5,155	10,538	5,309
Total	$ 64,163	$ 50,616	$ 45,293

(a) Includes capital expenditures of Corporate headquarters.

Geographic Information

The following table sets forth information about the Company's operations in different geographic areas for 2007, 2006 and 2005. Net sales reported below represent revenues for shipments made by operating businesses located in the country or territory identified, including export sales. Assets reported represent those held by the operating businesses located in the respective geographic areas.

	United States	Germany	Switzerland	Other Foreign	Consolidated
			(in thousands)		
2007					
Net sales	$ 844,162	$ 438,099	$ 118,875	$ 608,697	$ 2,009,833
Long-lived assets	186,403	134,987	86,247	66,114	473,751
2006					
Net sales	$ 784,089	$ 398,963	$ 104,162	$ 523,282	$ 1,810,496
Long-lived assets	178,294	133,500	68,179	71,536	451,509
2005					
Net sales	$ 756,627	$ 365,984	$ 102,697	$ 489,827	$ 1,715,135
Long-lived assets	150,085	104,997	63,615	72,896	391,593

Product and Customer Information

The following table presents net sales information by product category:

	Year Ended December 31,		
	2007	2006	2005
	(in thousands)		
Dental consumables	$ 634,480	$ 583,448	$ 618,909
Dental laboratory products	530,821	506,134	473,942
Dental specialty products	782,808	662,295	580,509
Non-dental	61,724	58,619	41,775
Total Net Sales	$ 2,009,833	$ 1,810,496	$ 1,715,135

Dental consumable products consist of dental sundries and small equipment products used in dental offices in the treatment of patients. DENTSPLY's products in this category include dental anesthetics, infection control products, prophylaxis paste, dental sealants, impression materials, restorative materials, bone grafting materials, tooth whiteners and topical fluoride. The Company manufactures thousands of different consumable products marketed under more than a hundred brand names. Small equipment products 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 and ultrasonic scalers and polishers.

Dental laboratory products are used in dental laboratories in the preparation of dental appliances. DENTSPLY's products in this category include dental prosthetics, including artificial teeth, precious metal dental alloys, dental ceramics, crown and bridge materials, and equipment products used in laboratories consisting of computer aided machining (CAM) ceramic systems and porcelain furnaces.

Dental specialty products are specialized treatment products used within the dental office and laboratory settings. DENTSPLY's products in this category include endodontic (root canal) instruments and materials, implants and related products, and orthodontic appliances and accessories.

Non-dental products are comprised primarily of investment casting materials that are used in the production of jewelry, golf club heads and other casting products, as well as certain medical products.

One customer, Henry Schein, Incorporated, a dental distributor, accounted for more than ten percent of consolidated net sales in 2007, 2006 and 2005 accounting for 11.6%, 10.9% and 11.1% of all sales, respectively. Third party export sales from the United States are less than ten percent of consolidated net sales.

NOTE 5 – OTHER (INCOME) EXPENSE

Other (income) expense, net consists of the following:

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
Foreign exchange transaction (gains) losses	$ (452)	$ 154	$ (6,668)
Minority interests	57	138	(372)
Other (income) expense	(204)	1,348	156
	$ (599)	$ 1,640	$ (6,884)

NOTE 6 – INVENTORIES, NET

Inventories consist of the following:

	December 31,	
	2007	2006
	(in thousands)	
Finished goods	$ 155,402	$ 143,167
Work-in-process	49,622	43,855
Raw materials and supplies	53,008	45,419
	$ 258,032	$ 232,441

The Company's inventory valuation reserve was $26.2 million for 2007 and $26.3 million for 2006.

NOTE 7- PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment consist of the following:

	December 31,	
	2007	2006
	(in thousands)	
Assets, at cost:		
Land	$ 40,566	$ 37,337
Buildings and improvements	234,301	208,116
Machinery and equipment	418,382	378,569
Construction in progress	28,161	14,698
	721,410	638,720
Less: Accumulated depreciation	350,001	309,104
Property, plant and equipment, net	$ 371,409	$ 329,616

NOTE 8 – GOODWILL AND INTANGIBLE ASSETS

The Company follows Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets." This statement requires that the amortization of goodwill and indefinite-lived intangible assets be discontinued and instead an annual impairment test approach be applied. The impairment tests are required to be performed annually (or more often if events or changes in circumstances indicate that the goodwill or indefinite-lived intangible assets might be impaired) and are based upon a fair value approach rather than an evaluation of undiscounted cash flows. If goodwill impairment is identified, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill. If impairment is identified on indefinite-lived intangibles, the resulting charge reflects the excess of the asset's carrying cost over its fair value. Other intangible assets with finite lives are amortized over their useful lives.

The Company performed the required annual impairment tests of goodwill and indefinite-lived intangible assets in 2007. No impairment of goodwill was identified and $0.2 million of impairment of indefinite-lived intangible assets was identified. This impairment assessment included an evaluation of approximately twenty-five reporting units. In addition to minimum annual impairment tests, SFAS 142 also requires that impairment assessments be made more frequently if events or changes in circumstances indicate that the goodwill or indefinite-lived intangible assets might be impaired. As the Company learns of such changes in circumstances through periodic analysis of actual results or through the annual development of operating unit business plans in the fourth quarter of each year, for example, impairment assessments will be performed as necessary.

The table below presents the net carrying values of goodwill and identifiable intangible assets.

	December 31,	
	2007	2006
	(in thousands)	
Goodwill	$ 1,127,420	$ 995,382
Indefinite-lived identifiable intangible assets:		
Trademarks	$ 4,080	$ 4,080
Finite-lived identifiable intangible assets	72,087	63,568
Total identifiable intangible assets	$ 76,167	$ 67,648

A reconciliation of changes in the Company's goodwill is as follows:

	December 31,	
	2007	2006
	(in thousands)	
Balance, beginning of the year	$ 995,382	$ 933,227
Acquisition activity	76,162	14,318
Changes to purchase price allocation	(7,276)	(3,171)
Effects of exchange rate changes	63,152	51,008
Balance, end of the year	$ 1,127,420	$ 995,382

The change in the net carrying value of goodwill from 2006 to 2007 was due to foreign currency translation adjustments, five acquisitions, additional payments based on the performance of the previously acquired businesses, and changes to the purchase price allocations of the Degussa Dental and Friadent acquisitions. The purchase price allocation changes were primarily related to the reversal of pre-acquisition tax contingencies due to expiring statutes.

Goodwill by reportable segment is as follows:

	December 31,	
	2007	2006
	(in thousands)	
United States, Germany, and Certain Other European Regions Consumable Businesses	$ 171,395	$ 104,860
France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses	119,487	110,454
Canada/Latin America/Endodontics/ Orthodontics	250,060	234,885
Global Dental Laboratory Business/ Implants/Non-Dental	586,478	545,183
Total	$ 1,127,420	$ 995,382

Finite-lived identifiable intangible assets consist of the following:

	December 31, 2007			December 31, 2006		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(in thousands)					
Patents	$ 36,969	$ (24,696)	$ 12,273	$ 56,293	$ (43,080)	$ 13,213
Trademarks	46,142	(13,277)	32,865	35,837	(11,067)	24,770
Licensing agreements	31,009	(12,414)	18,595	34,681	(13,162)	21,519
Other	11,934	(3,580)	8,354	16,133	(12,067)	4,066
	$ 126,054	$ (53,967)	$ 72,087	$ 142,944	$ (79,376)	$ 63,568

Amortization expense for finite-lived identifiable intangible assets for 2007, 2006 and 2005 was $7.7 million, $7.0 million and $8.5 million, respectively. The annual estimated amortization expense related to these intangible assets for each of the five succeeding fiscal years is $7.7 million, $7.3 million, $5.7 million, $5.4 million and $5.1 million for 2008, 2009, 2010, 2011 and 2012, respectively.

NOTE 9 - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31,	
	2007	2006
	(in thousands)	
Payroll, commissions, bonuses, other cash compensation and employee benefits	$ 69,337	$ 62,354
General insurance	14,741	17,151
Sales and marketing programs	27,678	21,287
Professional and legal costs	7,706	12,004
Restructuring costs (Note 14)	3,052	4,657
Warranty liabilities	4,431	4,270
Other	62,460	59,473
	$ 189,405	$ 181,196

A reconciliation of changes in the Company's warranty liability for 2007 and 2006 is as follows:

	December 31,	
	2007	2006
	(in thousands)	
Balance, beginning of the year	$ 4,270	$ 3,536
Accruals for warranties issued during the year	240	847
Accruals related to pre-existing warranties	246	79
Warranty settlements made during the year	(535)	(714)
Effects of exchange rate changes	210	522
Balance, end of the year	$ 4,431	$ 4,270

NOTE 10 - FINANCING ARRANGEMENTS

Short-Term Borrowings

Short-term bank borrowings amounted to $1.1 million and $2.8 million at December 31, 2007 and 2006, respectively. The weighted average interest rates of these borrowings were 3.4% and 14.0% at December 31, 2007 and 2006, respectively. Unused lines of credit for short-term financing at December 31, 2007 and 2006 were $34.8 million and $26.4 million, respectively. Substantially all other short-term borrowings were classified as long-term as of December 31, 2007 and 2006, reflecting the Company's intent and ability to refinance these obligations beyond one year and are included in the table below. The unused lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institution. Interest is charged on borrowings under these lines of credit at various rates, generally below prime or equivalent money rates.

Long-Term Borrowings

	December 31,	
	2007	2006
	(in thousands)	
Multi-currency revolving credit agreement expiring May 2010		
- U.S. dollar 50 million	$ -	$ 50,000
- Japanese yen 12.6 billion at 1.32%	112,296	105,417
- Swiss francs 65 million at 3.10%	57,267	53,287
- Euros 38 million at 4.98%	55,434	-
Private placement notes, U.S. dollar denominated expiring March 2010 at 5.41%	150,000	-
Prudential private placement notes, Swiss franc denominated, 28.1 million (56.3 million at December 2005) at 4.56% and 27.5 million (55.0 million at December 2005) at 4.42% maturing March 2007, 80.4 million at 4.96% matured October 2006	-	45,595
U.S. dollar commercial paper facility rated A/2-P/2 U.S. dollar borrowings at 5.54%	103,124	55,000
Euro multi-currency commercial paper facility rated A/2-P/2, 38 million Euro	-	50,122
Other borrowings, various currencies and rates	4,130	7,961
	$ 482,251	$ 367,382
Less: Current portion (included in notes payable and current portion of long-term debt)	188	221
	$ 482,063	$ 367,161

The table below reflects the contractual maturity dates of the various borrowings at December 31, 2007 (in thousands). The individual borrowings under the revolving credit agreement are structured to mature on a quarterly basis but because the Company has the intent and ability to extend them until the expiration date of the agreement, these borrowings are considered contractually due in May 2010.

2008	$ 188
2009	219
2010	481,179
2011	77
2012	79
2013 and beyond	509
	$ 482,251

The Company utilizes interest rate swaps to convert the variable rate Japanese yen and Swiss franc denominated debt under the revolving facility to fixed rate debt. The Company utilizes interest rate swaps to convert the variable rate U.S. dollar denominated private placement notes to fixed rate debt. The Company's use of interest rate swaps is further described in Note 15 – Financial Instruments and Derivatives to the consolidated financial statements.

The Company has a $500 million revolving credit agreement with participation from thirteen banks. The revolving credit agreements contain a number of covenants and two financial ratios which the Company is required to satisfy. The most restrictive of these covenants pertain to asset dispositions and prescribed ratios of indebtedness to total capital and operating income excluding depreciation and amortization to interest expense. Any breach of any such covenants or restrictions would result in a default under the existing borrowing documentation that would permit the lenders to declare all borrowings under such documentation to be immediately due and payable and, through cross default provisions, would entitle the Company's other lenders to accelerate their loans. At December 31, 2007, the Company was in compliance with these covenants. The Company pays a facility fee of 0.10% annually on the amount of the commitment under the $500 million five year facility. The entire $500 million revolving credit agreement has a usage fee of 0.10% annually if utilization exceeds 50% of the total available facility. Interest rates on amounts borrowed under the facility will depend on the maturity of the borrowing, the currency borrowed, the interest rate option selected, and the Company’s long-term credit rating from Standard and Poor’s.

The Company has complementary U.S. dollar and Euro multicurrency commercial paper facilities totaling $250 million which have utilization, dealer and annual appraisal fees which on average cost 0.11% annually. The $500 million revolving credit facility acts as back-up credit to these commercial paper facilities. The total available credit under the commercial paper facilities and the revolving credit facility is $500 million. Outstanding commercial paper and revolving credit obligations were $106.1 million and $225.0 million, respectively, at December 31, 2007.

On March 13, 2007, the Company entered into a note purchase agreement with a group of initial purchasers, providing for the issuance of $150.0 million aggregate principal amount of floating rate senior notes due 2010 (the “Notes”) through a private placement. The net proceeds from the offering after deducting placement fees and expenses of the offering were $149.5 million. The obligations of DENTSPLY and the initial purchasers are subject to the terms and conditions of the Note Purchase Agreement.

At December 31, 2007, the Company had total unused lines of credit, including lines available under its short-term arrangements and revolving credit agreement, of $203.7 million.

In March 2001, the Company issued Series A and B private placement notes to Prudential Capital Group totaling Swiss francs 166.9 million at an average rate of 4.49% with six year final maturities. In October 2001, the Company issued a Series C private placement note to Prudential Capital Group for Swiss francs 80.4 million at a rate of 4.96% with a five year final maturity. The series A and B notes were also amended in October 2001 to increase the interest rate by 30 basis points, reflecting the Company’s higher leverage. The private placement notes contain a number of covenants and two financial ratios which the Company is required to satisfy. The most restrictive of these covenants pertain to asset dispositions, maintenance of certain levels of net worth, and prescribed ratios of indebtedness to total capital and operating income excluding depreciation and amortization to interest expense. In December 2001, the Company issued a private placement note through ABN AMRO for Japanese yen 6.2 billion at a rate of 1.39% with a four year final maturity. The Series C note and the ABN note were issued to partially finance the Degussa Dental acquisition. The Company has completely retired the ABN note. The Company has completely retired the Series A, B and C notes.

NOTE 11 - STOCKHOLDERS' EQUITY

The Board of Directors has authorized the Company to repurchase shares under its stock repurchase program in an amount up to 14,000,000 shares of treasury stock. Under its stock repurchase program, the Company purchased 3,389,969 shares during 2007 at an average price of $37.00. As of December 31, 2007 and 2006, the Company held 11,953,884 and 10,984,633 shares of treasury stock, respectively. During 2007, the Company repurchased $125.4 million in treasury stock. The Company also received proceeds of $45.6 million primarily as a result of the exercise of 2,342,965 stock options during the year ended December 31, 2007.

	Common Shares	Treasury Shares	Outstanding Shares
		(in thousands)	
Balance at December 31, 2004	162,776	(1,514)	161,262
Exercise of stock options	-	2,452	2,452
Repurchase of common stock at cost	-	(6,005)	(6,005)
Balance at December 31, 2005	162,776	(5,067)	157,709
Exercise of stock options	-	3,771	3,771
Repurchase of common stock at cost	-	(9,689)	(9,689)
Balance at December 31, 2006	162,776	(10,985)	151,791
Exercise of stock options	-	2,421	2,421
Repurchase of common stock at cost	-	(3,390)	(3,390)
Balance at December 31, 2007	162,776	(11,954)	150,822

The Company has stock options outstanding under three stock option plans (1993 Plan, 1998 Plan and 2002 Amended and Restated Plan (“the 2002 Plan”)). Further grants can only be made under the 2002 Plan. Under the 1993 and 1998 Plans, a committee appointed by the Board of Directors granted to key employees and directors of the Company, options to purchase shares of common stock at an exercise price determined by the fair market value of the common stock on the date of grant. Stock options generally expire ten years after the date of grant under these plans and grants become exercisable over a period of three years after the date of grant at the rate of one-third per year, except that they become immediately exercisable upon death, disability or qualified retirement.

Effective May 15, 2007, the stockholders of the Company approved an amendment to the 2002 Plan. The purpose of the amendment was to eliminate the automatic stock option grants to outside directors and include performance criteria with respect to the grant of performance-based restricted stock and restricted stock units. Under the amended 2002 Plan, no more than 2,000,000 shares may be awarded as restricted stock and restricted stock units, and no key employee may be granted restricted stock units in excess of 150,000 shares of common stock in any calendar year

The 2002 Plan authorized grants of 14,000,000 shares of common stock, plus any unexercised portion of cancelled or terminated stock options granted under the DENTSPLY International Inc. 1993 and 1998 Plans, subject to adjustment as follows: each January, if 7% of the outstanding common shares of the Company exceed 14,000,000, the excess becomes available for grant under the Plan. The 2002 Plan enables the Company to grant “incentive stock options” (“ISOs”) within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, to key employees of the Company, and “non-qualified stock options” (“NSOs”), which do not constitute ISOs to key employees and non-employee directors of the Company. The 2002 Plan also enables the Company to grant stock, which is subject to certain forfeiture risks and restrictions (“Restricted Stock”), stock delivered upon vesting of units (“Restricted Stock Units” or “RSUs”) and stock appreciation rights (“SARs”). ISOs and NSOs are collectively referred to as “options.” Options, Restricted Stock, Restricted Stock Units and SARs are collectively referred to as “awards.” Such awards are granted at exercise prices not less than the fair market value of the common stock on the date of grant. The number of shares available for grant under the 2002 Plan as of December 31, 2007 was 5,493,563.

Non-Qualified Stock Options

The total compensation cost related to non-qualified stock options recognized in the operating results for the years ended December 31, 2007 and 2006 was $11.2 million and $19.6 million, respectively. These amounts represent the aggregate fair value of options vested during 2007 and 2006, including stock-based awards granted prior to January 1, 2007 and 2006, but not yet vested as of that date. These costs were allocated appropriately to either the cost of products sold or selling, general and administrative expenses. The associated future

income tax benefit recognized during the years ended December 31, 2007 and 2006 was $6.7 million and $5.3 million, respectively.

There were 2,936,121 non-qualified stock options unvested as of December 31, 2007. The remaining unamortized compensation cost related to non-qualified stock options is $22.4 million which will be expensed over the weighted average remaining vesting period of the options, or 1.7 years. Cash received from stock option exercises for the years ended December 31, 2007 and 2006 was $45.6 million and $53.6 million, respectively. It is the Company's practice to issue shares from treasury stock when options are exercised. The future estimated cash tax benefit to be realized for the options exercised in the years ended December 31, 2007 and 2006 was $13.5 million and $18.9 million, respectively. The aggregate intrinsic value of stock options exercised during the years ended December 31, 2007 and 2006 was $41.1 million and $53.6 million, respectively. The aggregate intrinsic value of the outstanding stock options as of December 31, 2007 and 2006 was $192.3 million and $83.0 million, respectively.

Under SFAS 123(R), the Company continues to use the Black-Scholes option-pricing model to estimate the fair value of each option awarded. The following table sets forth the assumptions used to determine compensation cost for the Company's non-qualified stock options issued during the years ended December 31, 2007, 2006 and 2005:

	Year Ended December 31,		
	2007	2006	2005
Per share fair value	$ 10.43	$ 7.28	$ 7.53
Expected dividend yield	0.41%	0.51%	0.50%
Risk-free interest rate	3.67%	4.50%	4.40%
Expected volatility	21%	17%	20%
Expected life (years)	4.74	4.83	5.50

Substantially all stock options issued during the year ended December 31, 2005 were issued with an exercise price that was equal to the market value of the underlying stock at the grant date. As a result, under APB No. 25, there was no compensation recognized for these shares. The following table sets forth pro forma information for these shares as if compensation cost had been determined consistent with the requirements of SFAS No. 123 for the year ended December 31, 2005:

	Year Ended December 31, 2005
	(in thousands, except per share amounts)
Net income as reported	$ 45,413
Deduct: Stock-based employee compensation expense determined under fair value method, net of related tax	(13,784)
Pro forma net income	$ 31,629
Basic earnings per common share	
As reported	$ 0.29
Pro forma under fair value based method	$ 0.20
Diluted earnings per common share	
As reported	$ 0.28
Pro forma under fair value based method	$ 0.19

In addition to those shares issued during the year ended December 31, 2005 that had an exercise price equal to the market value of the underlying stock at the grant date, the Company also issued a limited number of non-qualified stock options that had an exercise price less than the market value of the underlying stock at the grant date. As a result, under APB No. 25, compensation cost of $1.0 million related to non-qualified stock options was recognized in the operating results for the year ended December 31, 2005.

The following is a summary of the status of the Plans as of December 31, 2007, 2006 and 2005 and changes during the years ending on those dates:

	Outstanding		Exercisable	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
December 31, 2004	13,869,910	$ 17.38	8,997,778	$ 14.00
Authorized (Lapsed)	-			
Granted	2,660,964	27.68		
Exercised	(2,531,520)	12.70		
Expired/Cancelled	(138,460)	31.37		
December 31, 2005	13,860,894	$ 20.07	9,252,218	$ 16.93
Authorized (Lapsed)	-			
Granted	1,675,050	31.04		
Exercised	(3,549,795)	15.10		
Expired/Cancelled	(422,358)	25.94		
December 31, 2006	11,563,791	$ 22.97	7,912,549	$ 20.21
Authorized (Lapsed)	-			
Granted	1,357,524	43.95		
Exercised	(2,342,965)	19.46		
Expired/Cancelled	(264,386)	27.70		
December 31, 2007	10,313,964	$ 26.41	7,377,844	$ 22.46

The following table summarizes information about stock options outstanding under the Plans at December 31, 2007:

	Options Outstanding			Options Exercisable	
	Number Outstanding at December 31, 2007	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable at December 31, 2007	Weighted Average Exercise Price
$5.0000 - $10.000	392,670	1.6	$ 8.10	392,670	$ 8.10
10.0100 - 15.0000	438,100	2.9	12.42	438,100	12.42
15.0100 - 20.0000	1,776,831	4.4	17.37	1,776,831	17.37
20.0100 - 25.0000	1,371,579	5.9	22.19	1,371,579	22.19
25.0100 - 30.0000	3,550,310	6.8	27.63	2,863,369	27.58
30.0100 - 35.0000	1,514,850	8.5	31.45	535,295	31.35
35.0100 - 40.0000	62,164	9.5	36.34	-	-
40.0100 - 45.0000	11,560	9.7	41.25	-	-
45.0100 - 50.0000	1,195,900	9.9	45.15	-	-
	10,313,964	6.5	$ 26.41	7,377,844	$ 22.46

Restricted Stock Units

During 2007, the Company granted a total of 223,100 RSUs to key employees and Board members. As of December 31, 2007, a total of 13,090 RSUs were cancelled and 210,010 RSUs remained outstanding. The RSUs outstanding have a weighted-average fair value per share of $30.99, which was the fair value of the Company's stock as measured on the date of grant. RSUs 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. The fair value of each RSU assumes that performance goals will be achieved. If such goals are not met, no compensation cost is recognized and any recognized compensation cost is reversed. Under the terms of the RSUs, the three year period is referred to as the restricted period. RSUs and the rights under the award may not be sold, assigned, transferred, donated, pledged or otherwise disposed of during the three year restricted period prior to vesting. Upon the expiration of the applicable restricted period and the satisfaction of all conditions imposed, all restrictions imposed on Restricted Stock Units will lapse, and one share of common stock will be issued as payment for each vested RSU.

During the restricted period, the Company will pay cash dividends on the RSUs, in the form of additional RSUs on each date that the Company pays a cash dividend to holders of common stock. The additional RSUs are subject to the same terms and conditions as the original RSUs and vest when the restrictions lapse.

The total compensation cost related to RSUs recognized in the operating results for the year ended December 31, 2007 was $1.7 million. These amounts represent the aggregate fair value of stock units that were expensed during 2007, but not yet vested as of that date. These costs were included in the cost of products sold and selling, general and administrative expenses. The associated future income tax benefit recognized during the year ended December 31, 2007 was $0.5 million, respectively. All 210,666 RSUs and RSU dividends remained unvested as of December 31, 2007. The unamortized compensation cost related to RSUs is $4.4 million, which will be expensed over the remaining restricted period of the RSUs, or 2.1 years. The aggregate intrinsic value of the outstanding RSUs as of December 31, 2007 was $9.5 million.

NOTE 12 - INCOME TAXES

The components of income before income taxes from continuing operations are as follows:

	Year Ended December 31,		
	2007	2006	2005
	(in thousands)		
United States	$ 100,740	$ 102,059	$ 53,473
Foreign	257,395	212,778	17,565
	$ 358,135	$ 314,837	$ 71,038

The components of the provision for income taxes from continuing operations are as follows:

	Year Ended December 31,		
	2007	2006	2005
(in thousands)			
Current:			
U.S. federal	$ 14,395	$ 17,148	$ 62,892
U.S. state	4,122	652	2,717
Foreign	54,396	19,619	51,793
Total	$ 72,913	$ 37,419	$ 117,402
Deferred:			
U.S. federal	$ 28,131	$ 34,336	$ (63,821)
U.S. state	1,627	(10,132)	(1,129)
Foreign	(4,190)	29,496	(26,827)
Total	$ 25,568	$ 53,700	$ (91,777)
	$ 98,481	$ 91,119	$ 25,625

The reconciliation of the United States federal statutory tax rate to the effective rate is as follows:

	Year Ended December 31,		
	2007	2006	2005
Statutory federal income tax rate	35.0 %	35.0 %	35.0 %
Effect of:			
State income taxes, net of federal benefit	1.0	0.4	2.5
Federal benefit of R&D and Foreign Tax Credits	(3.2)	(2.3)	(2.4)
Tax effect of international operations	(2.4)	(3.2)	10.7
Net effect of tax audit activity	1.0	0.6	7.2
Federal benefit of extraterritorial income exclusion	-	(0.4)	(2.6)
Tax effect of enacted statutory rate changes	(3.1)	-	-
Federal tax on unremitted earnings of certain foreign subsidiaries	0.1	-	(15.6)
Valuation Allowance Adjustments	-	(2.2)	-
§965 Repatriation	-	-	6.6
Other	(0.9)	1.0	(5.3)
Effective income tax rate on continuing operations	27.5 %	28.9 %	36.1 %

The tax effect of temporary differences giving rise to deferred tax assets and liabilities are as follows:

	December 31, 2007		December 31, 2006	
	Current Asset (Liability)	Noncurrent Asset (Liability)	Current Asset (Liability)	Noncurrent Asset (Liability)
	(in thousands)			
Employee benefit accruals	$ 207	$ 18,241	$ 2,843	$ 14,973
Product warranty accruals	1,080	-	917	-
Insurance premium accruals	5,538	-	6,292	-
Commission and bonus accrual	2,824	-	1,983	-
Sales and marketing accrual	2,512	-	1,885	-
Restructuring and other cost accruals	1,079	-	1,221	389
Differences in financial reporting and tax basis:				
Inventory	14,522	-	13,887	-
Property, plant and equipment	-	(28,644)	-	(28,735)
Identifiable intangible assets	-	(95,192)	-	(85,885)
Unrealized losses included in other comprehensive income	(2,697)	60,795	5,750	31,316
Miscellaneous Accruals	8,012	1,133	5,937	1,861
Other	1,687	3,794	2,417	2,013
Taxes on unremitted earnings of foreign subsidiaries	-	(2,006)	-	(7,202)
R&D and Foreign tax credit carryforward	2,462	32,585	-	21,534
Tax loss carryforwards	8,673	60,038	38,399	61,026
Valuation allowance for tax loss carryforwards	(856)	(49,394)	(1,166)	(48,213)
	$ 45,043	$ 1,350	$ 80,365	$ (36,923)

Current and noncurrent deferred tax assets and liabilities are included in the following balance sheet captions:

	December 31,	
	2007	2006
	(in thousands)	
Prepaid expenses and other current assets	$ 47,099	$ 81,535
Income taxes payable	(2,056)	(1,170)
Other noncurrent assets	61,897	16,268
Deferred income taxes	(60,547)	(53,191)

The Company has $ 32.6 million of foreign tax credit carryforwards. $ 15.3 million, $ 7.2 million and $ 10.1 million will expire in 2015, 2016 and 2017 respectively.

Certain foreign and domestic subsidiaries of the Company have tax loss carryforwards of $594.7 million at December 31, 2007, of which $488.3 million expire through 2027 and $106.4 million may be carried forward indefinitely. The tax benefit of certain tax loss carryforwards and deferred tax assets has been offset by a valuation allowance as of December 31, 2007, because it is uncertain whether the benefits will be realized in the future. The valuation allowance at December 31, 2007 and 2006 was $50.3 million and $49.4 million, respectively.

The Company has provided federal income taxes on certain undistributed earnings of its foreign subsidiaries that the Company anticipates will be repatriated. Deferred federal income taxes have not been provided on $347.1 million of cumulative earnings of foreign subsidiaries that the Company has determined to be permanently reinvested. It is not practicable to estimate the amount of tax that might be payable on these permanently reinvested earnings.

Tax Contingencies

In June 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48 (“FIN 48”), “Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109, Accounting for Income Taxes,” which clarifies the accounting for income taxes. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be

taken in a tax return. The Interpretation requires that the Company recognize in the 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. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure. The provisions of FIN 48 are effective beginning January 1, 2007 with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. As a result of the implementation the Company recognized a $3.8 million increase to reserves for uncertain tax positions.

The total amount of gross unrecognized tax benefits, as of the date of adoption, is approximately $48.7 million. Of this total, approximately $37.8 million (net of the federal benefit of state issues) represents the amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate. It is reasonably possible that certain amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date of the Company's consolidated financial statements. Expiration of statutes of limitation in various jurisdictions could include unrecognized tax benefits of approximately $ 3.8 million, $0.1 million of which will have no impact upon the effective income tax rate. A decrease of unrecognized tax benefits of approximately $ 11.0 million, $5.3 million of which will have no impact upon the effective income tax rate could occur as a result of final settlement and resolution of outstanding tax matters in foreign jurisdictions during the next twelve months.

The total amounts of interest and penalties, as of the date of adoption, were $7.9 million and $3.9 million, respectively. At December 31, 2007, the total amounts of interest and penalties were $10.9 million and $3.6 million, respectively. The Company has consistently classified interest and penalties recognized in its consolidated financial statements as income taxes based on the accounting policy election of the Company.

The Company is subject to United States federal income tax as well as income tax of multiple state and foreign jurisdictions. The significant jurisdictions include the United States, Switzerland and Germany. The Company has substantially concluded all United States federal income tax matters for years through 2003, resulting in the years 2004 through 2007 being subject to future potential tax audit adjustments. The Company is under audit for United States Federal Income Tax purposes for the tax year 2005 and for Germany from 2001 through 2003. The taxable years that remain open for Switzerland are years 1997 through 2007. For Germany the open years are from 2000 through 2007.

The Company had the following activity recorded for unrecognized tax benefits for the twelve months ended December 31, 2007 (in thousands):

Unrecognized tax benefits at date of adoption January 1, 2007	$ 36,862
Gross change for prior period positions	1,619
Gross change for current year positions	1,129
Decrease due to settlements and payments	-
Decrease due to statute expirations	3,303
Unrecognized tax benefits at December 31, 2007	$ 36,037

Foreign Currency translation effects have been included in the applicable lines detailed above.

NOTE 13 - BENEFIT PLANS

Substantially all of the employees of the Company and its subsidiaries are covered by government or Company-sponsored benefit plans. Total costs for Company-sponsored defined benefit, defined contribution and employee stock ownership plans amounted to $20.9 million in 2007, $19.2 million in 2006 and $17.7 million in 2005.

In September 2006, the FASB issued SFAS No. 158 ("SFAS 158"), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans." SFAS 158, which is an amendment of SFAS No. 87, 88, 106 and 132(R), requires the Company to report the funded status of its defined benefit pension and other postretirement benefit plans on its balance sheets as a net liability or asset as of December 31, 2006. The Company adopted SFAS 158 for the December 31, 2006 year end using the prospective method as required by the statement.

Using the prospective recognition of the funded status of the Company's defined benefit pension plans and other postretirement benefit plans to record the previously unrecognized transition obligation, unrecognized prior service cost, and unrecognized net actuarial gains and losses on a tax effected basis had the following impact on the Company's balance sheet in 2006: a decrease in long-term assets of $4.7 million, an increase in short-term liabilities of $4.0 million, an increase in long-term liabilities of $6.2 million and a net decrease to accumulated other comprehensive income of $14.9 million.

In 2007, the Company early adopted the provision of SFAS 158 that requires the alignment of the measurement date and the year-end balance sheet date. The Company adopted this provision for the 2007 fiscal year with the only impact being to the Swiss pension plan which has been measured as of September 30 in prior years. As allowed under SFAS 158, the Company computed the net benefit expense for the period from the early measurement date of September 30, 2006 through December 31, 2007 which is the end of the fiscal year of adoption. The Company recognized three months of the net benefit expense as an adjustment to retained earnings in 2007. The net of tax adjustment to retained earnings is $0.4 million.

Defined Contribution Plans

In December, 2006 the Board of Directors amended the DENTSPLY Employee Stock Ownership Plan (“ESOP”) and 401(k) plans to redesign the future distribution of allocations of “Covered Compensation”, with a targeted 3% going into the ESOP in Company stock and a targeted 3% going into the 401(k) as a Non-Elective Contribution (“NEC”) in cash. The principal driver of this redesign is to provide quicker diversification opportunity to the participants as the investment of the NEC is participant directed. The Company sponsors an employee 401(k) savings plan for its United States workforce to which enrolled participants may contribute up to IRS defined limits. The annual expense and cash contribution to the 401(k) is expected to be $4.9 million for 2007.

The ESOP is a non-contributory defined contribution plan that covers substantially all of the United States based non-union employees of the Company. Contributions to the ESOP, net of forfeitures, are expected to be $0.2 million for 2007 (to be contributed in the first quarter of 2008), and were $0.4 million for 2006 (contributed in the first quarter of 2007), and $4.3 million for 2005. Beginning in 2005, annual contributions to the ESOP are made in the first quarter of the subsequent year based upon “Covered Compensation” at a rate determined annually by the Board of Directors. Prior to 2005, the Company made annual contributions to the ESOP of not less than the amounts required to service ESOP debt, which was extinguished in 2004. In connection with the refinancing of ESOP debt in March 1994, the Company agreed to make additional cash contributions totaling at least $0.6 million through 2003. Dividends received by the ESOP on allocated shares are either reinvested in participants’ accounts or passed through to Plan participants, at the participant’s election. Most ESOP shares were initially pledged as collateral for its debt. As the debt was repaid, shares were released from collateral and allocated to active employees based on the proportion of debt service paid in the year. At December 31, 2005, the ESOP held 5.0 million shares, all of which were allocated to plan participants as the ESOP debt was fully repaid in 2004. Shares acquired prior to December 31, 1992 are accounted for in accordance with Statement of Position (“SOP”) 76-3, “Accounting Practices for Certain Employee Stock Ownership Plans.” Accordingly, all shares held by the ESOP are considered outstanding and are included in the earnings per common share computations.

All future ESOP allocations will come from a combination of forfeited shares and shares acquired in the open market. The Company has targeted future ESOP allocations at 3% of “Covered Compensation.” The share allocation will be accounted at fair value at the point of allocation, each year-end, in accordance with SOP 93-6, “Employers' Accounting for Employee Stock Ownership Plans.”

Defined Benefit Plans

The Company maintains a number of separate contributory and non-contributory qualified defined benefit pension plans and other postretirement medical plans for certain union and salaried employee groups in the United States. Pension benefits for salaried plans are based on salary and years of service; hourly plans are based on negotiated benefits and years of service. Annual contributions to the pension plans are sufficient to satisfy legal funding requirements. Pension plan assets are held in trust and consist mainly of common stock and fixed income investments. The U.S. plans are funded in excess of the funding required by the U.S. Department of Labor.

The Company maintains defined benefit pension plans for its employees in Germany, Japan, the Netherlands, Switzerland and Taiwan. These plans provide benefits based upon age, years of service and remuneration. Substantially all of the German plans are unfunded book reserve plans. Other foreign plans are not significant individually or in the aggregate. Most employees and retirees outside the United States are covered by government health plans.

Postretirement Healthcare

The plans for postretirement healthcare have no plan assets. The postretirement healthcare plans cover certain union and salaried employee groups in the United States and is contributory, with retiree contributions adjusted annually to limit the Company’s contribution for participants who retired after June 1, 1985. The Company also sponsors unfunded non-contributory postretirement medical plans for a limited number of union employees and their spouses and retirees of a discontinued operation.

Reconciliations of changes in the defined benefit and postretirement healthcare plans' benefit obligations, fair value of assets and statement of funded status are as follows:

	Pension Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
	2007	2006	2007	2006
	(in thousands)			
Change in Benefit Obligation				
Benefit obligation - beginning of year	$ 172,120	$ 151,847	$ 9,377	$ 10,317
Service cost	6,796	6,597	41	74
Interest cost	7,094	5,881	573	596
Participant contributions	2,575	1,907	704	798
Actuarial (gains) losses	(19,424)	(1,721)	466	68
Amendments	(100)	403	-	-
Divestitures	223	373	-	-
Effects of exchange rate changes	14,583	13,996	-	-
Foreign plan additions	371	-	-	-
Change to measurement date	1,111	-	-	-
Benefits paid	(8,715)	(7,163)	(741)	(2,476)
Benefit obligation - end of year	$ 176,634	$ 172,120	$ 10,420	$ 9,377
Change in Plan Assets				
Fair value of plan assets -beginning of year	$ 75,588	$ 68,357	$ -	$ -
Actual return on assets	6,356	2,348	-	-
Effects of exchange rate changes	5,758	2,953	-	-
Employer contributions	9,096	7,186	37	1,678
Participant contributions	2,575	1,907	704	798
Benefits paid	(8,715)	(7,163)	(741)	(2,476)
Fair value of plan assets - end of year	$ 90,658	$ 75,588	$ -	$ -
Funded status - end of year	$ (85,976)	$ (96,532)	$ (10,420)	$ (9,377)

The amounts recognized in the accompanying consolidated balance sheet, net of tax effects, are as follows:

	December 31,		December 31,	
	2007	2006	2007	2006
	(in thousands)			
Other noncurrent assets	$ 9,755	$ 1,340	$ -	$ -
Deferred tax asset	4,117	11,071	948	708
Total assets	$ 13,872	$ 12,411	$ 948	$ 708
Current liabilities	(3,347)	(2,833)	(1,061)	(1,153)
Long-term liabilities	(92,384)	(95,039)	(9,359)	(8,224)
Deferred tax liability	(211)	(146)	-	-
Total liabilities	$ (95,942)	$ (98,018)	$ (10,420)	$ (9,377)
Accumulated other comprehensive loss	7,890	22,069	1,508	1,126
Net amount recognized	$ (74,180)	$ (63,538)	$ (7,964)	$ (7,543)

Amounts recognized in accumulated other comprehensive income ("AOCI") consist of:

	Pension Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
(in thousands)	2007	2006	2007	2006
Net actuarial loss	$ 10,643	$ 31,354	$ 2,456	$ 2,220
Net prior service cost (credit)	581	842	-	(386)
Net transition obligation	572	798	-	-
Pretax AOCI	$ 11,796	$ 32,994	$ 2,456	$ 1,834
Less deferred taxes	3,906	10,925	948	-
Less taxes for rate change	-	-	-	708
Post tax AOCI	$ 7,890	$ 22,069	$ 1,508	$ 1,126

The accumulated benefit obligation for all defined benefit pension plans was $161.8 million and $160.2 million at December 31, 2007 and 2006, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

	December 31,	
(in thousands)	2007	2006
Projected benefit obligation	$ 118,923	$ 117,034
Accumulated benefit obligation	104,079	105,148
Fair value of plan assets	23,193	19,162

Components of net periodic benefit cost and other amounts recognized in accumulated other comprehensive income:

(in thousands)	Pension Benefits			Other Postretirement Benefits		
Net periodic benefit cost	2007	2006	2005	2007	2006	2005
Service cost	$ 6,796	$ 6,597	$ 5,425	$ 42	$ 74	$ 79
Interest cost	7,094	5,887	5,905	573	596	678
Expected return on assets	(4,115)	(3,771)	(3,491)	-	-	-
Amortization of actuarial losses	217	209	248	-	-	-
Amortization of prior service	148	117	171	(386)	(685)	(685)
Amortization of net loss	1,224	1,135	527	229	224	274
Net periodic benefit cost	$ 11,364	$ 10,174	$ 8,785	$ 458	$ 209	$ 346

Other changes in plan assets and benefit obligations recognized in accumulated other comprehensive income:

	Pension Benefits			Other Postretirement Benefits		
(in thousands)	2007	2006	2005	2007	2006	2005
Net actuarial loss	$ (19,487)	$ 10,879	$ 17,196	$ 466	$ 2,444	$ -
Net prior service (credit) cost	(113)	1,089	-	-	(1,071)	-
Net transition obligation	(9)	1,007	-	-	-	-
Amortization	(1,589)	(1,461)	(527)	156	461	-
Total recognized in AOCI	$ (21,198)	$ 11,514	$ 16,669	$ 622	$ 1,834	$ -
Total recognized in net periodic benefit cost and AOCI	$ (9,834)	$ 21,688	$ 25,454	$ 1,080	$ 2,043	$ 346

The estimated net loss, prior service cost, and transition obligation for the defined benefit plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are $0.2 million, $0.1 million and $0.2 million, respectively. The estimated net loss and prior service credit for the other postretirement plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is $0.1 million.

The weighted average assumptions used to determine benefit obligations for the Company's plans, principally in foreign locations, are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2007	2006	2005	2007	2006	2005
Discount rate	5.0%	4.1%	3.7%	6.3%	5.8%	5.5%
Rate of compensation increase	2.8%	2.6%	2.5%	n/a	n/a	n/a
Health care cost trend	n/a	n/a	n/a	9.0%	9.0%	9.5%
Ultimate health care cost trend	n/a	n/a	n/a	5.0%	5.0%	5.0%
Years until ultimate trend is reached	n/a	n/a	n/a	9.0	8.0	9.0

The weighted average assumptions used to determine net periodic benefit cost for the Company's plans, principally in foreign locations, are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2007	2006	2005	2007	2006	2005
Discount rate	4.1%	3.7%	4.3%	5.8%	5.5%	6.0%
Expected return on plan assets	5.3%	5.3%	5.4%	n/a	n/a	n/a
Rate of compensation increase	2.7%	2.5%	2.2%	n/a	n/a	n/a
Health care cost trend	n/a	n/a	n/a	9.0%	9.5%	9.5%
Ultimate health care cost trend	n/a	n/a	n/a	5.0%	5.0%	5.0%
Years until ultimate trend is reached	n/a	n/a	n/a	9.0	8.0	9.0
Measurement Date	12/31/2007	12/31/2006	12/31/2005	12/31/2007	12/31/2006	12/31/2005

Assumed health care cost trend rates have an impact on the amounts reported for postretirement benefits. A one percentage point change in assumed healthcare cost trend rates would have the following effects for the year ended December 31, 2007:

	Other Postretirement Benefits	
	1% Increase	1% Decrease
	(in thousands)	
Effect on total of service and interest cost components	$ 49	$ (42)
Effect on postretirement benefit obligation	669	(586)

Plan Assets:

The weighted average asset allocations of the plans at December 31, 2007 and 2006 by asset category are as follows:

	Target	December 31,	
	Allocation	2007	2006
Equity	30%-65%	32%	33%
Debt	30%-65%	46%	47%
Real estate	0%-15%	4%	3%
Other	0%-25%	18%	17%
Total		100%	100%

Equity securities do not include Company stock of DENTSPLY International Inc. The expected return on plan assets is the weighted average long-term expected return based upon asset allocations and historic average returns for the markets where the assets are invested, principally in foreign locations.

Cash Flows:

The Company expects to contribute less than $0.1 million to its U.S. defined benefit pension plans, $0.3 million to its postretirement medical plans, and $4.5 million to its other postretirement benefit plans in 2008.

Estimated Future Benefit Payments:

	Pension Benefits	Other Postretirement Benefits
	(in thousands)	
2008	$ 6,980	$ 1,061
2009	7,009	1,007
2010	8,384	992
2011	8,362	997
2012	8,270	974
2013-2017	50,388	3,960

NOTE 14 – RESTRUCTURING, IMPAIRMENT AND OTHER COSTS

	Year Ended December 31,		
	2007	2006	2005
	(in thousands)		
Restructuring costs	$ 6,436	$ 12,032	$ 3,095
Reversal of restructuring charges due to changes in estimates	(1,082)	(797)	(1,168)
Impairment of assets	190	-	230,828
Other costs (income)	4,983	(3,428)	-
Total restructuring, impairment and other costs	$ 10,527	$ 7,807	$ 232,755

Restructuring Costs

2007 Plans

During 2007, the Company initiated several restructuring plans primarily related to the closure and consolidation of certain production and selling facilities in the United States, Europe, China and South America in order to better leverage the Company's resources by reducing costs and obtaining operational efficiencies. The plans include the elimination of approximately 55 positions, with 21 of these positions having been eliminated as of December 31, 2007. The major components of these charges and the remaining outstanding balances at December 31, 2007 are as follows:

	2007 Provisions	Amounts Applied 2007	Change in Estimate 2007	Balance December 31, 2007
	(in thousands)			
Severance	$ 1,535	$ (570)	$ (40)	$ 925
Lease/contract terminations	106	(12)	(94)	-
Other restructuring costs	829	(714)	(63)	52
	$ 2,470	$ (1,296)	$ (197)	$ 977

2006 Plans

During 2006, the Company initiated several restructuring plans primarily related to the closure and consolidation of certain production and selling facilities in the United States and Europe in order to better leverage the Company's resources by reducing costs and obtaining operational efficiencies. The plans include the elimination of approximately 120 positions, with 115 of these positions having been eliminated as of December 31, 2007. The major components of these charges and the remaining outstanding balances at December 31, 2007 are as follows:

	2006 Provisions	2007 Provisions	Amounts Applied 2007	Change in Estimate 2007	Balance December 31, 2007
			(in thousands)		
Severance	$ 2,205	$ 517	$ (1,962)	$ (253)	$ 507
Lease/contract terminations	-	47	(47)	-	-
Other restructuring costs	73	2,933	(2,368)	(432)	206
	$ 2,278	$ 3,497	$ (4,377)	$ (685)	$ 713

2005 Plans

During 2005, the Company initiated several restructuring plans including the shutdown of the pharmaceutical manufacturing facility outside of Chicago. In addition, these costs related to the consolidation of certain United States production facilities in order to better leverage the Company's resources by reducing costs and obtaining operational efficiencies. The plans include the elimination of approximately 155 administrative and manufacturing positions, all within the United States, with 150 of these positions having been eliminated as of December 31, 2007. The Company does not expect any significant future expenditures related to these plans. The major components of the restructuring charges incurred and the remaining outstanding balances at December 31, 2007 are as follows:

	2005 Provisions	2006 Provisions	Amounts Applied 2006	Change in Estimate 2006	2007 Provisions	Amounts Applied 2007	Change in Estimate 2007	Balance December 31, 2007
				(in thousands)				
Severance	$ 2,400	$ 3,570	$ (4,420)	$ (523)	$ 353	$ (877)	$ (82)	$ 421
Lease/contract terminations	-	184	(184)	-	18	(18)	-	-
Other restructuring costs	-	5,882	(5,882)	-	57	(13)	(44)	-
	$ 2,400	$ 9,636	$(10,486)	$ (523)	$ 428	$ (908)	$ (126)	$ 421

2004 Plans

During 2004, the Company initiated several restructuring plans primarily related to the creation of a European Shared Services Center in Yverdon, Switzerland, which resulted in the identification of redundant personnel in the Company's European accounting functions. In addition, these costs related to the consolidation of certain sales/customer service and distribution facilities in Europe and Japan. The primary objective of these restructuring initiatives is to improve operational efficiencies and to reduce costs within the related businesses. The plans include the elimination of approximately 105 administrative and manufacturing positions primarily in Germany. Certain of these positions need to be replaced at the European Shared Services Center and therefore the net reduction in positions is expected to be 52. As of December 31, 2007, 43 of these positions have been eliminated. The Company does not expect any significant future expenditures related to these plans. The major components of these charges and the remaining outstanding balances at December 31, 2007 are as follows:

	2004 Provisions	Amounts Applied 2004	2005 Provisions	Change in Estimate 2005	Amounts Applied 2005	2006 Provisions	Amounts Applied 2006	Change in Estimate 2006	Balance December 31, 2006
					(in thousands)				
Severance	$ 4,877	$ (583)	$ 322	$(1,168)	$ (1,740)	$ 118	$ (632)	$ (274)	$ 920
Lease/contract terminations	881	-	190	-	(435)	-	(204)	-	432
	$ 5,758	$ (583)	$ 512	$(1,168)	$ (2,175)	$ 118	$ (836)	$ (274)	$ 1,352

	Balance December 31, 2006	2007 Provisions	Amounts Applied 2007	Change in Estimate 2007	Balance December 31, 2007
			(in thousands)		
Severance	$ 920	$ 41	$ (198)	$ (74)	$ 689
Lease/contract terminations	432	-	(180)	-	252
	$ 1,352	$ 41	$ (378)	$ (74)	$ 941

Other Income (Costs)

During the year ended December 31, 2007, the Company recorded a net charge of $5.0 million related to several legal claims.

During the third quarter of 2006, the Company sold the land, buildings, machinery and equipment previously associated with the Chicago based pharmaceutical manufacturing facility in exchange for cash of $3.0 million and a long-term note receivable with a fair value of $9.8 million. The Company had announced in early 2006 that it would be closing the pharmaceutical manufacturing facility (see also 2005 Plans under Restructuring Costs). This sale resulted in the recognition of a gain of $2.9 million. The assets sold in this transaction had been classified as available for sale beginning in the first quarter of 2006, and as such had been included in Prepaid and other current assets at their fair value less cost to sell of $9.9 million.

Additionally, during the fourth quarter of 2006, the Company sold land and buildings related to a German manufacturing facility in exchange for 4.3 million euros (approximately $5.5 million). This facility was closed down in 1998 as part of a restructuring plan. The sale resulted in a gain of 0.8 million euros (approximately $1.0 million). The assets sold in this transaction were classified as fixed assets due to uncertainty related to when these assets would be sold.

During 2006, the Company also recorded a charge of $0.5 million associated with a pension settlement related to the Gendex business that was sold in 2004.

NOTE 15 – FINANCIAL INSTRUMENTS AND DERIVATIVES

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. The Company believes the carrying amounts of cash and cash equivalents, short-term investments, accounts receivable (net of allowance for doubtful accounts), prepaid expenses and other current assets, accounts payable, accrued liabilities, income taxes payable and notes payable approximate fair value due to the short-term nature of these instruments. The Company estimates the fair value and carrying value of its total long-term debt was $482.3 million as of December 31, 2007. The fair value of the Company's long-term debt equaled its carrying value as the Company's debt is variable rate and reflects current market rates. The interest rates on private placement notes, revolving debt and commercial paper are variable and therefore the fair value of these instruments approximates their carrying values.

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 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 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 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

	Year Ended December 31	
Net of Tax	2007	2006
	(in thousands)	
Beginning Balance	$ (3,003)	$ (5,856)
Changes in fair value of derivatives	(235)	581
Reclassifications to earnings from equity	1,665	2,272
Total activity	1,430	2,853
Ending Balance	$ (1,573)	$ (3,003)

The Company uses interest rate swaps to convert a portion of its variable rate debt to fixed rate debt. As of December 31, 2007, the Company has three groups of significant variable rate to fixed rate 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 rate of 1.6% for a term of ten years, ending in March 2012. Another swap has a notional amount of 65.0 million Swiss francs, and effectively converts the underlying variable interest rates to a fixed rate of 4.2% for a term of seven years, ending in March 2012. A third group of swaps has a notional amount of $150.0 million, and effectively converts the underlying variable interest rates to a fixed rate of 3.9% for a term of two years, ending March, 2010.

The Company selectively enters into commodity swaps to effectively fix certain variable raw material costs. At December 31, 2007, the Company had swaps in place to purchase 540 troy ounces of platinum bullion for use in the production of its impression material products. The average fixed rate of this agreement is $1,283.92 per troy ounce. In addition, the Company had swaps in place to purchase 90,000 troy ounces of silver bullion for use in the production of its amalgam products at an average fixed rate of $12.37 per troy ounce. The Company generally may hedge up to 80% of its projected annual needs related to these products.

The Company enters into forward exchange contracts to hedge the foreign currency exposure of its anticipated purchases of certain inventory from Japan. 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. The Company generally may hedge up to 80% of its anticipated purchases from the supplying locations.

As of December 31, 2007, $2.1 million of deferred net gains on derivative instruments recorded in accumulated other comprehensive income 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-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.

Hedges of Net Investments in Foreign Operations

	Year Ended December 31	
Net of Tax	2007	2006
	(in thousands)	
Beginning Balance	$ 105,778	$ 77,381
Foreign currency translation adjustment	114,656	88,984
Changes in fair value of foreign currency debt	(8,424)	(9,857)
Changes in fair value of derivatives	(55,220)	(50,730)
Total activity	51,012	28,397
Ending Balance	$ 156,790	$ 105,778

The Company has numerous investments in foreign subsidiaries. The net assets of these subsidiaries are exposed to volatility in 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.

In the first quarter of 2005, the Company entered into cross currency interest rate swaps with a notional principal value of Swiss francs 457.5 million paying three month Swiss franc Libor and receiving three month U.S. dollar Libor on $384.5 million. In the first quarter of 2006, the Company entered into additional cross currency interest rate swaps with a notional principal value of Swiss francs 55.5 million paying three month Swiss franc Libor and receiving three month U.S. dollar Libor on $42.0 million. In the fourth quarter of 2006, the Company entered into additional cross currency interest rate swaps with a notional principal value of Swiss francs 80.4 million paying three month Swiss franc Libor and receiving three month U.S. dollar Libor on $64.4 million. In the first quarter of 2007, the Company entered into additional cross currency interest rate swaps with a notional principal value of Swiss francs 56.6 million paying three month Swiss franc Libor and receiving three month U.S. dollar Libor on $46.3 million. Additionally, in the fourth quarter of 2005, the Company entered into cross currency interest rate swaps with a notional principal value of Euro 358.0 million paying three month Euro Libor and receiving three month U.S. dollar Libor on $419.7 million. The Swiss franc and Euro cross currency interest rate 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 accumulated other comprehensive income, net of tax effects.

The fair value of these cross currency interest rate swap agreements is the estimated amount the Company would (pay) receive at the reporting date, taking into account the effective interest rates and foreign exchange rates. As of December 31, 2007 and December 31, 2006, the estimated net fair values of the swap agreements were negative $138.1 million and negative $48.1 million, respectively, which are recorded in accumulated other comprehensive income, net of tax effects, other noncurrent liabilities and other noncurrent assets.

At December 31, 2007 and 2006, the Company had Euro-denominated, Swiss franc-denominated, and Japanese yen-denominated debt and cross currency interest rate swaps (at the parent company level) to hedge the currency exposure related to a designated portion of the net assets of its European, Swiss and Japanese subsidiaries. At December 31, 2007 and 2006, 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 $156.8 million and $105.8 million, respectively, which are included in accumulated other comprehensive income, net of tax effects.

Other

As of December 31, 2007, on a pre-tax basis, the Company had recorded assets representing the fair value of derivative instruments of $3.7 million in “Prepaid expenses and other current assets” and $0.1 million in “Other noncurrent assets” and liabilities representing the fair value of derivative instruments of $2.9 million in “Accrued liabilities” and $142.5 million in “Other noncurrent liabilities.” The aggregate pre-tax net fair value of the Company's derivative instruments at December 31, 2007 and 2006 was negative $141.6 million and negative $53.4 million, respectively.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Leases

The Company leases automobiles and machinery and equipment and certain office, warehouse and manufacturing facilities under non-cancelable operating leases. These leases generally require the Company to pay insurance, taxes and other expenses related to the leased property. Total rental expense for all operating leases was $27.4 million for 2007, $23.4 million for 2006 and $23.0 million for 2005.

Rental commitments, principally for real estate (exclusive of taxes, insurance and maintenance), automobiles and office equipment are as follows (in thousands):

2008	$ 24,039
2009	16,142
2010	9,718
2011	6,374
2012	4,581
2013 and thereafter	6,919
	$ 67,773

Litigation

On January 5, 1999, the Department of Justice filed a Complaint against the Company in the United States 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 preventing DENTSPLY from taking action to restrict its tooth dealers from adding new competitive teeth lines. This decision relates only to the distribution of artificial teeth in the United States and, notwithstanding the outcome of this case, the Company is confident that it can continue to develop this business.

Subsequent to the filing of the Department of Justice Complaint in 1999, several private party class actions were filed based on allegations similar to those in the Department of Justice case, on behalf of dental laboratories and denture patients in seventeen states who purchased Trubyte teeth or products containing Trubyte teeth. These cases were transferred to the United States District Court in Wilmington, Delaware. The Court granted the Company’s Motion on the lack of standing of the laboratory and patient class actions to pursue damage claims. The Plaintiffs in the laboratory case 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 in the laboratory case 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. DENTSPLY and the dealers filed Motions to dismiss Plaintiffs’ claims, except for the resale price maintenance claims. The District Court has granted the Motions filed by DENTSPLY and the dealers, leaving only the resale price maintenance claim. The Plaintiffs have appealed the dismissal of their claims to the Third Circuit. Additionally, manufacturers of two competitive tooth lines and a dealer, as a putative class action, have filed separate actions seeking unspecified damages alleged to have been incurred as a result of the Company’s tooth distribution practice found to be a violation of the antitrust law.

On March 27, 2002, a Complaint was filed in Alameda County, California (which was transferred to Los Angeles County) by Bruce Glover, DDS alleging, inter alia, breach of express and implied warranties, fraud, unfair trade practices and negligent misrepresentation in the Company's manufacture and sale of Advance® cement. The Judge entered an Order granting class certification, as an opt-in class, which was later converted to an opt-out class. In general, the Class is defined as California dentists who purchased and used Advance® cement and were required, because of failures of the cement, to repair or reperform dental procedures for which they were not paid. The parties entered a settlement agreement, which was approved by the Court at a fairness hearing on June 15, 2007. The settlement establishes a procedure by which dentists, who believe they were required to perform dental work because of a problem caused by Advance® cement, can submit claims for review and reimbursement of unpaid fees. The Company's primary level insurance carrier has confirmed coverage for claims in this matter up to one million dollars, their asserted policy limits. Litigation is pending with the Company's excess insurance carrier regarding the level and coverage of its insurance for this case.

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 have appealed the decertification of the class to the California Court of Appeals.

On December 12, 2006, a Complaint was filed by Carole Hildebrand, DDS and Robert Jaffin, DDS in the Eastern District of PA. 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 based on assertions that the Company's Cavitron® ultrasonic scaler was sold in breach of contract and warranty arising from misrepresentations about the potential uses of the product because it cannot deliver potable or sterile water. The Complaint seeks a refund of the purchase price paid for Cavitron® ultrasonic scalers. Plaintiffs have filed their Motion for class certification to which the Company has filed its response.

Other

The Company has no material non-cancelable purchase commitments.

The Company has employment agreements with its executive officers. These agreements generally provide for salary continuation for a specified number of months under certain circumstances. If all of the employees under contract were to be terminated by the Company without cause, as defined in the agreements, the Company's liability would be approximately $10.5 million at December 31, 2007.

NOTE 17 - QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Dentsply International Inc.

Quarterly Financial Information (Unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Rounding	Total Year
			(in thousands, except per share amounts)			
2007						
Net sales	$472,864	$ 507,362	$ 488,103	$ 541,504	$ -	$ 2,009,833
Gross profit	246,278	268,784	252,990	272,731	-	1,040,783
Operating income	81,211	93,493	82,590	97,597	-	354,891
Net income	58,472	65,433	65,719	70,030	-	259,654
Earnings per common share - basic	$ 0.38	$ 0.43	$ 0.43	$ 0.46	$ 0.01	$ 1.71
Earnings per common share - diluted	$ 0.38	$ 0.42	$ 0.42	$ 0.45	$ 0.01	$ 1.68
Cash dividends declared per common share	$ 0.0400	$ 0.0400	$ 0.0400	$ 0.0450	$ -	$ 0.1650
2006						
Net sales	$430,996	$ 472,444	$ 435,725	$ 471,331	$ -	$ 1,810,496
Gross profit	220,136	242,154	225,911	240,810	-	929,011
Operating income	70,008	86,592	78,539	79,655	-	314,794
Net income	50,004	59,316	49,449	64,949	-	223,718
Earnings per common share - basic	$ 0.32	$ 0.38	$ 0.32	$ 0.42	$ -	$ 1.44
Earnings per common share - diluted	$ 0.31	$ 0.37	$ 0.31	$ 0.42	$ -	$ 1.41
Cash dividends declared per common share	$ 0.0350	$ 0.0350	$ 0.0350	$ 0.0400	$ -	$ 0.1450

Sales, excluding precious metal content, were $423.3 million, $462.1 million, $445.3 million and $489.2 million, respectively, for the first, second, third and fourth quarters of 2007. Sales, excluding precious metal content, were $383.4 million, $423.5 million, $394.9 million and $421.3 million, respectively, for the first, second, third and fourth quarters of 2006. This measurement should be considered a non-GAAP measure as discussed further in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Supplemental Stock Information

On May 10, 2006, the Company announced that its Board of Directors declared a two-for-one stock split in the form of a stock dividend. This stock split became effective on July 17, 2006 and has been retroactively reflected for all periods presented in this Annual Report on Form 10-K.

The common stock of the Company is traded on the NASDAQ National Market under the symbol “XRAY.” The following table sets forth high, low and closing sale prices of the Company's common stock for the periods indicated as reported on the NASDAQ National Market:

	Market Range of Common Stock		Period-end Closing Price	Cash Dividend Declared
	High	Low		
2007				
First Quarter	$ 33.35	$ 29.44	$ 32.75	$ 0.04000
Second Quarter	38.73	32.50	38.26	0.04000
Third Quarter	41.90	35.32	41.64	0.04000
Fourth Quarter	47.84	40.06	45.02	0.04500
2006				
First Quarter	$ 29.23	$ 26.07	$ 29.08	$ 0.03500
Second Quarter	31.50	27.72	30.30	0.03500
Third Quarter	30.42	29.12	30.11	0.03500
Fourth Quarter	32.68	29.63	29.85	0.04000
2005				
First Quarter	$ 29.20	$ 25.83	$ 27.21	$ 0.03000
Second Quarter	28.97	26.34	27.00	0.03000
Third Quarter	27.97	25.43	27.01	0.03000
Fourth Quarter	29.22	25.37	26.85	0.03500

The Company estimates, based on information supplied by its transfer agent, that there are 476 holders of record of the Company’s common stock. Approximately 97,000 holders of the Company’s common stock are “street name” or beneficial holders, whose shares are held of record by banks, brokers and other financial institutions.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DENTSPLY INTERNATIONAL INC.

By: /s/ Bret W. Wise
Bret W. Wise
Chairman of the Board, President and
Chief Executive Officer

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

/s/	Bret W. Wise Bret W. Wise Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	February 25, 2008 Date
/s/	William R. Jellison William R. Jellison Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 25, 2008 Date
/s/	John C. Miles II John C. Miles II Director	February 25, 2008 Date
/s/	Dr. Michael C. Alfano Dr. Michael C. Alfano Director	February 25, 2008 Date
/s/	Eric K. Brandt Eric K. Brandt Director	February 25, 2008 Date
/s/	Paula H. Cholmondeley Paula H. Cholmondeley Director	February 25, 2008 Date
/s/	Michael J. Coleman Michael J. Coleman Director	February 25, 2008 Date

/s/	William F. Hecht William F. Hecht Director	February 25, 2008 Date
/s/	Leslie A. Jones Leslie A. Jones Director	February 25, 2008 Date
/s/	Wendy L. Dixon Wendy L. Dixon Director	February 25, 2008 Date
/s/	Francis J. Lunger Francis J. Lunger Director	February 25, 2008 Date
/s/	W. Keith Smith W. Keith Smith Director	February 25, 2008 Date

DENTSPLY INTERNATIONAL INC.

$150,000,000 Floating Rate Senior Notes
due March 13, 2010

NOTE PURCHASE AGREEMENT

DATED AS OF MARCH 13, 2007

DENTSPLY INTERNATIONAL INC.
221 WEST PHILADELPHIA STREET
YORK, PENNSYLVANIA 17405-0872

$150,000,000 FLOATING RATE SENIOR NOTES
DUE MARCH 13 2010

Dated as of
March 13, 2007

TO THE PURCHASERS LISTED IN
THE ATTACHED SCHEDULE A:

Ladies and Gentlemen:

DENTSPLY INTERNATIONAL INC., a Delaware corporation (the "*Company*"), agrees with the Purchasers listed in the attached Schedule A (the "*Purchasers*") to this Note Purchase Agreement (this "*Agreement*") as follows:

Section 1.1. Description of Notes The Company will authorize the issue and sale of the following Senior Notes:

Issue	Series and/or Tranche	Aggregate Principal Amount	Interest Rate	Maturity Date
Senior Notes	N/A	$150,000,000	Floating Rate	March 13, 2010

The Senior Notes described above are referred to as the "*Notes*" (such term shall also include any such notes issued in substitution therefore pursuant to Section 13 of this Agreement). The Notes shall be substantially in the form set out in Exhibit 1, with such changes therefrom, if any, as may be approved by the Purchasers and the Company. Certain capitalized terms used in this Agreement are defined in Schedule B; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

Section 1.2. Interest Rate (a) The Notes shall bear interest (computed on the basis of a 360-day year and actual days elapsed) on the unpaid principal thereof from the date of issuance at a floating rate equal to the Adjusted LIBOR Rate from time to time, payable quarterly on the 13th day of March, June, September and December in each year and at maturity, commencing on June 13, 2007, until such principal sum shall have become due and payable (whether at maturity, upon

notice of prepayment or otherwise) (each such date being referred to herein as an "*Interest Payment Date*") and interest (so computed) on any overdue principal from the due date thereof (whether by acceleration or otherwise) at the Default Rate until paid.

The Adjusted LIBOR Rate for the Notes shall be determined by the Company, and notice thereof shall be given to the holders of the Notes, within three Business Days after the beginning of each Interest Period, together with a copy of the relevant screen used for the determination of LIBOR, a calculation of Adjusted LIBOR Rate for such Interest Period, the number of days in such Interest Period, the date on which interest for such Interest Period will be paid and the amount of interest to be paid to each holder of Notes on such date. In the event that the holders of more than 50% in aggregate principal amount of the outstanding Notes do not concur with such determination by the Company, within ten Business Days after receipt by such holders of the notice delivered by the Company pursuant to the immediately preceding sentence, such holders of the Notes shall provide notice to the Company, together with a copy of the relevant screen used for the determination of LIBOR, a calculation of Adjusted LIBOR Rate for such Interest Period, the number of days in such Interest Period, the date on which interest for such Interest Period will be paid and the amount of interest to be paid to each holder of Notes on such date, and any such determination made in accordance with the provisions of this Agreement, shall be presumptively correct absent manifest error.

(b) If, during a Transition Period, the Consolidated Debt to Consolidated EBITDA ratio exceeds 3.5 to 1.00, as evidenced by an Officer's Certificate delivered pursuant to Section 7.2(a), the Adjusted LIBOR Rate payable on the Notes shall be increased by 0.25%, commencing on the first day of the first fiscal quarter following the fiscal quarter in respect of which such Certificate was delivered and continuing until the Company has provided an Officer's Certificate pursuant to Section 7.2(a) demonstrating that, as of the end of the fiscal quarter in respect of which such Certificate is delivered, the Consolidated Debt to Consolidated EBITDA ratio is not more than 3.5 to 1.0. Following delivery of an Officer's Certificate demonstrating that the Consolidated Debt to Consolidated EBITDA ratio did not exceed 3.5 to 1.0, the additional 0.25% interest shall cease to accrue or be payable for any fiscal quarter subsequent to the fiscal quarter in respect of which such Certificate is delivered.

SECTION 2. SALE AND PURCHASE OF NOTES

Section 2.1. . Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, the Notes in the principal amount specified opposite such Purchaser's name in Schedule A at the purchase price of 100% of the principal amount thereof. The obligations of each Purchaser hereunder are several and not joint obligations and each Purchaser shall have no obligation and no liability to any Person for the performance or nonperformance by any other Purchaser hereunder.

SECTION 3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603 at 10:00 a.m. Central time, at a closing (the "*Closing*") on March 13, 2007 or on such other Business Day thereafter on or prior to March 31, 2007 as may be agreed upon by the Company and the Purchasers. On the Closing Date, the Company will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note (or such greater number of Notes in denominations of at least $100,000 as such Purchaser may request) dated the date of the Closing Date and registered in such Purchaser's name (or in the name of such Purchaser's nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to Account Number 324-019-637, at Chase Manhattan Bank, New York, New York, ABA Number 021000021, in the Account Name of "Dentsply International Inc." If, on the Closing Date, the Company shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to any Purchaser's satisfaction, such Purchaser shall, at such Purchaser's election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

SECTION 4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions applicable to the Closing Date:

Section 4.1. Representations and. The representations and warranties of the Company in this Agreement shall be correct when made and at the time of the Closing.

Section 4.2. Performance; No Default. The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by the Company prior to or at the Closing, and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since February 21, 2007 that would have been prohibited by Section 10 hereof had such Sections applied since such date.

Section 4.3. Compliance Certificates.

(a) *Officer's Certificate of the Company.* The Company shall have delivered to such Purchaser an Officer's Certificate, dated the Closing Date, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) *Secretary's Certificate of the Company.* The Company shall have delivered to such Purchaser a certificate, dated the Closing Date, certifying as to the resolutions attached thereto

and other corporate proceedings relating to the authorization, execution and delivery of the Notes and this Agreement.

Section 4.4. Opinions of Counsel. Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the Closing Date (a) from Brian Addison, Esq., General Counsel of the Company, covering the matters set forth in Exhibit 4.4(a) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinion to the Purchasers) and (b) from Chapman and Cutler LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

Section 4.5. Purchase Permitted By Applicable Law, Etc On the date of the Closing such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.6. Sale of Other Notes. Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in Schedule A.

Section 4.7. Payment of Special Counsel Fees. Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing Date, the reasonable fees, reasonable charges and reasonable disbursements of the Purchasers' special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing Date.

Section 4.8. Private Placement Number. A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for the Notes.

Section 4.9. Changes in Corporate Structure. The Company shall not have changed its jurisdiction of organization, been a party to any merger or consolidation, or shall not have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Section 5.5.

Section 4.10. Funding Instructions. At least three Business Days prior to the date of the Closing, each Purchaser shall have received written instructions signed by a Responsible Officer

on letterhead of the Company confirming the information specified in Section 3 including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Notes is to be deposited.

Section 4.11. Proceedings and Documents. All corporate and other organizational proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be reasonably satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that:

Section 5.1. Organization; Power and Authority The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the Notes and to perform the provisions hereof and thereof.

Section 5.2. Authorization, Etc. This Agreement and the Notes to be issued on the Closing Date have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each such Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3. Disclosure. The documents filed by the Company with the Securities and Exchange Commission (the *"Public Filings"*) fairly describe, in all material respects, the general nature of the business and principal properties of the Company and its Restricted Subsidiaries. This Agreement, the Public Filings, the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Company in connection with the transactions contemplated hereby and the financial statements referred to in Section 5.5, in each case, delivered (or deemed to be delivered by reference to the Public Filings) to the Purchasers prior to February 21, 2007 (this Agreement, the Public Filings and such documents, certificates or other writings and such financial statements being referred to, collectively, as the *"Disclosure Documents"*), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, since December 31,

2006, there has been no change in the financial condition, operations, business or properties of the Company or any of its Restricted Subsidiaries except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that would reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

Section 5.4. Organization and Ownership of Shares of Subsidiaries; Affiliates. (a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Company's Restricted and Unrestricted Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and its Subsidiaries, (ii) of the Company's Affiliates, other than Subsidiaries, and (iii) of the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Material Lien (except as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is a party to, or otherwise subject to, any legal restriction or any agreement (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

Section 5.5. Financial Statements; Material Liabilities. The Company has delivered to each Purchaser copies of the (quarterly and annual) financial statements of the Company and its Subsidiaries contained in the Public Filings for the years 2002 through 2006, inclusive. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Public Filings and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Company and its Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

Section 5.6. Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Company of this Agreement and the Notes will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, or any other agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary, or(c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

Section 5.7. Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement or the Notes.

Section 5.8. Litigation; Observance of Agreements, Statutes and Orders. (a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Restricted Subsidiary or any property of the Company or any Restricted Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Restricted Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws or the USA Patriot Act) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.9. Taxes. The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (a) the amount of which is not individually or in the aggregate Material or (b) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that would reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of federal, state or other taxes for all fiscal periods are adequate. The federal income tax liabilities of the Company and its Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended December 31, 2003.

Section 5.10. Title to Property; Leases. The Company and its Restricted Subsidiaries have good and sufficient title to their respective properties which the Company and its Restricted Subsidiaries own or purport to own, including all such properties reflected as owned in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Restricted Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement, except where the failure to have such title would not have a Material Adverse Effect. All Material leases are valid and subsisting and are in full force and effect in all material respects.

Section 5.11. Licenses, Permits, Etc. Except as disclosed in Schedule 5.11,

(a) the Company and its Restricted Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others except to the extent any such conflict would not have a Material Adverse Effect;

(b) no product of the Company or any of its Restricted Subsidiaries infringes in any Material respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person, except where any such infringement would not have a Material Adverse Effect; and

(c) there is no Material violation by any Person of any right of the Company or any of its Restricted Subsidiaries with respect to any patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by the Company or any of its Restricted Subsidiaries, except where any such violation would not have a Material Adverse Effect.

Section 5.12. Compliance with ERISA. (a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and would not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that would reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to section 401(a)(29) or 412 of the Code or section 4068 of ERISA, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans) and all foreign employee benefit plans, determined as of the end of such Plan's (and such foreign employee benefit plans') most recently ended plan year on the

basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plans (and such foreign employee benefit plans') allocable to such benefit liabilities by more than $96,500,000 in the aggregate for all Plans and all foreign employee benefit plans. The term *"benefit liabilities"* has the meaning specified in section 4001 of ERISA and the terms *"current value"* and *"present value"* have the meaning specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred any withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected post-retirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which a tax would be imposed pursuant to Section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of each Purchaser's representation in Section 6.3 as to the sources of the funds to be used to pay the purchase price of the Notes to be purchased by such Purchaser.

Section 5.13. Private Offering by the Company Neither the Company nor anyone acting on the Company's behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 35 other Institutional Investors, each of which has been offered the Notes in connection with a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

Section 5.14. Use of Proceeds; Margin Regulations. The Company will apply the proceeds of the sale of the Notes for general corporate purposes of the Company. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the terms *"margin stock"* and *"purpose of buying or carrying"* shall have the meanings assigned to them in said Regulation U.

Section 5.15. Existing Debt; Future Liens (a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Debt of the Company and its Restricted Subsidiaries as of December 31, 2006, since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Debt of the Company or its Restricted Subsidiaries. Neither the Company nor any Restricted Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Company or such Restricted Subsidiary, and no event or condition exists with respect to any Debt of the Company or any Restricted Subsidiary, that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Restricted Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.4.

(c) Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Debt of the Company or such Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Debt of the Company, except as specifically indicated in Schedule 5.15.

Section 5.16. Foreign Assets Control Regulations, Etc. (a) Neither the sale of the Notes by the Company hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(b) Neither the Company nor any Subsidiary is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or, to the knowledge of the Company, engages in any dealings or transactions with any such Person. The Company and its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act.

(c) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Company.

*Section 5.17. Status under Certain Statute*s. Neither the Company nor any Restricted Subsidiary is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, or is subject to regulation under the Public

Utility Holding Company Act of 2005, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

Section 5.18. Environmental Matters. (a) Neither the Company nor any Restricted Subsidiary has knowledge of any liability or has received any notice of any liability, and no proceeding has been instituted raising any liability against the Company or any of its Restricted Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them, or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect.

(b) Neither the Company nor any Restricted Subsidiary has knowledge of any facts which would give rise to any liability, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect.

(c) Neither the Company nor any of its Restricted Subsidiaries has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them or has disposed of any Hazardous Materials in each case in a manner contrary to any Environmental Laws in each case in any manner that would reasonably be expected to result in a Material Adverse Effect.

(d) All buildings on all real properties now owned, leased or operated by the Company or any of its Restricted Subsidiaries are in compliance with applicable Environmental Laws, except where failure to comply would not reasonably be expected to result in a Material Adverse Effect.

Section 5.19. Notes Rank Pari Passu. The obligations of the Company under this Agreement and the Notes rank *pari passu* in right of payment with all other senior unsecured Debt (actual or contingent) of the Company, including, without limitation, all senior unsecured Debt of the Company described in Schedule 5.15 hereto.

SECTION 6. REPRESENTATIONS OF THE PURCHASER.

Section 6.1. Purchase for Investment. Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by it or for the account of one or more pension or trust funds and not with a view to the distribution thereof (other than any Notes purchased by Banc of America Securities LLC on the Closing Date which are intended to be resold to a "qualified institutional buyer" pursuant to Rule 144A of the Securities Act), *provided* that the disposition of such Purchaser's or such pension or trust funds' property shall at all times be within such Purchaser's or such pension or trust funds' control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such

registration nor such an exemption is required by law, and that the Company is not required to and the Company has no intent to register the Notes.

Section 6.2. Accredited Investor. Each Purchaser represents that it is an "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act acting for its own account (and not for the account of others) or as a fiduciary or agent for others (which others are also "accredited investors"). Each Purchaser further represents that such Purchaser has had the opportunity to ask questions of the Company and received answers to its satisfaction concerning the terms and conditions of the sale of the Notes.

Section 6.3. Source of Funds. Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a *"Source"*) to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an "insurance company general account" (as the term is defined in the United States Department of Labor's Prohibited Transaction Exemption (*"PTE"*) 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the *"NAIC Annual Statement"*)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an "investment fund" (within the meaning of Part V of PTE 84-14 (the "QPAM Exemption")) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined

with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, as of the last day of its most recent calendar quarter, the QPAM does not own a 10% or more interest in the Company and no person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 20% or more interest in the Company (or less than 20% but greater than 10%, if such person exercises control over the management or policies of the Company by reason of its ownership interest) and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this clause (d); or

(e) the Source constitutes assets of a "plan(s)" (within the meaning of Section IV of PTE 96-23 (the "*INHAM Exemption*")) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV of the INHAM exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Section IV(d) of the INHAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.3, the terms "*employee benefit plan,*" "*governmental plan,*" and "*separate account*" shall have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 7. INFORMATION AS TO COMPANY.

Section 7.1. Financial and Business Information. The Company shall deliver to each holder of Notes that is an Institutional Investor:

(a) *Quarterly Statements* -within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year),

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, *provided* that filing (and providing each holder of Notes written notice of such filing) with the Securities and Exchange Commission within the time period specified above the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) *Annual Statements* -within 105 days after the end of each fiscal year of the Company,

(i) a consolidated balance sheet of the Company and its Subsidiaries, as at the end of such year, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that filing (and providing each holder of Notes written notice of such filing) with the Securities and Exchange Commission within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor shall be deemed to satisfy the requirements of this Section 7.1(b);

(c) *Unrestricted Subsidiaries* -In the event that one or more Unrestricted Subsidiaries shall either (i) own more than 10% of the total consolidated assets of the

Company and its Subsidiaries, or (ii) account for more than 10% of the consolidated gross revenues of the Company and its Subsidiaries, determined in each case in accordance with GAAP, then, within the respective periods provided in Section 7.1(a) and (b) above, the Company shall deliver to each holder of Notes that is an Institutional Investor, unaudited financial statements of the character and for the dates and periods as in said Sections 7.1(a) and (b) covering such group of Unrestricted Subsidiaries (on a consolidated basis), together with a consolidating statement reflecting eliminations or adjustments required to reconcile the financial statements of such group of Unrestricted Subsidiaries to the financial statements delivered pursuant to Sections 7.1(a) and (b);

(d) *SEC and Other Reports* -except for filings referred to in Section 7.1(a) and (b) above, promptly upon their becoming available and, to the extent applicable, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the Securities and Exchange Commission and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material;

(e) *Notice of Default or Event of Default* -promptly, and in any event within five Business Days after a Responsible Officer becomes aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(f) *ERISA Matters* -promptly, and in any event within five Business Days after a Responsible Officer becomes aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in Section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date thereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that would result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the imposition of a penalty or excise tax under the provisions of the Code relating to employee benefit plans, or the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, would reasonably be expected to have a Material Adverse Effect;

(g) *Notices from Governmental Authority* -promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that would reasonably be expected to have a Material Adverse Effect; and

(h) *Requested Information* -with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Notes and if provided by the Company, would not violate any applicable laws, regulations or rules.

Section 7.2. Officer's Certificate At the time each set of financial statements is required to be delivered (or deemed to have been delivered) to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) hereof the Company shall deliver to each holder a certificate of a Senior Financial Officer setting forth:

(a) *Covenant Compliance* -the information required in order to establish whether the Company was in compliance with the requirements of Section 10.1 through Section 10.6 and Section 10.9 hereof, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) *Event of Default* -a statement that such officer has reviewed the relevant terms hereof such review shall not have disclosed the existence during the quarterly or annual period covered by the statements then being furnished of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

Section 7.3. Visitation The Company shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) *No Default* -if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Restricted Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) *Default* -if a Default or Event of Default then exists, at the expense of the Company, to visit and inspect any of the offices or properties of the Company or any Restricted Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

SECTION 8. PAYMENT OF THE NOTES.

Section 8.1. Required Prepayments The entire unpaid principal amount of the Notes shall become due and payable on March 13, 2010.

Section 8.2. Optional Prepayments with Prepayment Premium. The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 10% of the original aggregate principal amount of the Notes to be prepaid in the case of a partial prepayment (or such lesser amount as shall be required to effect a partial prepayment resulting from an offer of prepayment pursuant to Section 10.4), at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment, plus the LIBOR Breakage Amount (unless the date specified for prepayment is an Interest Payment Date) and Prepayment Premium, if any, determined for the prepayment date with respect to such principal amount of each Note then outstanding. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Prepayment Premium, if any, due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes to be prepaid a certificate of a Senior Financial Officer specifying the calculation of each such Prepayment Premium as of the specified prepayment date.

The term *"LIBOR Breakage Amount"* shall mean any loss, cost or expense (other than lost profits) actually incurred by any holder of a Note as a result of any payment or prepayment of any Note on a day other than a regularly scheduled Interest Payment Date for such Note or at the scheduled maturity (whether voluntary, mandatory, automatic, by reason of acceleration or otherwise), and any loss or expense arising from the liquidation or reemployment of funds obtained by it or from fees payable to terminate the deposits from which such funds were obtained, *provided* that any such loss, cost or expense shall be limited to the time period from the date of such prepayment through the earlier of (i) the next interest payment date, or (ii) the maturity date of the Notes. Each holder shall determine the LIBOR Breakage Amount with respect to the principal amount of its Notes then being paid or prepaid (or required to be paid or prepaid) by written notice to the Company that issued such Note setting forth such determination in reasonable detail not less than two Business Days prior to the date of prepayment in the case of any prepayment pursuant to Section 8.2 and not less than one Business Day in the case of any payment required by Section 12.1. Each such determination shall be presumptively correct absent manifest error.

Section 8.3. Allocation of Partial Prepayments In the case of each partial prepayment of the Notes pursuant to the provisions of Section 8.2, the principal amount of the Notes shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof.

Section 8.4. Maturity; Surrender, Etc In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable or Prepayment Premium, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Prepayment Premium, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.5. Purchase of Notes. The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except (a) upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to a written offer to purchase any outstanding Notes made by the Company or an Affiliate pro rata to the holders of the Notes upon the same terms and conditions. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

SECTION 9. AFFIRMATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

Section 9.1. Compliance with Law. Without limiting Section 10.7, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules

or regulations to which each of them is subject, including, without limitation, ERISA, the USA Patriot Act and Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2. Insurance. The Company will, and will cause each of its Restricted Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated except for any non-maintenance that would not reasonably be expected to have a Material Adverse Effect.

Section 9.3. Maintenance of Properties The Company will, and will cause each of its Restricted Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, *provided* that this Section shall not prevent the Company or any Restricted Subsidiary from discontinuing the operation and the maintenance of or disposing of any of its properties if such discontinuance or disposal is desirable in the conduct of its business and the Company has concluded that such discontinuance or disposal would not, individually or in the aggregate, (i) reasonably be expected to have a Material Adverse Effect or (ii) would not violate the limitations set forth in Sections 10.4 and 10.5 hereof.

Section 9.4. Payment of Taxes and Claims. The Company will, and will cause each of its Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary not permitted by Section 10.3, *provided* that neither the Company nor any Subsidiary need pay any such tax or assessment or claims if (i) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (ii) the non-filing or nonpayment, as the case may be, of any such taxes and assessments in the aggregate would not reasonably be expected to have a Material Adverse Effect.

Section 9.5. Corporate Existence, Etc. Subject to Sections 10.4 and 10.5, the Company will at all times preserve and keep in full force and effect its corporate existence, and will at all

times preserve and keep in full force and effect the corporate existence of each of its Restricted Subsidiaries (unless merged into the Company or a Restricted Subsidiary) and all rights and franchises of the Company and its Restricted Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

Section 9.6. Designation of Subsidiaries. The Company may from time to time cause any Subsidiary (other than a Subsidiary Guarantor) to be designated as an Unrestricted Subsidiary or any Unrestricted Subsidiary to be designated a Restricted Subsidiary; *provided, however,* that at the time of such designation and immediately after giving effect thereto, (a) no Default or Event of Default would exist under the terms of this Agreement, and (b) the Company and its Restricted Subsidiaries would be in compliance with all of the covenants set forth in this Section 9 and Section 10 if tested on the date of such action and *provided, further,* that once a Subsidiary has been designated an Unrestricted Subsidiary, it shall not thereafter be redesignated as a Restricted Subsidiary on more than one occasion and once a Subsidiary has been designated a Restricted Subsidiary, it shall not thereafter be redesignated as an Unrestricted Subsidiary on more than one occasion. Within ten (10) days following any designation described above, the Company will deliver to you a notice of such designation accompanied by a certificate signed by a Senior Financial Officer of the Company certifying compliance with all requirements of this Section 9.6 and setting forth all information required in order to establish such compliance.

Section 9.7. Notes to Rank Pari Passu. The Notes and all other obligations under this Agreement of the Company are and at all times shall remain direct and unsecured obligations of the Company ranking *pari passu* as against the assets of the Company with all other Notes from time to time issued and outstanding hereunder without any preference among themselves and *pari passu* with all Debt outstanding under the Bank Credit Agreement and all other present and future unsecured Debt (actual or contingent) of the Company which is not expressed to be subordinate or junior in rank to any other unsecured Debt of the Company.

Section 9.8. Subsidiary Guarantors The Company will cause any Subsidiary which is required by the terms of the Bank Credit Agreement to become obligated for, or otherwise guarantee, Debt of the Company in respect of the Bank Credit Agreement, to deliver to each of the holders of the Notes (concurrently with the incurrence of any such obligation) the following items:

(a) a duly executed Subsidiary Guaranty in scope, form and substance satisfactory to the Required Holders;

(b) a certificate signed by an authorized Responsible Officer of the Company making representations and warranties to the effect of those contained in Sections 5.4, 5.6 and 5.7, with respect to such Subsidiary and the Subsidiary Guaranty, as applicable; and

(c) an opinion of counsel (who may be in-house counsel for the Company) addressed to each of the holders of the Notes satisfactory to the Required Holders, to the effect that the Subsidiary Guaranty by such Person has been duly authorized, executed

and delivered and that the Subsidiary Guaranty constitutes the legal, valid and binding contract and agreement of such Person enforceable in accordance with its terms, except as an enforcement of such terms may be limited by bankruptcy, insolvency, fraudulent conveyance and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

Section 9.9. Books and Records. The Company will, and will cause each of its Restricted Subsidiaries to, maintain proper books of record and account in conformity with GAAP (or with respect to any Restricted Subsidiary organized and operating in a jurisdiction other than the United States of America, in conformity to such jurisdiction's generally accepted accounting principles) and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Restricted Subsidiary, as the case may be.

SECTION 10. NEGATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

Section 10.1. Consolidated Debt to Consolidated EBITDA. The Company will not at any time permit the ratio of Consolidated Debt to Consolidated EBITDA (Consolidated EBITDA to be calculated as at the end of each fiscal quarter for the four consecutive fiscal quarters then ended) to exceed 3.50 to 1.00; *provided*, *however*, that the ratio of Consolidated Debt to Consolidated EBITDA may exceed 3.5 to 1.00 at any time during a Transition Period if such ratio of Consolidated Debt to Consolidated EBITDA exceeded 3.5 to 1.00 as a direct result of the Company or any Restricted Subsidiary creating, assuming, incurring, guaranteeing or otherwise becoming liable in respect of Acquisition Debt so long as the ratio of Consolidated Debt to Consolidated EBITDA at all times during any Transition Period shall not exceed 4.0 to 1.00.

Section 10.2. Priority Debt. The Company will not at any time permit the aggregate amount of all Priority Debt to exceed 20% of Consolidated Net Worth (Consolidated Net Worth to be determined as of the end of the then most recently ended fiscal quarter of the Company).

Section 10.3. Limitation on Liens. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including, without limitation, any document or instrument in respect of goods or accounts receivable) of the Company or any such Restricted Subsidiary, whether now owned or held or hereafter acquired, or any income or profits therefrom, or assign or otherwise convey any right to receive income or profits (unless it makes, or causes to be made, effective provision whereby the Notes will be equally and ratably secured with any and all other obligations thereby secured, such security to be pursuant to an agreement reasonably satisfactory to the Required Holders and, in any such case, the Notes shall have the benefit, to the fullest extent that, and with such priority as, the holders of the Notes may be entitled under applicable law, of an equitable Lien on such property), except:

(a) Liens for taxes, assessments or other governmental charges that are not yet due and payable or the payment of which is not at the time required by Section 9.4;

(b) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;

(c) Liens incidental to the conduct of business or the ownership of properties and assets (including landlords', carriers', warehousemen's, mechanics', materialmen's and other similar Liens for sums not yet due and payable) and Liens to secure the performance of bids, tenders, leases, or trade contracts, or to secure statutory obligations (including obligations under workers compensation, unemployment insurance and other social security legislation), surety or appeal bonds or other Liens incurred in the ordinary course of business and not in connection with the borrowing of money;

(d) leases or subleases granted to others, easements, rights-of-way, restrictions and other similar charges or encumbrances, in each case incidental to the ownership of property or assets or the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries, or Liens incidental to minor survey exceptions and the like, *provided* that such Liens do not, in the aggregate, materially detract from the value of such property;

(e) Liens securing Debt of a Restricted Subsidiary to the Company or to a Restricted Subsidiary;

(f) Liens existing as of the Closing Date and reflected in Schedule 10.3;

(g) Liens incurred after the Closing Date given to secure the payment of the purchase price incurred in connection with the acquisition, construction or improvement of property (other than accounts receivable or inventory) useful and intended to be used in carrying on the business of the Company or a Restricted Subsidiary, including Liens existing on such property at the time of acquisition or construction thereof or Liens incurred within 365 days of such acquisition or completion of such construction or improvement, *provided* that (i) the Lien shall attach solely to the property acquired, purchased, constructed or improved; (ii) at the time of acquisition, construction or improvement of such property (or, in the case of any Lien incurred within three hundred sixty-five (365) days of such acquisition or completion of such construction or improvement, at the time of the incurrence of the Debt secured by such Lien), the aggregate amount remaining unpaid on all Debt secured by Liens on such property, whether or not assumed by the Company or a Restricted Subsidiary, shall not exceed the lesser of (y) the cost of such acquisition, construction or improvement or (z) the Fair Market Value of such property (as determined in good faith by one or more officers of the Company to whom authority to enter into the transaction has been delegated by the board of directors of the Company); and (iii) at the time of such incurrence and after giving effect thereto, no Default or Event of Default would exist;

(h) any Lien existing on property of a Person immediately prior to its being consolidated with or merged into the Company or a Restricted Subsidiary or its becoming

a Restricted Subsidiary (other than pursuant to Section 9.6), or any Lien existing on any property acquired by the Company or any Restricted Subsidiary at the time such property is so acquired (whether or not the Debt secured thereby shall have been assumed), *provided* that (i) no such Lien shall have been created or assumed in contemplation of such consolidation or merger or such Person's becoming a Restricted Subsidiary or such acquisition of property, (ii) each such Lien shall extend solely to the item or items of property so acquired and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to or is acquired for specific use in connection with such acquired property, and (iii) at the time of such incurrence and after giving effect thereto, no Default or Event of Default would exist;

(i) any extensions, renewals or replacements of any Lien permitted by the preceding subparagraphs (f), (g) and (h) of this Section 10.3, *provided* that (i) no additional property shall be encumbered by such Liens, (ii) the unpaid principal amount of the Debt or other obligations secured thereby shall not be increased on or after the date of any extension, renewal or replacement, and (iii) at such time and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing; or

(j) Liens securing Priority Debt of the Company or any Restricted Subsidiary, *provided* that the aggregate principal amount of any such Priority Debt shall be permitted by Section 10.2.

Section 10.4. Sales of Assets. The Company will not, and will not permit any Restricted Subsidiary to, sell, lease or otherwise dispose of any substantial part (as defined below) of the assets of the Company and its Restricted Subsidiaries; *provided, however,* that the Company or any Restricted Subsidiary may sell, lease or otherwise dispose of assets constituting a substantial part of the assets of the Company and its Restricted Subsidiaries if such assets are sold in an arms length transaction and, at such time and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and an amount equal to the net proceeds received from such sale, lease or other disposition (but only with respect to that portion of such assets that exceeds the definition of "substantial part" set forth below) shall be used within 365 days of such sale, lease or disposition, in any combination:

(1) to acquire productive assets used or useful in carrying on the business of the Company and its Restricted Subsidiaries and having a value at least equal to the value of such assets sold, leased or otherwise disposed of; and/or

(2) to prepay or retire Senior Debt of the Company and/or its Restricted Subsidiaries, *provided* that (i) the Company shall offer to prepay each outstanding Note in a principal amount which equals the Ratable Portion for such Note, and (ii) any such prepayment of the Notes shall be made at par, together with accrued interest thereon to the date of such prepayment, but without the payment of the LIBOR Breakage Amount and Prepayment Premium, if any. Any offer of prepayment of the Notes pursuant to this Section 10.4 shall be given to each holder of the Notes by written notice that shall be delivered not less than fifteen (15) days and not more than sixty (60) days prior to the

proposed prepayment date. Each such notice shall state that it is given pursuant to this Section and that the offer set forth in such notice must be accepted by such holder in writing and shall also set forth (i) the prepayment date, (ii) a description of the circumstances which give rise to the proposed prepayment and (iii) a calculation of the Ratable Portion for such holder's Notes. Each holder of the Notes which desires to have its Notes prepaid shall notify the Company in writing delivered not less than five (5) Business Days prior to the proposed prepayment date of its acceptance of such offer of prepayment. Prepayment of Notes pursuant to this Section 10.4 shall be made in accordance with Section 8.2 (but without payment of the Prepayment Premium).

As used in this Section 10.4, a sale, lease or other disposition of assets shall be deemed to be a "*substantial part*" of the assets of the Company and its Restricted Subsidiaries if the book value of such assets, when added to the book value of all other assets sold, leased or otherwise disposed of by the Company and its Restricted Subsidiaries during the period of 12 consecutive months ending on the date of such sale, lease or other disposition, exceeds 10% of the book value of Consolidated Total Assets, determined as of the end of the fiscal quarter immediately preceding such sale, lease or other disposition; *provided* that there shall be excluded from any determination of a "substantial part" any (i) sale or disposition of assets in the ordinary course of business of the Company and its Restricted Subsidiaries, (ii) any transfer of assets from the Company to any Restricted Subsidiary or from any Restricted Subsidiary to the Company or a Restricted Subsidiary and (iii) any sale or transfer of property acquired by the Company or any Restricted Subsidiary after the date of this Agreement to any Person within 365 days following the acquisition or construction of such property by the Company or any Restricted Subsidiary if the Company or a Restricted Subsidiary shall concurrently with such sale or transfer, lease such property, as lessee.

Section 10.5. Merger and Consolidation. The Company will not, and will not permit any of its Restricted Subsidiaries to, consolidate with or merge with any other Person or convey, transfer or lease substantially all of its assets in a single transaction or series of transactions to any Person; *provided* that:

(1) any Restricted Subsidiary of the Company may (x) consolidate with or merge with, or convey, transfer or lease substantially all of its assets in a single transaction or series of transactions to, (i) the Company or a Restricted Subsidiary so long as in any merger or consolidation involving the Company, the Company shall be the surviving or continuing corporation or (ii) any other Person so long as the survivor is the Restricted Subsidiary, or (y) convey, transfer or lease all of its assets in compliance with the provisions of Section 10.4; and

(2) the foregoing restriction does not apply to the consolidation or merger of the Company with, or the conveyance, transfer or lease of substantially all of the assets of the Company in a single transaction or series of transactions to, any Person so long as:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety, as the case may be (the "*Successor*

Corporation"), shall be a solvent entity organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(b) if the Company is not the Successor Corporation, such Successor Corporation shall have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the Notes (pursuant to such agreements and instruments as shall be reasonably satisfactory to the Required Holders), and the Successor Corporation shall have caused to be delivered to each holder of Notes (A) an opinion of nationally recognized independent counsel, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and (B) an acknowledgment from each Subsidiary Guarantor that the Subsidiary Guaranty continues in full force and effect; and

(c) immediately after giving effect to such transaction no Default or Event of Default would exist.

Section 10.6. Transactions with Affiliates The Company will not and will not permit any Restricted Subsidiary to enter into directly or indirectly any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Restricted Subsidiary), except in the ordinary course and upon fair and reasonable terms that are not materially less favorable to the Company or such Restricted Subsidiary, taken as a whole, than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

Section 10.7. Terrorism Sanctions Regulations The Company will not and will not permit any Subsidiary to engage in any actions or inactions that will permit or cause the Company or any Subsidiary to (a) become a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (b) knowingly engage in any dealings or transactions with any such Person.

Section 10.8. Line of Business. The Company will not and will not permit any Restricted Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Restricted Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Restricted Subsidiaries, taken as a whole, are engaged on the date of this Agreement.

Section 10.9. Restricted Subsidiary Group. The Company will not at any time permit Consolidated Total Assets to be less than 80% of the total amount of consolidated total assets of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

SECTION 11. EVENTS OF DEFAULT.

An "*Event of Default*" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Prepayment Premium, if any, or LIBOR Breakage Amount, if any on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Section 10 or any Subsidiary Guarantor defaults in the performance of or compliance with any term of the Subsidiary Guaranty beyond any period of grace or cure period provided with respect thereto; or

(d) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) of this Section 11) and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default or (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this paragraph (d) of Section 11); or

(e) any Subsidiary Guaranty ceases to be a legally valid, binding and enforceable obligation or contract of a Subsidiary Guarantor, or any Subsidiary Guarantor or any party by, through or on account of any such Person, challenges the validity, binding nature or enforceability of any such Subsidiary Guaranty; or

(f) any representation or warranty made in writing by or on behalf of the Company or Subsidiary Guarantor in this Agreement or any Subsidiary Guaranty or by any officer of the Company or any Subsidiary Guarantor in any writing furnished in connection with the transactions contemplated hereby or by any Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(g) (i) the Company or any Restricted Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest (in the payment amount of at least $100,000) on any Debt other than the Notes that is outstanding in an aggregate principal amount of at least $25,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Restricted Subsidiary is in default in the performance of or compliance with any term of any instrument, mortgage, indenture or other agreement relating to any Debt other than the Notes in an aggregate principal amount of at least $25,000,000 or any other condition exists, and as a consequence of such default or condition such Debt has

become, or has been declared, due and payable, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Debt to convert such Debt into equity interests), the Company or any Restricted Subsidiary has become obligated to purchase or repay Debt other than the Notes before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least $25,000,000; or

(h) the Company, any Material Subsidiary or any Subsidiary Guarantor (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(i) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company, any of its Material Subsidiaries or any Subsidiary Guarantor, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company, any of its Material Subsidiaries or any Subsidiary Guarantor, or any such petition shall be filed against the Company, any of its Material Subsidiaries or any Subsidiary Guarantor and such petition shall not be dismissed within 60 days; or

(j) a final judgment or judgments at any one time outstanding for the payment of money aggregating in excess of $25,000,000 are rendered against one or more of the Company, its Restricted Subsidiaries or any Subsidiary Guarantor and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(k) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under Section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under Section 4042 of ERISA to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of Section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed $25,000,000, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to

Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that could increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect.

As used in Section 11(k), the terms *"employee benefit plan"* and *"employee welfare benefit plan"* shall have the respective meanings assigned to such terms in Section 3 of ERISA.

SECTION 12. REMEDIES ON DEFAULT, ETC

Section 12.1. Acceleration. (a) If an Event of Default with respect to the Company described in paragraph (h) or (i) of Section 11 (other than an Event of Default described in clause (i) of paragraph (h) or described in clause (vi) of paragraph (h) by virtue of the fact that such clause encompasses clause (i) of paragraph (h)) has occurred, all Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of more than 50% in aggregate principal amount of the Notes at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing with respect to any Notes, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by such holder or holders to be immediately due and payable.

Upon any Note's becoming due and payable under this Section 12.1, whether automatically or by declaration, such Note will forthwith mature and the entire unpaid principal amount of such Note, plus (i) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Default Rate) and (ii) the LIBOR Breakage Amount and Prepayment Premium, if any, determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of the LIBOR Breakage Amount and Prepayment Premium, if any, by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2. Other Remedies. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3. Rescission. At any time after the Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the holders of not less than 51% in aggregate principal amount of the Notes then outstanding, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and LIBOR Breakage Amount and Prepayment Premium, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and LIBOR Breakage Amount and Prepayment Premium, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Company nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to any Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4. No Waivers or Election of Remedies, Expenses, Etc. No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, in the event the Company fails to pay upon demand as required under this Section 12, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

SECTION 13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

*Section 13.1. Registration of Note*s. The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a

Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 13.2. Transfer and Exchange of Notes Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request in accordance with this Agreement, and shall be substantially in the form of the Note originally issued hereunder. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $100,000, *provided* that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than $100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.3, *provided*, that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA.

The Notes have not been registered under the Securities Act or under the securities laws of any state and may not be transferred or resold unless registered under the Securities Act and all applicable state securities laws or unless an exemption from the requirement for such registration is available.

Section 13.3. Replacement of Notes. Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (*provided* that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least $50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver not more than five Business Days following satisfaction of such conditions, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

SECTION 14. PAYMENTS ON NOTES.

Section 14.1. *Place of Payment*. Subject to Section 14.2, payments of principal, Prepayment Premium, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of Bank of America, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 14.2. *Home Office Payment*. So long as any Purchaser or such Purchaser's nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, LIBOR Breakage Amount and Prepayment Premium, if any, and interest by the method and at the address specified for such purpose for such Purchaser on Schedule A hereto, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note or such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by any Purchaser or such Person's nominee, such Person will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note.

SECTION 15. EXPENSES, ETC.

Section 15.1. *Transaction Expenses*. Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel for the Purchasers and, if reasonably required by the Required Holders, local or other counsel) reasonably incurred by each Purchaser and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement or the Notes (whether or not such amendment, waiver or consent becomes effective) for: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the Notes, or by reason of being a holder of

any Note, and (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes. The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes).

Section 15.2. *Survival*. The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or the Notes, and the termination of this Agreement.

SECTION 16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein or in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any such Note or portion thereof or interest therein and the payment of any Note and may be relied upon by any subsequent holder of any such Note, regardless of any investigation made at any time by or on behalf of any Purchaser or any other holder of any such Note. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between the Purchasers and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 17. AMENDMENT AND WAIVER.

Section 17.1. *Requirements*. This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 6 or 21 hereof, or any defined term, will be effective as to any holder of Notes unless consented to by such holder of Notes in writing, and (b) no such amendment or waiver may, without the written consent of all of the holders of Notes at the time outstanding affected thereby, (A) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest (if such change results in a decrease in the interest rate) or of the LIBOR Breakage Amount and Prepayment Premium, if any, on the Notes, (B) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (C) amend any of Sections 8, 11(a), 11(b), 12, 17 or 20.

Section 17.2. *Solicitation of Holders of Notes*

(a) *Solicitation.* The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the

provisions hereof or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted or other credit support is concurrently provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

(c) *Consent in Contemplation of Transfer*. Any consent made pursuant to this Section 17 by a holder of Notes that has transferred or has agreed to transfer its Notes to the Company, any Subsidiary or any Affiliate of the Company and has provided or has agreed to provide such written consent as a condition to such transfer shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

Section 17.3. Binding Effect, Etc. Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

Section 17.4. Notes Held by Company, Etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

SECTION 18. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized

overnight delivery service (charges prepaid), or (b) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to a Purchaser or such Purchaser's nominee, to such Purchaser or such Purchaser's nominee at the address specified for such communications in Schedule A to this Agreement, or at such other address as such Purchaser or such Purchaser's nominee shall have specified to the Company in writing pursuant to this Section 18;

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing pursuant to this Section 18, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of Chief Financial Officer, with a copy to the General Counsel, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

SECTION 19. REPRODUCTION OF DOCUMENTS

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 20. CONFIDENTIAL INFORMATION

For the purposes of this Section 20, "*Confidential Information*" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, *provided* that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's

behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, *provided* that such Purchaser may deliver or disclose Confidential Information to (i) such Purchaser's directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by such Purchaser's Notes), (ii) such Purchaser's financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which such Purchaser sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which such Purchaser offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party in connection with the transaction described herein or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes, the Subsidiary Guaranty and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

SECTION 21. SUBSTITUTION OF PURCHASER

Each Purchaser shall have the right to substitute any one of its Subsidiaries as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Subsidiary, shall contain such Subsidiary's agreement to be bound by this Agreement and shall contain a confirmation by such Subsidiary of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 21), shall be deemed to refer to such Subsidiary in lieu of such original Purchaser. In the event that such Subsidiary is so substituted as a Purchaser hereunder and such Subsidiary thereafter transfers to such original Purchaser all of the Notes then held by such Subsidiary, upon receipt by the Company of notice of such transfer, any reference to such

Subsidiary as a "Purchaser" in this Agreement (other than in this Section 21), shall no longer be deemed to refer to such Subsidiary, but shall refer to such original Purchaser and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

SECTION 22. MISCELLANEOUS.

Section 22.1. Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

Section 22.2. Payments Due on Non-Business Days Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.4 that the notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Prepayment Premium or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

Section 22.3. Accounting Terms. All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP.

Section 22.4. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 22.5. Construction. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

Section 22.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one

instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 22.7. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Section 22.8. Jurisdiction and Process; Waiver of Jury Trial (a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 22.8(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 18 or at such other address of which such holder shall then have been notified pursuant to said Section. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 22.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

The execution hereof by the Purchasers shall constitute a contract among the Company and the Purchasers for the uses and purposes hereinabove set forth. This Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one agreement.

Very truly yours,

DENTSPLY INTERNATIONAL INC.

By
Name:
Title:

Accepted as of the date first written above.

[VARIATION]

By
Name:
Title:

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
Genworth Life Insurance Company c/o Genworth Financial Account: Genworth Life Insurance Company 601 Union Street, Suite 2200 Seattle, Washington 98101 Attention: Private Placements Phone Number: (206) 516-4515 Fax Number: (206) 516-4578	$36,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds to:

> The Bank of New York
> ABA #021000018
> Account Number/Beneficiary: GLA111566
> SWIFT Code: IRVTUS33
> Attention: PP P & I Department
> Bank to Bank Information: Genworth Life Insurance Company, Account #127459, PPN 249030 B@5 and Dentsply International Inc. Floating Rate Senior Notes due March 13, 2010, and identify principal and interest amounts

Notices

All notices and communications including original note agreement, conformed copy of the note agreement, amendment requests, financial statements and other general information to be addressed as first provided above (*If available, an electronic copy is additionally requested. Please send to the following e-mail address:* gnw.privateplacements@genworth.com).

Notices with respect to payments and written confirmation of each such payment, including interest payments, redemptions, premiums, make wholes, and fees should also be **addressed as above with additional copies addressed to the following**:

State Street

Account: Genworth Life Insurance Company

801 Pennsylvania

Kansas City, Missouri 64105

Attention: Tammy Karn

Phone Number: (816) 871-9286

Fax Number: (816) 691-5593

KCGEAM@statestreet.com (preferred delivery method)

The Bank of New York

Income Collection Department

P.O. Box 19266

Newark, New Jersey 07195

Attention: PP P&I Department

Ref: Genworth Life Insurance Company, Account #127459, PPN and Security Description
P&I Contact: Saverio Galeotafiore – (718) 315-3026

Name of Nominee in which Notes are to be issued: HARE & CO
Taxpayer I.D. Number: 91-6027719

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
Metropolitan Life Insurance Company 1 MetLife Plaza 27-01 Queens Plaza North Long Island City, New York 11101	$25,000,000

Payments

All scheduled payments of principal and interest by wire transfer of immediately available funds to:

JP Morgan Chase Bank
ABA #021-000-021
Account Number: 002-2-410591
Account Name: Metropolitan Life Insurance Company
Reference: Dentsply International Inc. Floating Rate Senior Notes due March 13, 2010

With sufficient information to identify the source and application of such funds, including Dentsply International Inc., PPN 249030 B@5, Floating Rate Senior Notes due March 13, 2010 and whether payment is of principal, interest, make whole amount or otherwise.

For all payments other than scheduled payments of principal and interest, the Company shall seek instructions from the holder, and in the absence of instructions to the contrary, will make such payments to the account and in the manner set forth above.

Notices

All notices and communications:

Metropolitan Life Insurance Company
Investments, Private Placements
P. O. Box 1902
10 Park Avenue
Morristown, New Jersey 07962-1902
Attention: Director
Fax Number: (973) 355-4250

With a copy (OTHER than with respect to deliveries of financial statements) to:

Metropolitan Life Insurance Company
P. O. Box 1902
10 Park Avenue
Morristown, New Jersey 07962-1902
Attention: Chief Counsel - Securities Investments (PRIV)
Fax Number: (973) 355-4338

Name of Nominee in which Notes are to be issued: None
Taxpayer I.D. Number: 13-5581829

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
MetLife Insurance Company of Connecticut c/o Metropolitan Life Insurance Company 1 MetLife Plaza 27-01 Queens Plaza North Long Island City, New York 11101	$11,000,000

Payments

All scheduled payments of principal and interest by wire transfer of immediately available funds to:

JP Morgan Chase Bank
ABA #021-000-021
Account Number: 910-2-587434
Account Name: MetLife Insurance Company of Connecticut
Reference: Dentsply International Inc. Floating Rate Senior Notes due March 13, 2010

With sufficient information to identify the source and application of such funds, Dentsply International Inc., PPN 249030 B@5, Floating Rate Senior Notes due March 13, 2010 and whether payment is of principal, interest, make whole amount or otherwise.
For all payments other than scheduled payments of principal and interest, the Company shall seek instructions from the holder, and in the absence of instructions to the contrary, will make such payments to the account and in the manner set forth above.

Notices

All notices and communications:

MetLife Insurance Company of Connecticut
c/o Metropolitan Life Insurance Company
Investments, Private Placements
P. O. Box 1902
10 Park Avenue
Morristown, New Jersey 07962-1902
Attention: Director
Fax Number: (973) 355-4250

With a copy (OTHER than with respect to deliveries of financial statements) to:

MetLife Insurance Company of Connecticut
c/o Metropolitan Life Insurance Company
P. O. Box 1902
10 Park Avenue
Morristown, New Jersey 07962-1902
Attention: Chief Counsel - Securities Investments (PRIV)
Fax Number: (973) 355-4338

Name of Nominee in which Notes are to be issued: None
Taxpayer I.D. Number: 06-0566090

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
John Hancock Life Insurance Company 197 Clarendon Street Boston, Massachusetts 02117	$25,000,000

Payments

All payments on account of the Notes or other obligations in accordance with the provisions thereof shall be made by bank wire transfer of immediately available funds for credit by 12 noon, Boston time, to:

Bank of America
ABA No. 026009593
Boston, Massachusetts 02110
Account of: John Hancock Life Insurance Company
Private Placement Collection Account
Account Number 00541-55417
On Order of: Dentsply International Inc., PPN 249030 B@5,
Dentsply International Inc. Floating Rate Senior Notes due March 13, 2010

Notices

Contemporaneous with the above wire transfer, advice setting forth (1) the full name, interest rate and maturity date of the Notes or other obligations; (2) allocation of payment between principal and interest and any special payment; and (3) name and address of Bank (or Trustee) from which wire transfer was sent, shall be faxed and mailed to:

John Hancock Life Insurance Company
197 Clarendon Street
Boston, Massachusetts 02117
Attention: Investment Accounting Division, B-3
Fax: (617) 572-0628

and

John Hancock Life Insurance Company
197 Clarendon Street
Boston, Massachusetts 02117
Attention: I. Pena, C-2
Fax: (617) 572-5495

All notices with respect to prepayments, both scheduled and unscheduled, whether partial or in full, and notice of maturity shall also be faxed and mailed as set forth immediately above.

All other communications which shall include, but not be limited to, financial statements and certificates of compliance with financial covenants, shall be faxed and mailed to:

John Hancock Life Insurance Company
197 Clarendon Street
Boston, Massachusetts 02117
Attention: Bond and Corporate Finance Group, C-2
Fax: (617) 572-1605

A copy of any notices relating to change in issuer's name, address or principal place of business or location of collateral and a copy of any legal opinions shall be faxed and mailed to:

John Hancock Life Insurance Company
197 Clarendon Street
Boston, Massachusetts 02117
Attention: Investment Law Division, C-3
Fax: (617) 572-9269

Name in which Notes are to be issued: John Hancock Life Insurance Company
Taxpayer I.D. Number: 04-1414660

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
John Hancock Life Insurance Company (U.S.A.)	$5,000,000
197 Clarendon Street	
Boston, Massachusetts 02117	

Payments

All payments on account of the Notes or other obligations in accordance with the provisions thereof shall be made by bank wire transfer of immediately available funds for credit by 12 noon, E.S.T., to:

Citibank, N.A.
ABA No. 021 000 089
For Credit to Citibank Concentration account # 36858201
For Further Credit to account # 851839 (K515)
On Order of: Dentsply International Inc., PPN 249030 B@5
Dentsply International Inc. Floating Rate Senior Notes due March 13, 2010

Notices

Contemporaneous with the above wire transfer, advice setting forth (1) the full name, interest rate and maturity date of the Notes or other obligations; (2) allocation of payment between principal and interest and any special payment; and (3) name and address of Bank (or Trustee) from which wire transfer was sent, shall be faxed and mailed to:

The Manufacturers Life Insurance Company
200 Bloor Street East
Toronto, Ontario Canada M4W 1E5
Attention: Securities Operations, c/o Vito Pedota, North Tower #5 C29

and

John Hancock Life Insurance Company
197 Clarendon Street
Boston, Massachusetts 02117
Attention: Bond and Corporate Finance Group, C-2
Fax: (617) 572-5495

All notices with respect to prepayments, both scheduled and unscheduled, whether partial or in full, and notice of maturity; other communications which shall include, but not be limited to, financial statements and certificates of compliance with financial covenants as well as a copy of any notices relating to change in issuer's name, address or principal place of business or location of collateral and a copy of any legal opinions shall also be faxed and mailed as set forth immediately above.

Name in which Notes are to be issued: John Hancock Life Insurance Company (U.S.A.)
Taxpayer I.D. Number: 01-0233346

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
Unum Life Insurance Company of America	$15,000,000
c/o Provident Investment Management, LLC	
Private Placements	
One Fountain Square	
Chattanooga, Tennessee 37402	
Telefacsimile: (423) 294-3351	
Confirmation: (423) 294-1172	

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds to:

CUDD & CO.
c/o JPMorgan Chase Bank
New York, New York
ABA #021 000 021
SSG Private Income Processing
A/C #900-9-000200
Custodial Account Number G08287

Please reference: Issuer: Dentsply International Inc.
PPN: 249030 B@5
Coupon:
Maturity: March 13, 2010
Principal=$_____
Interest=$_____

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: CUDD & CO.
Taxpayer I.D. Number for CUDD & CO.: 13-6022143

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
Unum Life Insurance Company of America	$5,000,000

c/o Provident Investment Management, LLC

Private Placements

One Fountain Square

Chattanooga, Tennessee 37402

Telefacsimile: (423) 294-3351

Confirmation: (423) 294-1172

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds to:

CUDD & CO.
c/o JPMorgan Chase Bank
New York, New York
ABA #021 000 021
SSG Private Income Processing
A/C #900-9-000200
Custodial Account Number G09470

Please reference: Issuer: Dentsply International Inc.
PPN: 249030 B@5
Coupon:
Maturity: March 13, 2010
Principal=$_____
Interest=$_____

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: CUDD & CO.
Taxpayer I.D. Number for CUDD & CO.: 13-6022143

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
New York Life Insurance Company	$15,000,000

c/o New York Life Investment Management LLC

51 Madison Avenue

New York, New York 10010

Attention: Fixed Income Investors Group, Private Finance, 2nd Floor

Fax Number: (212) 447-4122

Payments

All payments by wire or intrabank transfer of immediately available funds to:

JPMorgan Chase Bank
New York, New York 10019
ABA #021-000-021
Credit: New York Life Insurance Company
General Account Number 008-9-00687

With sufficient information (Dentsply International Inc., PPN 249030 B@5, Floating Rate Senior Notes due March 13, 2010 and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

Notices

All notices with respect to payments, written confirmation of each such payment and any audit confirmation, to be addressed:

New York Life Insurance Company
c/o New York Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Financial Management, Securities Operations, 2nd Floor
Fax Number: (212) 447-4160

with a copy sent electronically to: FIIGLibrary@nylim.com

All other notices and communications to be addressed as first provided above, with a copy sent electronically to: FIIGLibrary@nylim.com and with a copy of any notices regarding defaults or Events of Default under the operative documents to: Attention: Office of the General Counsel, Investment Section, Room 1104, Fax Number: (212) 576-8340.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 13-5582869

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
Protective Life Insurance Company 2801 Hwy. 280, South Birmingham, Alabama 35223 Attn: Investment Department -Belinda Bradley Back.office@protective.com	$7,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Dentsply International Inc., PPN 249030 B@5, Floating Rate Senior Notes due March 13, 2010, principal, premium or interest") to:

The Bank of New York
ABA #: 021000018
Credit A/C#: GLA111565
A/C Name: Institutional Custody Ins., Division
FFC Custody Account #: 294412
Cust. Account Name: Protective Life Ins. Co.

Notices

All notices and communications to be addressed as first provided above.

Name of Nominee in which Notes are to be issued: HARE & CO.
Taxpayer I.D. Number: 63-0169720

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
Primerica Life Insurance Company c/o Conning Asset Management Company One Financial Plaza Hartford, Connecticut 06103-2627	$3,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Dentsply International Inc., PPN 249030 B@5, Floating Rate Senior Notes due March 13, 2010, principal, premium or interest") to:

Primerica Life Insurance Company
Account No.: 900 9000 168
Account Name: Trust Other Demand IT SSG Custody
FFC Acct. Name: Primerica Life Insurance Company
FFC Acct. No.: G07131
JPMorgan Chase Bank
One Chase Manhattan Plaza
New York, New York 10081
ABA #021000021

Notices

All notices with respect to payment to be addressed as first provided above to the attention of:

John Scanlon, 13th Floor
Phone: (860) 299-2161
Facsimile: (860) 299-0161
Email: Conning_Documents@Conning.com

All financial information to be addressed as first provided above to the attention of:

Robert M. Mills, 14th Floor
Phone: (860) 299-2273
Facsimile: (860) 299-0273
Email: Robert_Mills@Conning.com

All Legal and other documentation to be addressed as first provided above to the attention of:

Vi R. Smalley, 13th Floor
Phone: (860) 299-2054
Facsimile: (860) 299-0054
Email: Vi_Smalley@Conning.com

Name of Nominee in which Notes are to be issued: None
Taxpayer I.D. Number: 04-1590590

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
American Health and Life Insurance Company	$2,000,000
c/o Conning Asset Management Company	
One Financial Plaza	
Hartford, Connecticut 06103-2627	

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as “Dentsply International Inc., PPN 249030 B@5, Floating Rate Senior Notes due March 13, 2010, principal, premium or interest”) to:

American Health and Life Insurance Company
Account No.: 900 9000 168
Account Name: Trust Other Demand IT SSG Custody
FFC Acct. Name: American Health and Life Insurance Company
FFC Acct. No.: G07155
JPMorgan Chase Bank
One Chase Manhattan Plaza
New York, New York 10081
ABA #021000021

Notices

All notices with respect to payment to be addressed as first provided above to the attention of:

John Scanlon, 13th Floor
Phone: (860) 299-2161
Facsimile: (860) 299-0161
Email: Conning_Documents@Conning.com

All financial information to be addressed as first provided above to the attention of:

Robert M. Mills, 14th Floor
Phone: (860) 299-2273
Facsimile: (860) 299-0273
Email: Robert_Mills@Conning.com

All Legal and other documentation to be addressed as first provided above to the attention of:

Vi R. Smalley, 13th Floor
Phone: (860) 299-2054
Facsimile: (860) 299-0054
Email: Vi_Smalley@Conning.com

Name of Nominee in which Notes are to be issued: None
Taxpayer I.D. Number: 52-0696632

Name and Address of Purchaser	Principal Amount of Notes to be Purchased
National Benefit Life Insurance Company c/o Conning Asset Management Company One Financial Plaza Hartford, Connecticut 06103-2627	$1,000,000

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Dentsply International Inc., PPN 249030 B@5, Floating Rate Senior Notes due March 13, 2010, principal, premium or interest") to:

National Benefit Life Insurance Company
Account No.: 900 9000 168
Account Name: Trust Other Demand IT SSG Custody
FFC Acct. Name: National Benefit Life Insurance Company
FFC Acct. No.: G07127
JPMorgan Chase Bank
One Chase Manhattan Plaza
New York, New York 10081
ABA #021000021

Notices

All notices with respect to payment to be addressed as first provided above to the attention of:

John Scanlon, 13th Floor
Phone: (860) 299-2161
Facsimile: (860) 299-0161
Email: Conning_Documents@Conning.com

All financial information to be addressed as first provided above to the attention of:

Robert M. Mills, 14th Floor
Phone: (860) 299-2273
Facsimile: (860) 299-0273
Email: Robert_Mills@Conning.com

All Legal and other documentation to be addressed as first provided above to the attention of:

Vi R. Smalley, 13th Floor
Phone: (860) 299-2054
Facsimile: (860) 299-0054
Email: Vi_Smalley@Conning.com

Name of Nominee in which Notes are to be issued: None
Taxpayer I.D. Number: 23-1618791

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"*Acquisition Debt*" means any Debt incurred in connection with the acquisition by the Company or any Restricted Subsidiary of any Person or line of business, *provided*, that, at such time and after giving effect to such acquisition, the Company and its Restricted Subsidiaries are in compliance with Section 10.8.

"*Adjusted LIBOR Rate*" for each Interest Period shall be a rate per annum equal to (a) LIBOR for such Interest Period *plus* 0.30%, or (b) LIBOR for such Interest Period *plus* 0.30% *plus*, during the applicable period in which the Consolidated Debt to Consolidated EBITDA ratio exceeds 3.50 to 1.0 in accordance with the terms of Section 1.2(b), 0.25%.

"*Administrative Agent*" means Citibank, N.A. in its capacity as agent under the Bank Credit Agreement, together with its successors and assigns in such capacity.

"*Affiliate*" means, at any time, and with respect to any Person, (a) any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, "*Control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "*Affiliate*" is a reference to an Affiliate of the Company.

"*Anti-Terrorism Order*" means Executive Order No. 13,224 of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49, 079 (2001), as amended.

"*Bank Credit Agreement*" means the Credit Agreement dated as of May 9, 2005 by and among the Company, certain Subsidiaries of the Company named therein, the Administrative Agent, and the Bank Lenders and other financial institutions party thereto, as amended, restated, joined, supplemented or otherwise modified from time to time, and any renewals, extensions or replacements thereof, which constitute the primary bank credit facility of the Company and its Subsidiaries.

"*Bank Lenders*" means the banks and financial institutions party to the Bank Credit Agreement.

"*Business Day*" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed.

"*Capital Lease*" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"*Capital Lease Obligation*" means, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease which would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

"*Closing*" is defined in Section 3.

"*Closing Date*" means the date of the Closing.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"*Company*" means Dentsply International Inc., a Delaware corporation.

"*Confidential Information*" is defined in Section 20.

"*Consignment Agreements*" means, collectively, (a) that certain precious metal inventory Purchase and Sale Agreement dated November 30, 2001, as amended October 10, 2006 between Bank of Nova Scotia and the Company, (b) that certain precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between JPMorgan Chase Bank and the Company, (c) that certain precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between Mitsui & Co., Precious Metals Inc. and the Company, and (d) that certain precious metal inventory Purchase and Sale Agreement dated December 15, 2005 between ABN AMRO NV, Australian Branch and the Company, and any renewals, extensions or replacements of any of the foregoing agreements.

"*Consolidated Debt*" means as of any date of determination the total amount of all Debt of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP. For purposes of this Agreement, Consolidated Debt shall not include any Debt incurred in connection with the Consignment Agreements.

"*Consolidated EBITDA*" shall mean, for any period, Consolidated Net Income for such period, plus, to the extent deducted in computing such Consolidated Net Income and without duplication, (a) depreciation, depletion, if any, and amortization expense for such period, (b) Consolidated Interest Expense for such period, (c) income tax expense for such period, and (d) other non cash charges for such period, all as determined in accordance with GAAP. For purposes of calculating Consolidated EBITDA for any period of four consecutive quarters, if during such period the Company or any Restricted Subsidiary shall have acquired or disposed of any Person or acquired or disposed of all or substantially all of the operating assets of any Person, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such transaction occurred on the first day of such period.

"*Consolidated Interest Expense*" shall mean, for any period, the gross interest expense of the Company and its Restricted Subsidiaries deducted in the calculation of Consolidated Net Income for such period, determined on a consolidated basis in accordance with GAAP.

"*Consolidated Net Income*" shall mean, for any period, the consolidated net income (or loss) of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"*Consolidated Net Worth*" shall mean the consolidated stockholder's equity of the Company and its Restricted Subsidiaries, as defined according to GAAP.

"*Consolidated Total Assets*" means, as of any date of determination, the total amount of all assets of the Company and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"*Debt*" means, with respect to any Person, without duplication,

(a) its liabilities for borrowed money;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable and other accrued liabilities arising in the ordinary course of business but including, without limitation, all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) its Capital Lease Obligations;

(d) its liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities); and

(e) Guarantees by such Person with respect to liabilities of a type described in any of clauses (a) through (d) hereof.

Debt of any Person shall include all obligations of such Person of the character described in clauses (a) through (e) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

"*Default*" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"*Default Rate*" means with respect to the Notes that rate of interest that is 2% per annum above the Adjusted LIBOR Rate then in effect.

"*Environmental Laws*" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the

protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"*ERISA Affiliate*" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"*Event of Default*" is defined in Section 11.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Fair Market Value*" means, at any time and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell), as reasonably determined in the good faith opinion of the Company's board of directors.

"*GAAP*" means those generally accepted accounting principles as in effect from time to time in the United States of America; provided that, if the Company notifies the Required Holders that the Company wishes to amend any negative covenants (or any definition hereof) to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant or definition, then the Company's compliance with such covenant or the meaning of such definition shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Company and the Required Holders.

"*Governmental Authority*" means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any jurisdiction in which the Company or any Restricted Subsidiary conducts all or any part of its business, or which has jurisdiction over any properties of the Company or any Restricted Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"*Government Obligations*" shall mean direct obligations of the United States of America or any agency or instrumentality of the United States of America, the payment or guarantee of which constitutes a full faith and credit obligation of the United States of America.

"*Guaranty*" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any Debt, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such Debt or obligation or any property constituting security therefor primarily for the purpose of assuring the owner of such Debt or obligation of the ability of any other Person to make payment of the Debt or obligation;

(b) to advance or supply funds (i) for the purchase or payment of such Debt or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such Debt or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such Debt or obligation of the ability of any other Person to make payment of the Debt or obligation; or

(d) otherwise to assure the owner of such Debt or obligation against loss in respect thereof.

In any computation of the Debt or other liabilities of the obligor under any Guaranty, the Debt or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"*Hazardous Material*" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"*holder*" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"*Institutional Investor*" means (a) any original purchaser of a Note, (b) any holder of more than $2,000,000 of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar

financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

"*Interest Period*" shall mean the period commencing on the Closing Date and continuing up to, but not including, the first Interest Payment Date and, thereafter, the period commencing on the next succeeding Interest Payment Date and continuing up to, but not including, the next Interest Payment Date.

"*Investments*" shall mean all investments, in cash or by delivery of property made, directly or indirectly in any Person, whether by acquisition of shares of capital stock, Debt or other obligations or securities or by loan, advance, capital contribution or otherwise.

"*LIBOR*" shall mean, for any Interest Period, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a three (3) month period which appears on the Bloomberg Financial Markets Service Page BBAM-1 (or if such page is not available, the Reuters Screen LIBO Page) as of 11:00 a.m. (London, England time) on the date two Business Days before the commencement of such Interest Period. "*Reuters Screen LIBO Page*" means the display designated as the "LIBO" page on the Reuters Monitory Money Rates Service (or such other page as may replace the LIBO page on that service or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Banker's Association Interest Settlement Rates for U.S. Dollar deposits).

"*LIBOR Breakage Amount*" is defined in Section 8.2.

"*Lien*" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement (other than an operating lease) or Capital Lease, upon or with respect to any property or asset of such Person (including, in the case of stock, shareholder agreements, voting trust agreements and all similar arrangements).

"*Material*" means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Restricted Subsidiaries taken as a whole.

"*Material Adverse Effect*" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Restricted Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement and the Notes, (c) the ability of any Subsidiary Guarantor to perform its obligations under the Subsidiary Guaranty or (d) the validity or enforceability of this Agreement, the Notes or the Subsidiary Guaranty.

"*Material Subsidiary*" means, at any time, any Restricted Subsidiary of the Company which, together with all other Restricted Subsidiaries of such Restricted Subsidiary, accounts for more than (a) 5% of the consolidated assets of the Company and its Restricted Subsidiaries or (b) 5% of consolidated revenue of the Company and its Restricted Subsidiaries.

"*Moody's*" shall mean Moody Investors Service, Inc.

"*Multiemployer Plan*" means any Plan that is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA).

"*Notes*" is defined in Section 1.

"*Officer's Certificate*" means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

"*PBGC*" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"*Person*" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"*Plan*" means an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"*Prepayment Premium*" means, for purposes of the Notes in connection with any optional prepayment of such Notes pursuant to Section 8.2 or acceleration of such Notes pursuant to Section 12.1, an amount equal to the applicable percentage of the principal amount of such Notes so prepaid or accelerated set forth opposite the respective period below:

If Prepaid During the Period	Applicable Percentage
Closing Date through first annual anniversary date of Closing	1%
After first annual anniversary date of Closing	0%

"*Priority Debt*" means (without duplication), as of the date of any determination thereof, the sum of (a) all unsecured Debt of Restricted Subsidiaries (including all Guaranties of Debt of the Company but excluding (x) Debt owing to the Company or any other Restricted Subsidiary, (y) Debt outstanding at the time such Person became a Restricted Subsidiary (other than an Unrestricted Subsidiary which is designated as a Restricted Subsidiary pursuant to Section 9.6 hereof), provided that such Debt shall have not been incurred in contemplation of such person becoming a Restricted Subsidiary, and (z) all Guaranties of Debt of the Company by any Restricted Subsidiary which has also guaranteed the Notes and (b) all Debt of the Company and its Restricted Subsidiaries secured by Liens other than Debt secured by Liens permitted by subparagraphs (a) through (i), inclusive, of Section 10.3.

"*property*" or "*properties*" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"*Purchasers*" means the purchasers of the Notes named in Schedule A hereto.

"*QPAM Exemption*" means Prohibited Transaction Class Exemption 84-14 issued by the United States Department of Labor.

"*Qualified Institutional Buyer*" means any Person who is a qualified institutional buyer within the meaning of such term as set forth in Rule 144(a)(1) under the Securities Act.

"*Ratable Portion*" means, with respect to any Note, an amount equal to the product of (x) the amount equal to the net proceeds being so applied to the prepayment of Senior Debt in accordance with Section 10.4(2), multiplied by (y) a fraction the numerator of which is the outstanding principal amount of such Note and the denominator of which is the aggregate principal amount of Senior Debt of the Company and its Restricted Subsidiaries being prepaid pursuant to Section 10.4(2).

"*Related Fund*" means, with respect to any holder of any Note, any fund or entity that (a) invests in Securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"*Required Holders*" means, at any time, the holders of not less than 51% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates and any Notes held by parties who are contractually required to abstain from voting with respect to matters affecting the holders of the Notes).

"*Responsible Officer*" means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"*Restricted Subsidiary*" means any Subsidiary in which: (a) at least a majority of the voting securities are owned by the Company and/or one or more Restricted Subsidiaries and (b) the Company has not designated an Unrestricted Subsidiary by notice in writing given to the holders of the Notes.

"*S&P*" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc.

"*Securities*" or "*Security*" shall have the meaning specified in Section 2(1) of the Securities Act.

"*Securities Act*" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"*Senior Debt*" means, as of the date of any determination thereof, all Consolidated Debt, other than Subordinated Debt.

"*Senior Financial Officer*" means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

"*Subordinated Debt*" means all unsecured Debt of the Company which shall contain or have applicable thereto subordination provisions providing for the subordination thereof to other Debt of the Company (including, without limitation, the obligations of the Company under this Agreement or the Notes).

"*Subsidiary*" means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"*Subsidiary Guarantor*" means each Subsidiary that is party to the Subsidiary Guaranty.

"*Subsidiary Guaranty*" means a subsidiary guaranty agreement executed and delivered in connection with Section 9.8 of the Agreement.

"*Transition Period*" means the period commencing on the date the Company or any Restricted Subsidiary acquires any Person or line of business and ending on the last day of the fourth full fiscal quarter following the date of the consummation of such acquisition, *provided* that, at the time of such acquisition and after giving effect thereto, the Company and its Restricted Subsidiaries are in compliance with Section 10.8.

"*Unrestricted Subsidiary*" means any Subsidiary so designated by the Company.

"*USA Patriot Act*" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

CHANGES IN CORPORATE STRUCTURE

None.

SUBSIDIARIES OF THE COMPANY, OWNERSHIP OF SUBSIDIARY STOCK, AFFILIATES

Subsidiary	Jurisdiction of Incorporation	Designation	Ownership
A D Engineering Company Limited	United Kingdom	U	
Amalco Holdings Limited	United Kingdom	U	
Ceramco Europe Limited	Cayman Islands	U	
Ceramco Manufacturing B.V.	Netherlands	R	
Ceramco U.K. Ltd.	United Kingdom	U	
CeraMed Dental L.L.C.	Delaware	R	
Cicero Dental Systems B.V.	Netherlands	R	
De Trey do Brasil Industria e Comercio Ltda.	Brazil	U	
Defradental S.p.A.	Verona, Italy	R	45%
Degpar Participacoes e Empreendimentos S.A.	Brazil	U	99.99994%
DeguDent Austria Handels GmbH	Austria	R	
DeguDent Benelux B.V.	Amsterdam	R	
DeguDent da Amazonia Industria e Comercio Ltda.	Brazil	U	
DeguDent GmbH	Germany	R	
DeguDent Industria e Comercio Ltda.	Brazil	U	
Dental Trust B.V.	Netherlands	R	
Dentsply (Guangzhou) Refractories Ltd.	Guangzhou	U	
Dentsply (Tianjin) International Trading Co. Ltd.	China	U	
Dentsply Argentina S.A.C.e I.	Argentina	U	
Dentsply Australia Pty. Ltd.	Victoria, Australia	R	
Dentsply Benelux S.a.r.l.	Luxembourg	R	
DENTSPLY Canada Ltd.	Canada	R	
Dentsply Chile Comercial Limitada	Santiago, Chile	U	
Dentsply De Trey GmbH	Langen/Hessen, Germany	R	
Dentsply De Trey S.a.r.l.	Canton de Vaud, Switzerland	R	
Dentsply Dental (Tianjin) Co. Ltd.	China	U	
Dentsply Espana, SL	Madrid, Spain	U	
Dentsply EU Holding, S.a.r.l.	Luxembourg	R	
Dentsply Europe S.a.r.l.	Luxembourg	R	
DENTSPLY Finance Co.	Delaware	R	
Dentsply France SAS	Nanterre, France	R	
DENTSPLY Friadent Benelux NV/SA	Belgium	R	
Dentsply Germany Holdings GmbH	Germany	R	
DENTSPLY Holding Company	Delaware	R	
Dentsply Holdings Unlimited	United Kingdom	U	
Dentsply India Private Limited	India	U	
Dentsply Industria e Comercio Ltda.	Brazil	U	
Dentsply Israel Ltd.	Israel	U	

Dentsply Italia Sr.L.	Italy	R	
DENTSPLY Korea Ltd.	Seoul, Republic of Korea	R	
Dentsply Limited	United Kingdom	R	
Dentsply LLC	Delaware	R	
Dentsply Luxembourg S.a.r.l.	Luxembourg	R	
Dentsply Mexico, S.A. de C.V.	Mexico	R	
Dentsply NA Inc.	Delaware	R	
Dentsply New Zealand Limited	Auckland, NZ	R	
DENTSPLY North America LLC	Delaware	R	
Dentsply Philippines, Inc. (Dentsply (Phils.) Inc.)	Philippines	U	
DENTSPLY Prosthetics U.S. LLC	Delaware	R	
Dentsply Russia Ltd.	United Kingdom	U	
Dentsply SC Inc.	Delaware	R	
Dentsply Services (Switzerland) S.a.r.l.	Switzerland	R	
Dentsply South Africa (Pty.) Ltd.	South Africa	U	
Dentsply Thailand Ltd.	Thailand	U	
DENTSPLY-Sankin K.K.	Japan	R	96.82%
Ducera Dental Verwaltungs GmbH	Friedburg, Germany	R	
Elephant Danmark ApS	Hoorn	R	
Elephant Dental B.V.	Noordwest-Holland	R	
Elephant Dental GmbH	Netherlands	R	
Friadent Brasil Ltda.	Brazil	U	98.33%
Friadent Denmark ApS	Denmark	U	
Friadent France S.a.r.l.	France	R	
Friadent GmbH	Germany	R	
Friadent Scandinavia AB	Sweden	U	
Friadent Schweiz AG	Switzerland	U	
GAC International LLC	Delaware	R	
GAC, SA	Switzerland	U	
GAC, GmbH	Germany	U	
GAC Norge, AS	Norway	U	
Glenroe Technologies, Inc.	Florida	R	
International Tooth Co. Ltd., The	United Kingdom	U	
Keith Wilson Limited	United Kingdom	U	
Laboratoires de Produits Dentaires Odoncia S.A.S.	Creteil, France	R	
Maillefer Instruments Consulting, S.a.r.l.	Switzerland	R	
Maillefer Instruments Holding, S.a.r.l.	Switzerland	R	
Maillefer Instruments Manufacturing, S.a.r.l.	Switzerland	R	
Maillefer Instruments Trading, S.a.r.l.	Switzerland	R	
Maillefer Plastiques, S.a.r.l.	Switzerland	R	
Oral Topics Limited	United Kingdom	U	
Orthodental International, Inc.	California	U	92%

Orthodental S.A. de C.V.	Mexico	U	93.2%
Prident (Shanghai) Dental Medical Devices Co., Ltd.	Minhang District, China	U	
Prident International, Inc.	California	U	
Probem Laboratorio de Produtos Farmaceuticos e Odontologicos S.A.	Brazil	U	60%
PT Dentsply Indonesia	Indonesia	U	
Raintree Essix Inc.	Delaware	R	
Ransom & Randolph Company	Delaware	R	
Sankin Laboratories K.K.	Japan	R	
SOF, S.A.	France	U	
Tulsa Dental Products LLC	Delaware	R	
Tulsa Finance Co.	Delaware	R	
VDW GmbH	Germany	R	

LICENSES, PERMITS, ETC.

None.

Schedule 5.15
Existing Debt; Future Liens
Outstanding Debt of the Company and its Restricted Subsidiaries
as of December 31, 2006

Source	Currency	FC Principal	FX	USD Equivalent
Commercial Paper				
USD Commercial Paper	USD	55,000,000	$1.0000	$ 55,000,000
EUR Commercial Paper	EUR	38,000,000	$1.3190	$ 50,122,000
subtotal				$ 105,122,000
Revolving Credit Loans				
due 2/16/2007	USD	50,000,000	$1.0000	$ 50,000,000
due 3/1/2007	CHF	65,000,000	1.2198	$ 53,287,424
due 3/28/2007	JPY	12,552,500,000	119.075	$ 105,416,754
subtotal				$ 208,704,178
Private Placement Notes				
Prudential Note A	CHF	27,483,333	1.2198	$ 22,531,016
Prudential Note A	CHF	28,133,333	1.2198	$ 23,063,890
subtotal				$ 45,594,906
Checks issued not cleared	USD	5,454,377	$1.0000	$ 5,454,377
Fair Value of Derivatives				$ 53,356,255
Guarantee/Letters of Credit				$ 7,615,356
Subtotal Dentsply International Inc.				$ 425,847,073
Subsidiary Bank Debt				
MI Bank, Bradenton, FL	USD	$ 33,195	$1.0000	$ 33,195
BB&T, Bradenton, FL	USD	$ 2,130	$1.0000	$ 2,130

Jyske Bank, Denmark	DKK	68,117	5.65305	$ 12,050
Citibank NA, Roma	EUR	64,524	$1.3190	$ 85,107
Citibank NA, London	EUR	102	$1.3190	$ 135
Citibank NA, Sao Paulo	BRL	1,180,776	2.138	$ 552,281
Banco Santandder, Sao Paulo	BRL	4,484,576	2.138	$ 2,097,557
Banco Itau, Sao Paulo	BRL	7,885	2.138	$ 3,688
Banco Bradesco, Sao Paulo	BRL	62	2.138	$ 29
subtotal				$ 2,786,171
Capital Lease Obligations				
IBM - AS400, York, PA	USD	$ 2,061	$1.0000	$ 2,061
Various - Equipment, Bradenton, FL	USD	$ 118,243	$1.0000	$ 118,243
CMCIC - Building, Rocherbon, Fra.	EUR	649,961	$1.3190	$ 857,298
UCA Bail - Equipment, Rocherbon, Fra.	EUR	63,103	$1.3190	$ 83,232
CGI - Autos, Rocherbon, Fra.	EUR	55,317	$1.3190	$ 72,963
subtotal				$ 1,133,798
Various Dealer Deposits	JPY	162,000,000	119.075	$ 1,360,487
Consolidated Debt				$ 431,127,528

Schedule 10.3
Existing Liens
of the Company and its Restricted Subsidiaries
as of December 31, 2006

Letters of Credit /Guarantees	Issuer	Beneficiary	USD Equivalent
Standby Letter of Credit	M&T Bank	Travelers Indemnity	$ 6,900,000
Letter of Credit	Citibank	SIMA GmbH	$ 659,500
Letter of Credit	Citibank	GDMS Riyahd	$ 55,856
subtotal			$ 7,615,356

Capital Lease Obligations	FC Principal	FX	USD Equivalent
IBM - AS400, York, PA	$ 2,061	$ 1.0000	$ 2,061
Various - Equipment, Bradenton, FL	$ 118,243	$ 1.0000	$ 118,243
CMCIC - Building, Rocherbon, Fra.	€ 649,961	$ 1.3190	$ 857,298
UCA Bail - Equipment, Rocherbon, Fra.	€ 63,103	$ 1.3190	$ 83,232
CGI - Autos, Rocherbon, Fra.	€ 55,317	$ 1.3190	$ 72,963
subtotal			$ 1,133,798

[FORM OF NOTE]

DENTSPLY INTERNATIONAL INC.

FLOATING RATE SENIOR NOTE DUE MARCH 13, 2010

No. [_____] [Date]
$[_____] PPN 249030 B@5

FOR VALUE RECEIVED, the undersigned, DENTSPLY INTERNATIONAL INC. (herein called the "*Company*"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS (or so much thereof as shall not have been prepaid) on March 13, 2010 with interest (computed on the basis of a 360-day and actual days elapsed) (a) on the unpaid balance thereof at a floating rate equal to Adjusted LIBOR Rate (as defined in the Note Purchase Agreement referred to below) from the date hereof until maturity, payable quarterly on the 13th day of each March, June, September and December in each year commencing June 13 2007 and at maturity, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Prepayment Premium, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any prepayment premium with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "*Notes*") issued pursuant to the Note Purchase Agreement, dated as of March 13, 2007 (as from time to time amended, supplemented or modified, the "*Note Purchase Agreement*"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided*, that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and

registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the date and in the amounts specified in the Note Agreement. This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the LIBOR Breakage Amount and any applicable Prepayment Premium) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY INTERNATIONAL INC.

FORM OF OPINION OF GENERAL COUNSEL
TO THE COMPANY

The closing opinion of [_____], General Counsel of the Company, which is called for by Section 4.4 of the Note Purchase Agreement, shall be dated the date of Closing and addressed to the Purchasers, shall be satisfactory in scope and form to each Purchaser and shall be to the effect that:

1. The Company has the full corporate power and the corporate authority to conduct the activities in which it is now engaged, has the corporate power and authority to execute and perform the Note Purchase Agreement and to issue the Notes and is duly licensed or qualified and is in good standing as a foreign corporation in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business transacted by it makes such licensing or qualification necessary except in jurisdictions where the failure to be so qualified or licensed would not have a material adverse effect on the business of the Company.

2. Each Subsidiary is a corporation or similar legal entity, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly licensed or qualified and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business transacted by it makes such licensing or qualification necessary except in jurisdictions where the failure to be so qualified or licensed would not have a material adverse effect on the business of such Subsidiary. All of the issued and outstanding shares of capital stock or similar equity interests of each such Subsidiary have been duly issued, are fully paid and non-assessable and are owned by the Company, by one or more Subsidiaries, or by the Company and one or more Subsidiaries.

3. The issuance and sale of the Notes, the execution, delivery and performance by the Company of the Note Purchase Agreement, and the execution, delivery and performance by each Subsidiary Guarantor of the Subsidiary Guaranty do not violate any provision of any law or other rule or regulation of any Governmental Authority applicable to the Company or any such Subsidiary Guarantor or conflict with or result in any breach of any of the provisions of or constitute a default under or result in the creation or imposition of any Lien upon any property of the Company or any such Subsidiary Guarantor pursuant to the provisions of the Articles or Certificate of Incorporation or By-laws, or such similar organizational or governing instrument, as the case may be, of the Company or such Subsidiary Guarantor or any agreement or other instrument known to such counsel to which the Company or any such Subsidiary Guarantor is a party or by which the Company or any such Subsidiary Guarantor may be bound.

4. There are no actions, suits or proceedings pending or, to the knowledge of such counsel after due inquiry, threatened against or affecting the Company or any Subsidiary in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, would have a materially adverse effect on the properties, business, profits or condition, (financial or otherwise) of the Company and its Subsidiaries or the ability of the Company to perform its obligations under the Note Purchase Agreement and the Notes or on the

legality, validity or enforceability of the Company's obligations under the Note Purchase Agreement and the Notes. To the knowledge of such counsel, neither the Company nor any Subsidiary is in default with respect to any court or governmental authority, or arbitration board or tribunal.

5. The Note Purchase Agreement has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and constitutes the legal, valid and binding contract of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

6. The Notes have been duly authorized by all necessary corporate action on the part of the Company, have been duly executed and delivered by the Company and constitute the legal, valid and binding contract of the Company enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

7. No approval, consent or withholding of objection on the part of, or filing, registration or qualification with, any governmental body, Federal or state, is necessary in connection with the execution and delivery of the Note Purchase Agreement or the Notes.

8. The issuance, sale and delivery of the Notes under the circumstances contemplated by the Note Purchase Agreement do not, under existing law, require the registration of the Notes under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

9. Neither the issuance of the Notes nor the application of the proceeds of the sale of the Notes will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulation issued pursuant thereto, including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System.

10. 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.

The opinion of [_____], shall cover such other matters relating to the sale of the Notes as each Purchaser may reasonably request and successors and assigns of the Purchasers shall be entitled to rely on such opinion. With respect to matters of fact on which such opinion is based, such counsel shall be entitled to rely on appropriate certificates of public officials and other officers of the Company and its Subsidiaries.

FORM OF OPINION OF SPECIAL COUNSEL
TO THE PURCHASERS

The closing opinion of Chapman and Cutler LLP, special counsel to the Purchasers, called for by Section 4.4 of the Note Purchase Agreement, shall be dated the date of Closing and addressed to each Purchaser, shall be satisfactory in form and substance to each Purchaser and shall be to the effect that:

1. The Company is a corporation, validly existing and in good standing under the laws of its jurisdiction of incorporation and has the corporate power and the corporate authority to execute and deliver the Note Purchase Agreement and to issue the Notes.

2. The Note Purchase Agreement has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and constitutes the legal, valid and binding contract of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

3. The Notes have been duly authorized by all necessary corporate action on the part of the Company, and the Notes being delivered on the date hereof have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

4. The issuance, sale and delivery of the Notes and the execution and delivery of the Subsidiary Guaranty under the circumstances contemplated by the Note Purchase Agreement and the Subsidiary Guaranty do not, under existing law, require the registration of the Notes or the Subsidiary Guaranty under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

With respect to matters of fact upon which such opinion is based, Chapman and Cutler LLP may rely on appropriate certificates of public officials and officers of the Company and upon representations of the Company and the Purchasers delivered in connection with the issuance and sale of the Notes.

In rendering the opinion set forth in paragraph 1 above, Chapman and Cutler LLP may rely, as to matters referred to in paragraph 1, solely upon an examination of the Articles of Incorporation certified by, and a certificate of good standing of the Company from, the Secretary of State of the State of Delaware, the Bylaws of the Company and the general business corporation law of the State of Delaware. The opinion of Chapman and Cutler LLP is limited to the laws of the State of New York, the general business corporation law of the State of Delaware and the Federal laws of the United States.

DENTSPLY International Inc.
2002 Amended and Restated Equity Incentive Plan

SECTION 1 PURPOSE

The purpose of the DENTSPLY International Inc. 2002 Amended and Restated Equity Incentive Plan (originally named the "DENTSPLY International Inc. 2002 Stock Option Plan") (the "Plan") is to benefit DENTSPLY International Inc. ("DENTSPLY") and its "Subsidiaries," as defined below (hereinafter referred to, either individually or collectively, as the "Company") by recognizing the contributions made to the Company by officers and other key employees, consultants and advisers, to provide such persons with an additional incentive to devote themselves to the future success of the Company, and to improve the ability of the Company to attract, retain and motivate such persons. The Plan is also intended as an additional incentive to members of the Board of Directors of DENTSPLY (the "Board") who are not employees of the Company ("Outside Directors") to serve on the Board and to devote themselves to the future success of the Company. "Subsidiaries," as used in the Plan, has the definition set forth in Section 424 (f) of the Internal Revenue Code of 1986, as amended (the "Code"). The original effective date of the Plan was March 22, 2002 ("Effective Date"). An amendment and restatement of the Plan was approved by the Board as of March 22, 2005, to change the name of the Plan to the "2002 Amended and Restated Equity Incentive Plan", to provide for the grant of restricted stock, restricted stock units and stock appreciation rights to eligible participants and to make conforming changes in other provisions.

Stock options which constitute "incentive stock options" within the meaning of Section 422 of the Code ("ISOs"), stock options which do not constitute ISOs ("NSOs"), stock which is subject to certain forfeiture risks and restrictions ("Restricted Stock"), stock delivered upon vesting of units ("Restricted Stock Units") and stock appreciation rights ("Stock Appreciation Rights") may be awarded under the Plan. ISOs and NSOs are collectively referred to as "Options." Options, Restricted Stock, Restricted Stock Units and Stock Appreciation Rights are collectively referred to as "Awards." The persons to whom Options are granted under the Plan are hereinafter referred to as "Optionees." The persons to whom Restricted Stock, Restricted Stock Units and/or Stock Appreciation Rights are granted under the Plan are hereinafter referred as to "Grantees."

SECTION 2 ELIGIBILITY

Outside Directors shall participate in the Plan only in accordance with the provisions of Section 5. The Committee (as defined in Section 3) shall initially, and from time to time thereafter, select those officers and other key employees of the Company, including members of the Board who are also employees ("Employee Directors"), and consultants and advisers to the Company, to participate in the Plan on the basis of the importance of their services in the management, development and operations of the Company. Officers, other key employees and Employee Directors are collectively referred to as "Key Employees."

SECTION 3 ADMINISTRATION

3.1 The Committee

The Plan shall be administered by the Human Resources Committee of the Board or a subcommittee thereof (“Committee”). The Committee shall be comprised of two (2) or more members of the Board. All members of the Committee shall qualify as "Non-Employee Directors" as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "1934 Act"), or any successor rule or regulation, "independent directors" as defined in Section 4200(15) of the Marketplace Rules of The Nasdaq Stock Market and "outside directors" as defined in Section 162(m) or any successor provision of the Code and applicable Treasury regulations thereunder, if such qualification is deemed necessary in order for the grant or the exercise of Options under the Plan to qualify for any tax or other material benefit to Optionees or the Company under applicable law.

3.2 Authority of the Committee

Subject to the express provisions of the Plan, the Committee shall have sole discretion concerning all matters relating to the Plan and Awards granted hereunder. The Committee, in its sole discretion, shall determine the Key Employees, consultants and advisors to whom, and the time or times at which, Awards will be granted, the number of shares to be subject to each Award, the expiration date of each Award, the time or times within which the Option may be exercised or forfeiture restrictions lapse, the cancellation or termination of the Award and the other terms and conditions of the grant of the Award. The terms and conditions of Awards need not be the same with respect to each Optionee and/or Grantee or with respect to each Award.

The Committee may, subject to the provisions of the Plan, establish such rules and regulations as it deems necessary or advisable for the proper administration of the Plan, and may make determinations and may take such other actions in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or other action made or taken pursuant to the Plan, including interpretation of the Plan and the specific terms and conditions of the Award granted hereunder by the Committee, shall be final, binding and conclusive for all purposes and upon all persons.

3.3 Award Agreement

Each Award shall be evidenced by a written agreement or grant certificate specifying the type of Award granted, the number of shares of Common Stock, par value $.01 per share ("Common Stock") to be subject to such Award and, as applicable, the vesting schedule, the exercise or grant price, the terms for payment of the exercise price, the expiration date of the Option, the restrictions imposed upon the Restricted Stock and/or Restricted Stock Units and such other terms and conditions established by the Committee, in its sole discretion, which are not inconsistent with the Plan.

SECTION 4 SHARES OF COMMON STOCK SUBJECT TO THE PLAN

4.1 Subject to adjustment as provided in Sections 4.1 and 4.2, Options, Restricted Stock, Restricted Stock Units and Stock Appreciation Rights with respect to an aggregate of seven million (7,000,000) shares of common stock, par value $.01 per share of DENTSPLY (the "Common Stock") (plus any shares of Common Stock covered by any unexercised portion of canceled or terminated stock options granted under the DENTSPLY International Inc. 1993 Stock Option Plan or 1998 Stock Option Plan), may be granted under the Plan (the "Maximum Number"). The Maximum Number shall be increased on January 1 of each calendar year during the term of the Plan (as set forth in Section 16) to equal seven percent (7%) of the outstanding shares of Common Stock on such date, in the event that seven million (7,000,000) shares is less than seven percent (7%) of the outstanding shares of Common Stock on such date, prior to such increase. Notwithstanding the foregoing, and subject to adjustment as provided in Section 4.2, (i) Options with respect to no more than one million (1,000,000) shares of Common Stock may be granted as ISOs under the Plan, (ii) no more than two million (2,000,000) shares may be awarded as Restricted Stock or Restricted Stock Units under the Plan, and (iii) in any calendar year no Key Employee shall be granted Options or Stock Appreciation Rights with respect to more than five hundred thousand (500,000) shares of Common Stock or Restricted Stock and Restricted Stock Units in excess of 150,000 shares of Common Stock. Any shares of Common Stock reserved for issuance upon exercise of Options or Stock Appreciation Rights which expire, terminate or are cancelled, and any shares of Common Stock subject to any grant of Restricted Stock or Restricted Stock Units which are forfeited, may again be subject to new Awards under the Plan. For the avoidance of doubt, the amendment and restatement of the Plan does not increase the Maximum Number and notwithstanding any adjustment in the Maximum Number, as provided above, all Awards granted under the Plan on or following the Effective Date, subject to forfeitures or cancellation, shall be counted towards the Maximum Number.

4.2 The number of shares of Common Stock subject to the Plan and to Awards granted under the Plan shall be adjusted as follows: (a) in the event that the number of outstanding shares of Common Stock is changed by any stock dividend, stock split or combination of shares, the number of shares subject to the Plan and to Awards previously granted thereunder shall be proportionately adjusted, (b) in the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, there shall be substituted on an equitable basis as determined by the Board of Directors, in its sole discretion, for each share of Common Stock then subject to the Plan and for each share of Common Stock then subject to an Award granted under the Plan, the number and kind of shares of stock, other securities, cash or other property to which the holders of Common Stock of the Company are entitled pursuant to the transaction, and (c) in the event of any other changes in the capitalization of the Company, the Committee, in its sole discretion, shall provide for an equitable adjustment in the number of shares of Common Stock then subject to the Plan and to each share of Common Stock then subject to Award granted under the Plan. In the event of any such adjustment, the exercise price per share of any Options or Stock Appreciation Rights shall be proportionately adjusted.

SECTION 5 GRANT OF OPTIONS TO OUTSIDE DIRECTORS

5.1 Grants

All grants of Options to Outside Directors shall be automatic and non-discretionary. Each individual who becomes an Outside Director (other than an Outside Director who was previously an Employee Director) shall be granted a NSO to purchase nine thousand (9,000) shares of Common Stock on the date he or she becomes an Outside Director. Each individual who is an Employee Director and who thereafter becomes an Outside Director shall be granted automatically a NSO to purchase nine thousand (9,000) shares of Common Stock on the third anniversary of the date such Employee Director was last granted an Option. Thereafter, each Outside Director who holds NSOs granted under this Section 5 and is re-elected to the Board shall be granted an additional NSO to purchase nine thousand (9,000) shares of Common Stock on the third anniversary of the date such Outside Director was last granted an Option.

5.2 Expiration

Except to the extent otherwise provided in or pursuant to Section 11, each Option shall expire, and all rights to purchase shares of Common Stock shall expire, on the tenth anniversary of the date on which the Option was granted.

5.3 Exercise Price

The exercise price of each NSO granted to an Outside Director shall be the "Fair Market Value," on the date on which the Option is granted, of the Common Stock subject to the Option. For purposes of the Plan, "Fair Market Value" shall mean the closing sales price of the Common Stock on The Nasdaq National Market, or other national securities exchange which is the principal securities market on which the Common Stock is traded (as reported in The Wall Street Journal, Eastern Edition).

5.4 Vesting

Each such NSO shall become exercisable ("vest") with respect to one-third of the total number of shares of Common Stock subject to the Option on the first anniversary following the date of its grant, and with respect to an additional one-third of the total number of shares of Common Stock subject to the Option, on each anniversary thereafter during the succeeding two years.

5.5 Restricted Stock, Restricted Stock Units and Stock Appreciation Rights

Notwithstanding the foregoing, the Board of Directors may determine that, in lieu of being granted NSOs as described in this Section 5, an Outside Director shall be granted an Award of shares of Restricted Stock, Restricted Stock Units and/or Stock Appreciation Rights as described in Section 8 or 10 hereof which, at the time of grant, for the same value as 9,000 Options as determined by the method the Company uses to value Awards. In any such event, the restrictions as to such Award of Restricted Stock and/or Restricted Stock Units shall lapse, and any such Award of Stock Appreciation Rights shall vest, in accordance with the vesting schedule set forth in Section 5.4.

SECTION 6 GRANTS OF OPTIONS TO EMPLOYEES, CONSULTANTS AND ADVISERS

6.1 Grants

Subject to the terms of the Plan, the Committee may from time to time grant Options which are ISOs to Key Employees and Options which are NSOs to Key Employees, consultants and advisers of the Company. Each such grant shall specify whether the Options so granted are ISOs or NSOs, provided, however, that if, notwithstanding its designation as an ISO, all or any portion of an Option does not qualify under the Code as an ISO, the portion which does not so qualify shall be treated for all purposes as a NSO.

6.2 Expiration

Except to the extent otherwise provided in or pursuant to Section 11, each Option shall expire, and all rights to purchase shares of Common Stock shall expire, on the tenth anniversary of the date on which the Option was granted.

6.3 Vesting

Except to the extent otherwise provided in or pursuant to Section 11, or in the proviso to this sentence, Options shall vest pursuant to the following schedule: with respect to one-third of the total number of shares of Common Stock subject to Option on the first anniversary following the date of its grant, and with respect to an additional one-third of the total number of shares of Common Stock subject to the Option, on each anniversary thereafter during the succeeding two years; provided, however, that the Committee, in its sole discretion, shall have the authority to shorten or lengthen the vesting schedule with respect to any or all Options, or any part thereof, granted under the Plan.

6.4 Required Terms and Conditions of ISOs

ISOs may be granted to Key Employees. Each ISO granted to a Key Employee shall be in such form and subject to such restrictions and other terms and conditions as the Committee may determine, in its sole discretion, at the time of grant, subject to the general provisions of the Plan, the applicable Option agreement or grant certificate, and the following specific rules:

(a) Except as provided in Section 6.4(c), the exercise price per share of each ISO shall be the Fair Market Value of a share of Common Stock on the date such ISO is granted.

(b) The aggregate Fair Market Value (determined with respect to each ISO at the time such Option is granted) of the shares of Common Stock with respect to which ISOs are exercisable for the first time by an Optionee during any calendar year (under all incentive stock option plans of the Company) shall not exceed $200,000.

(c) Notwithstanding anything herein to the contrary, if an ISO is granted to an individual who owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, (i) the exercise price of each ISO shall be not less than one hundred ten percent (110%) of the Fair Market Value of a share of Common Stock on the date the ISO is granted, and (ii) the ISO shall expire and all rights to purchase shares thereunder shall cease no later than the fifth anniversary of the date the ISO was granted.

6.5 Required Terms and Conditions of NSOs

Each NSO granted to Key Employees and consultants and advisers shall be in such form and subject to such restrictions and other terms and conditions as the Committee may determine, in its sole discretion, at the time of grant, subject to the general provisions of the Plan, the applicable Option agreement or grant certificate, and the following specific rule: except as otherwise determined by the Committee in its sole discretion with respect to a specific grant, the exercise price per share of each NSO shall be not less than the Fair Market Value of a share of Common Stock on the date the NSO is granted.

SECTION 7 EXERCISE OF OPTIONS

7.1 Notices

A person entitled to exercise an Option may do so by delivery of a written notice to that effect, in a form specified by the Committee, specifying the number of shares of Common Stock with respect to which the Option is being exercised and any other information or documents the Committee may prescribe. The notice shall be accompanied by payment as described in Section 7.2. All notices, documents or requests provided for herein shall be delivered to the Secretary of the Company.

7.2 Exercise Price

Except as otherwise provided in the Plan or in any Option agreement or grant certificate, the Optionee shall pay the exercise price of the number of shares of Common Stock with respect to which the Option is being exercised upon the date of exercise of such Option (a) in cash, (b) pursuant to a cashless exercise arrangement with a broker on such terms as the Committee may determine, (c) by delivering shares of Common Stock held by the Optionee for at least six (6) months and having an aggregate Fair Market Value on the date of exercise equal to the Option exercise price, (d) in the case of a Key Employee, by such other medium of payment as the Committee, in its sole discretion, shall authorize, or (e) by any combination of (a), (b), (c), and (d). The Company shall issue, in the name of the Optionee, stock certificates representing the total number of shares of Common Stock issuable pursuant to the exercise of any Option as soon as reasonably practicable after such exercise, provided that any shares of Common Stock purchased by an Optionee through a broker pursuant to clause (b) above shall be delivered to such broker in accordance with applicable law.

SECTION 8 STOCK APPRECIATION RIGHTS

The Committee may award shares of Common Stock to Outside Directors, Key Employees and consultants and advisors under a Stock Appreciation Right Award, upon such terms as the Committee deems applicable, including the provisions set forth below:

8.1 General Requirements.

Stock Appreciation Rights may be granted in tandem with another Award, in addition to another Award, or freestanding and unrelated to another Award. Stock Appreciation Rights granted in tandem with or in addition to an Award may be granted either at the same time as the Award or, except in the case of Incentive Stock Options, at a later time. The Committee shall determine the number of shares of Common Stock to be issued pursuant to a Stock Appreciation Right Award, the grant price thereof and the conditions and limitations applicable to the exercise thereof.

8.2 Payment.

A Stock Appreciation Right shall entitle the Grantee to receive, upon exercise of the Stock Appreciation Right or any portion thereof, an amount equal to the product of (a) the excess of the Fair Market Value of a share of Common Stock on the date of exercise over the grant price thereof and (b) the number of shares of Common Stock as to which such Stock Appreciation Right Award is being exercised. Payment of the amount determined under this Section 8.2 shall be made solely in shares of Common Stock, provided that, the Stock Appreciation Rights which are settled shall be counted in full against the number of shares available for award under the Plan, regardless of the number of shares of Common Stock issued upon settlement of the Stock Appreciation Right.

8.3 Exercise.

(a) Except to the extent otherwise provided in Section 11 or 12, or in the proviso to this sentence, Stock Appreciation Rights shall vest pursuant to the following schedule: with respect to one-third of the total number of shares of Common Stock subject to the Stock Appreciation Right on the first anniversary following the date of its grant, and with respect to an additional one-third of the total number of shares of Common Stock subject to the Stock Appreciation Right, on each anniversary thereafter during the succeeding two years; provided, however, that the Committee, in its sole discretion, shall have the authority to shorten or lengthen the vesting schedule with respect to any or all Stock Appreciation Rights, or any part thereof, granted under the Plan. Notwithstanding the foregoing, a tandem stock appreciation right shall be exercisable at such time or times and only to the extent that the related Award is exercisable.

(b) A person entitled to exercise a Stock Appreciation Right Award may do so by delivery of a written notice to that effect, in a form specified by the Committee, specifying the number of shares of Common Stock with respect to which the Stock Appreciation Right Award is being exercised and any other information or documents the Committee may prescribe. Upon exercise of a tandem Stock Appreciation Right Award, the number of shares of Common Stock covered by the related Award shall be reduced by the number of shares with respect to which the Stock Appreciation Right has been exercised.

SECTION 9 TRANSFERABILITY OF OPTIONS AND STOCK APPRECIATION RIGHTS

Unless otherwise determined by the Committee, no Option or Stock Appreciation Right granted pursuant to the Plan shall be transferable otherwise than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code.

SECTION 10 RESTRICTED STOCK AND RESTRICTED STOCK UNITS

The Committee may award shares of Common Stock to Outside Directors, Key Employees and consultants and advisors under an Award of Restricted Stock and/or Restricted Stock Units, upon such terms as the Committee deems applicable, including the provisions set forth below.

10.1 General Requirements.

Shares of Common Stock issued or transferred pursuant to an Award of Restricted Stock and/or Restricted Stock Units may be issued or transferred for consideration or for no consideration, and subject to restrictions or no restrictions, as determined by the Committee. The Committee may establish conditions under which restrictions on shares of Restricted Stock and/or Restricted Stock Units shall lapse over a period of time or according to such other criteria (including performance-based criteria) as the Committee deems appropriate. The period of time during which shares of Restricted Stock and/or Restricted Stock Units remain subject to restrictions will be designated in the written agreement or grant certificate as the "Restricted Period."

10.2 Number of Shares.

The Committee shall determine the number of shares of Common Stock to be issued pursuant to an Award of Restricted Stock and/or Restricted Stock Units and the restrictions applicable to the shares subject to such Award.

10.3 Restrictions on Transfer and Legend on Stock Certificate.

During the Restricted Period, subject to such exceptions as the Committee may deem appropriate, a Grantee may not sell, assign, transfer, donate, pledge or otherwise dispose of the shares of Restricted Stock or Restricted Stock Units. Each certificate for a share of Restricted Stock shall contain a legend giving appropriate notice of the applicable restrictions. The Grantee shall be entitled to have the legend removed from the stock certificate covering the shares of Restricted Stock subject to restrictions when all restrictions on such shares lapse. The Board may determine that the Company will not issue certificates for shares of Restricted Stock until all restrictions on such shares lapse, or that the Company will retain possession of certificates for shares of Restricted Stock until all restrictions on such shares lapse.

10.4 Right to Vote and to Receive Dividends.

During the Restricted Period, except as otherwise set forth in the applicable written agreement or grant certificate, the Grantee shall have the right to vote shares of Restricted Stock and to receive any dividends or other distributions paid on such shares of Restricted Stock, subject to any restrictions deemed appropriate by the Committee. The Committee may determine in its discretion with respect to any Award of Restricted Stock Units that, in the event that dividends are paid on shares of Common Stock, an amount equal to the dividend paid on each such share shall be credited to the shares subject to Award of Restricted Stock Units ("Dividend Credits"). Any Dividend Credits shall be paid to the Grantee if and when the restrictions with respect to such Restricted Stock Units lapse as set forth in Section 10.5.

10.5 Lapse of Restrictions.

(a) All restrictions imposed on Restricted Stock and/or Restricted Stock Units shall lapse upon the expiration of the applicable Restricted Period and the satisfaction of all conditions imposed by the Committee (the date on which restrictions lapse as to any shares of Restricted Stock or Restricted Stock Units, the "Vesting Date"). The Committee may determine, as to any grant of Restricted Stock and/or Restricted Stock Units, that the restrictions shall lapse without regard to any Restricted Period.

(b) Upon the lapse of restrictions with respect to any Restricted Stock Units, the value of such Restricted Stock Units shall be paid to the Grantee in shares of Common Stock. For purposes of the preceding sentence, each Restricted Stock Unit as to which restrictions have lapsed shall have a value equal to the Fair Market Value as of the Units Vesting Date. "Units Vesting Date" means, with respect to any Restricted Stock Units, the date on which restrictions with respect to such Restricted Stock Units lapse.

SECTION 11 EFFECT OF TERMINATION OF EMPLOYMENT

11.1 Termination Generally

(a) Except as provided in Section 11.2, 11.3 or 12, or as determined by the Committee, in its sole discretion, all rights to exercise the vested portion of any Option held by an Optionee or of any Stock Appreciation Right Award held by a Grantee whose employment or relationship (if a non-employee) with the Company or service on the Board is terminated for any reason other than "Cause," as defined below, shall terminate ninety (90) days following the date of termination of employment or the relationship or service on the Board, as the case may be. All rights to exercise the vested portion of any Option held by an Optionee or of any Stock Appreciation Right Award held by a Grantee whose employment or relationship (if a non-employee) with the Company is terminated for "Cause" shall terminate on the date of termination of employment or the relationship. For the purposes of this Plan, "Cause" shall mean a finding by the Committee that the Optionee has engaged in conduct that is fraudulent, disloyal, criminal or injurious to the Company, including, without limitation, acts of dishonesty, embezzlement, theft, felonious conduct or unauthorized disclosure of trade secrets or confidential information of the Company. Unless otherwise provided in the Plan or determined by the Committee, vesting of Options and Stock Appreciation Right Awards ceases immediately upon termination of employment, or the date of termination of the relationship with the Company, and any portion of an Option and/or Stock Appreciation Right Award that has not vested on or before the date of such termination is forfeited on such date.

(b) If a Grantee who has received an Award of Restricted Stock and/or Restricted Stock Units ceases to be employed by the Company during the Restricted Period, or if other specified conditions are not met, the Award of Restricted Stock and/or Restricted Stock Units shall terminate as to all shares covered by the Award as to which the restrictions have not lapsed, and, in the case of Restricted Stock, those shares of Common Stock shall be canceled in exchange for the purchase price, if any, paid by the Grantee for such shares. The Committee may provide, however, for complete or partial exceptions to this requirement as it deems appropriate.

(c) The transfer of employment from the Company to a Subsidiary, or from a Subsidiary to the Company, or from a Subsidiary to another Subsidiary, shall not constitute a termination of employment for purposes of the Plan. Awards granted under the Plan shall not be affected by any change of duties in connection with the employment of the Key Employee or by a leave of absence authorized by the Company.

11.2 Death and Disability

In the event of the death or Disability (as defined below) of an Optionee or Grantee during employment or such Optionee's or Grantee relationship with the Company or service on the Board, (a) all Options held by the Optionee and all Stock Appreciation Right Awards held by the Grantee shall become fully exercisable on such date of death or Disability and (b) all restrictions and conditions on all Restricted Stock and/or Restricted Stock Units held by the Grantee shall lapse on such date of death or Disability. Each of the Options held by such an Optionee and each of the Stock Appreciation Right Awards held by such a Grantee shall expire on the earlier of (i) the first anniversary of the date of death or Disability and (ii) the date that such Option or Stock Appreciation Right Award expires in accordance with its terms, provided that, in any event, NSOs granted under this Plan shall not expire earlier than one year from the date of death or disability. For purposes of this Section 11.2, "Disability" shall mean the inability of an individual to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months. The Committee, in its sole discretion, shall determine the existence and date of any Disability.

11.3 Retirement

(a) Key Employees. In the event the employment of a Key Employee with the Company shall be terminated by reason of "Normal Retirement" or "Early Retirement," as defined below, all Options and Stock Appreciation Right Awards held by such Key Employee shall become fully exercisable on the date of such Employee retirement. Each of the Options and Stock Appreciation Right Awards held by such a Key Employee shall expire on the earlier of (i) the fifth anniversary of the date of the Employee retirement, or (ii) the date that such Option expires in accordance with its terms. For the purposes hereof, "Normal Retirement" shall mean retirement of a Key Employee at or after age 65 and "Early Retirement" shall mean retirement of a Key Employee at or after age 60 with a minimum of 15 years of service with the Company. In the event the employment of a Key Employee with the Company shall be terminated by reason of a retirement that is not an Normal Retirement or Early Retirement, the Committee may, in its sole discretion, determine the vesting, exercisability and exercise periods applicable to Options and Stock Appreciation Right Awards held by such Key Employee. In the event the employment of a Key Employee with the Company shall be terminated by reason of "Normal Retirement" or "Early Retirement", all restrictions and conditions on all Restricted Stock and/or Restricted Stock Units held by such

Key Employee shall lapse on the date of such Normal Retirement or Early Retirement. In the event the employment of a Key Employee with the Company shall be terminated by reason of a retirement that is not a Normal Retirement or Early Retirement, the Committee may, in its sole discretion, determine the restrictions and conditions, if any, on Restricted Stock and/or Restricted Stock Units held by such Key Employee that will lapse.

(b) Outside Directors. In the event the service on the Board of an Outside Director shall be terminated by reason of the retirement of such Outside Director in accordance with the Company's retirement policy for members of the Board ("Outside Director Retirement"), all Options and Stock Appreciation Right Awards held by such Outside Director shall become fully exercisable on the date of such Outside Director Retirement. Each of the Options and Stock Appreciation Right Awards held by such an Outside Director shall expire on the earlier of (i) the date that such Option or Stock Appreciation Right Award expires in accordance with its terms or (ii) the five year anniversary date of such Outside Director Retirement. In the event the service on the Board of an Outside Director shall be terminated by reason of an "Outside Director Retirement", all restrictions and conditions on all Restricted Stock and/or Restricted Stock Units held by such Outside Director shall lapse on the date of such Outside Director Retirement.

(c) Key Employees Who Are Employee Directors. Section 11.3(a) shall be applicable to Options, Stock Appreciation Rights, Restricted Stock and/or Restricted Stock Units held by any Key Employee who is an Employee Director at the time that such Key Employee's employment with the Company terminates by reason of Employee Retirement. If such Key Employee continues to serve on the Board as of the date of such Key Employee's Employee Retirement, then Section 11.3(b) shall be applicable to Options, Stock Appreciation Rights Restricted Stock and/or Restricted Stock Units granted after such date.

SECTION 12 CHANGE IN CONTROL

12.1 Effect of Change in Control

Notwithstanding any of the provisions of the Plan or any written agreement or grant certificate evidencing Awards granted hereunder, immediately upon a "Change in Control" (as defined in Section 12.2), all outstanding Options and Stock Appreciation Rights granted to Key Employees or Outside Directors, whether or not otherwise exercisable as of the date of such Change in Control, shall accelerate and become fully exercisable and all restrictions thereon shall terminate in order that Optionees and Grantees may fully realize the benefits thereunder, and all restrictions and conditions on all Restricted Stock and Restricted Stock Units granted to Key Employees or Outside Directors shall lapse upon the effective date of the Change of Control. The Committee may determine in its discretion (but shall not be obligated to do so) that any or all holders of outstanding Options and Stock Appreciation Right Awards which are exercisable immediately prior to a Change of Control (including those that become exercisable under this Section 12.1) will be required to surrender them in exchange for a payment, in cash or Common Stock as determined by the Committee, equal to the value of such Options and Stock Appreciation Right Awards (as determined by the Committee in its discretion), with such payment to take place as of the date of the Change in Control or such other date as the Committee may prescribe.

12.2 Definition of Change in Control

The term "Change in Control" shall mean the occurrence, at any time during the term of an Award granted under the Plan, of any of the following events:

(a) The acquisition, other than from the Company, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") (other than the Company or any benefit plan sponsored by the Company) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 30% or more of either (i) the then outstanding shares of the Common Stock (the "Outstanding Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Voting Securities"); or

(b) Individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least one-third (1/3) of the Board (rounded down to the nearest whole number), provided that any individual whose election or nomination for election was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company; or

(c) Consummation by the Company of a reorganization, merger or consolidation (a "Business Combination"), in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the Outstanding Common Stock and Voting Securities immediately prior to such Business Combination do not, following such Business Combination, beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of the Outstanding Common Stock and Voting Securities, as the case may be; or

(d) Consummation of a complete liquidation or dissolution of the Company, or sale or other disposition of all or substantially all of the assets of the Company other than to a corporation with respect to which, following such sale or disposition, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Common Stock and Voting Securities immediately prior to such sale or disposition in substantially the same proportions as their ownership of the Outstanding Common Stock and Voting Securities, as the case may be, immediately prior to such sale or disposition.

(e) In addition to the foregoing, with respect to any Key Employee covered under this provision, consummation by the Company of a Business Combination, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the Outstanding Common Stock and Voting Securities immediately prior to such Business Combination do not, following such Business Combination, beneficially own, directly or indirectly, more than 55% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of the Outstanding Common Stock and Voting Securities, as the case may be, and any Key Employees who were employed

by the Company and were Optionees or Grantees under the Plan at the time of such Business Combination is terminated other than for Cause or voluntarily leaves the employ of the Company within two (2) years from the date of any such Business Combination as the result of a voluntary termination of employment by such Key Employee within sixty (60) days after any one or more of the following events have occurred:

(i) failure by the Company to maintain the duties, status, and responsibilities of the Key Employee substantially consistent with those prior to the Business Combination, or

(ii) a reduction by the Company in the Key Employee's base salary as in effect as of the date prior to the Business Combination, or

(iii) the failure of the Company to maintain and to continue the Key Employee's participation in the Company's benefit plans as in effect from time to time on a basis substantially equivalent to the participation and benefits of Company employees similarly situated to the Employee.

SECTION 13 RIGHTS AS STOCKHOLDER

Except as provided in Section 10.4 with respect to an Award of Restricted Stock or Restricted Stock Units, an Optionee or Grantee (or a transferee of any such person pursuant to Section 9) shall have no rights as a stockholder with respect to any Common Stock covered by an Award or receivable upon the exercise of Award until the Optionee, Grantee or transferee shall have become the holder of record of such Common Stock, and no adjustments shall be made for dividends in cash or other property or other distributions or rights in respect to such Common Stock for which the applicable record date is prior to the date on which the Optionee or Grantee shall have become the holder of record of the shares of Common Stock purchased pursuant to exercise of the Award.

SECTION 14 POSTPONEMENT OF EXERCISE

The Committee may postpone any exercise of an Option or Stock Appreciation Right Awards for such time as the Committee in its sole discretion may deem necessary in order to permit the Company to comply with any applicable laws or rules, regulations or other requirements of the Securities and Exchange Commission or any securities exchange or quotation system upon which the Common Stock is then listed or quoted. Any such postponement shall not extend the term of an Option or Stock Appreciation Right Award, unless such postponement extends beyond the expiration date of the Award in which case the expiration date shall be extended thirty (30) days, and neither the Company nor its directors, officers, employees or agents shall have any obligation or liability to an Optionee or Grantee, or to his or her successor or to any other person.

SECTION 15 TAXES

15.1 Taxes Generally

The Company shall have the right to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a participant the amount (in cash, shares or other property) of any applicable withholding or other taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such taxes.

15.2 Payment of Taxes

A participant, with the approval of the Committee, may satisfy the obligation set forth in Section 15.1, in whole or in part, by (a) directing the Company to withhold such number of shares of Common Stock otherwise issuable upon exercise or vesting of an Award (as the case may be) having an aggregate Fair Market Value on the date of exercise equal to the amount of tax required to be withheld, or (b) delivering shares of Common Stock of the Company having an aggregate Fair Market Value equal to the amount required to be withheld on any date. The Committee may, in its sole discretion, require payment by the participant in cash of any such withholding obligation and may disapprove any election or delivery or may suspend or terminate the right to make elections or deliveries under this Section 15.2.

SECTION 16 TERMINATION, AMENDMENT AND TERM OF PLAN

16.1 The Board or the Committee may terminate, suspend, or amend the Plan, in whole or in part, from time to time, without the approval of the stockholders of the Company provided, however, that no Plan amendment shall be effective until approved by the stockholders of the Company if the effect of the amendment is to lower the exercise price of previously granted Options or Stock Appreciation Rights or if such stockholder approval is required in order for the Plan to continue to satisfy the requirements of Rule 16b-3 under the 1934 Act or applicable tax or other laws.

16.2 The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award granted hereunder in the manner and to the extent it shall deem desirable, in its sole discretion, to effectuate the Plan. No amendment or termination of the Plan shall adversely affect any Award theretofore granted without the consent of the receipient, except that the Committee may amend the Plan in a manner that does affect Awards theretofore granted upon a finding by the Committee that such amendment is in the best interests of holders of outstanding Options affected thereby.

16.3 The Plan became effective as of March 22, 2002. An amendment and restatement of the Plan has been adopted and authorized by the Board of Directors for submission to the stockholders of the Company for their approval. If the Plan, as amended and restated, is approved by the stockholders of the Company, the amendment and restatement shall be deemed to have become effective as of May 11, 2005. Unless earlier terminated in accordance herewith, the Plan shall terminate on March 22, 2012. Termination of the Plan shall not affect Awards previously granted under the Plan.

SECTION 17 GOVERNING LAW

The Plan shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to any conflict of law provisions which would result in the application of the laws of any other jurisdiction.

SECTION 18 NO RIGHT TO AWARD; NO RIGHT TO EMPLOYMENT

No person shall have any claim of right to be granted an Award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee of the Company any right to be retained in the employ of the Company or as giving any member of the Board any right to continue to serve in such capacity.

SECTION 19 AWARDS NOT INCLUDABLE FOR BENEFIT PURPOSES

Income recognized by a participant pursuant to the provisions of the Plan shall not be included in the determination of benefits under any employee pension benefit plan (as such term is defined in Section 3(2) of the Employee Retirement Income Security Act of 1974) or group insurance or other benefit plans applicable to the participant which are maintained by the Company, except as may be provided under the terms of such plans or determined by resolution of the Committee.

SECTION 20 NO STRICT CONSTRUCTION

No rule of strict construction shall be implied against the Company, the Committee, or any other person in the interpretation of any of the terms of the Plan, any Award granted under the Plan or any rule or procedure established by the Board.

SECTION 21 CAPTIONS

All Section headings used in the Plan are for convenience only, do not constitute a part of the Plan, and shall not be deemed to limit, characterize or affect in any way any provisions of the Plan, and all provisions of the Plan shall be construed as if no captions have been used in the Plan.

SECTION 22 SEVERABILITY

Whenever possible, each provision in the Plan and every Award at any time granted under the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan or any Award at any time granted under the Plan shall be held to be prohibited by or invalid under applicable law, then such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law, and all other provisions of the Plan and every other Award at any time granted under the Plan shall remain in full force and effect.

SECTION 23 MODIFICATION FOR GRANTS OUTSIDE THE U.S.

The Board may, without amending the Plan, determine the terms and conditions applicable to grants of Awards to participants who are foreign nationals or employed outside the United States in a manner otherwise inconsistent with the Plan if the Board deems such terms and conditions necessary in order to recognize differences in local law or regulations, tax policies or customs.

NONQUALIFIED
DEFERRED COMPENSATION PLAN
ADOPTION AGREEMENT

The undersigned Dentsply International Inc ("Employer") by execution of this Adoption Agreement hereby establishes thisNonqualified Deferred Compensation Plan ("Plan") consisting of the Basic Plan Document, this Adoption Agreement and all other Exhibits and documents to which they refer. The Employer makes the following elections concerning this Plan. All capitalized terms used in the Adoption Agreement have the same meaning given in the Basic Plan Document. References to "Section" followed by a numberin this Adoption Agreement are references to the Basic Plan Document.

PREAMBLE

ERISA/Code Plan Type: The Employer establishes this Plan as (choose one of (a) or (b)):

(X) (a) Nonqualified Deferred Compensation Plan. An unfunded nonqualified deferred compensation plan which is (choose only one of (i),(ii),(iii) or(iv)):

( ) (i) Excess benefit plan. An "excess benefit plan" under ERISA 3(36) and exempt from Title I of ERISA.

(X) (ii) Top-hat plan. A "SERP" or other plan primarily for a "select group of management or highly compensated employees" under ERISA and partially exempt from Title I of ERISA.

( ) (iii) Contractors only. A plan benefiting only Contractors (non-Employees) and exempt from Title I of ERISA.

( ) (iv) Church plan. A church plan as described in Code 414 (e) and ERISA 3 (33) and maintained by a church or church controlled organization under Code 3121(w)(3).

( ) (b) Ineligible 457 Plan. An ineligible 457 Plan subject to Code 457(f). The Employer is (choose only one of (i),(ii) or (iii)):

( ) (i) Governmental Plan. A State.

( ) (ii) Tax-Exempt Plan. A Tax-Exempt Organization. The Plan is intended to be a "top-hat" plan or an excess benefi plan as described in (a)(ii) and(a)(ii) above or the Plan benefits only Contractors.

( ) (iii) Church plan. A church plan as described in Code 414(e) and ERISA 3(33) but which is not maintained by a church or church controlled organization under Code 3121(w)(3).

Note: If the Employer elects(a)(i), the Plan benefits only Employees. If the Employer elects (a) (ii), the Plan generally may not benefit Contractors based on the "primarily" requirement. If the Employer elects a)(iii), the Plan benefits only Contractors. If the Employer elects(a)(iv),(b)(i), or(b)(iii) the Plan may benefit Employees and Contractors. If the Employer elects (b) (ii), the plan is either a top-hat plan, an excess benefit plan or benefits only Contractors.

409A Plan Type: The Employer establishes this Plan (choose one of (a) or (b)):

(X) (a) Account Balance Plan. As the following type of Account Balance Plan(s) under Section 1.02, (choose one of(i),(ii) or(iii)):

(X) (i) Elective Deferral Account Balance Plan. See Section 2.02.

( ) (ii) Employer Contribution Account Balance Plan. See Sections 2.03 and 2.04.

( ) (iii) Both. Both an Elective Deferral Account Balance Plan and an Employer Contribution Account Balance Plan.

Note: For purposes of aggregation under Section 1.05, a Separation Pay Plan based only on Voluntary Separation from Service is treated as an Account Balance Plan. Nevertheless, if the Employer maintains this Plan as any type of Separation Pay Plan, the Employer should elect(b) below.

( ) (b) Separation Pay Plan. As the following type(s) of Separation Pay Plan(s) under Section 1.42 (choose one of (i) through(iv)):

( ) (i) Involuntary Separation.

( ) (ii) Window Program.

( ) (iii) Voluntary Separation.

( ) (iv) Combination: __(specify)

Note: Under a Separation Pay Plan, the Employer must limit its payment election to Separation from Service or death. Electing death as a separate payment event would permit a different payment election for death versus any other Separation from Service.Separation from Service may also result from Disability.

Uniformity or Nonuniformity: The nonuniformity provisions described in the Preamble to the Basic Plan Document(choose one of(a) or(b)):

( ) (a) Do not apply. All Adoption Agreement elections and Plan provisions apply to all Participants.

(X) (b) Apply. See Exhibit A to the Adoption Agreement.

ARTICLE I

DEFINITIONS

1.11 Change in Control. Change in Control means(choose(a) or choose one of (b),(c) or(d)):

( ) (a) Not applicable. Change in Control does not apply for purposes of this Plan.

(X) (b) All events. Change in Control means all events under Section 1.11.

( ) (c) Limited events. Change in Control means only the following events under Section 1.11(choose one or two of(i),(ii) and(iii)):

( ) (i) Change in ownership of the Employer.

( ) (ii) Change in the effective control of the Employer.

( ) (iii) Change in the ownership of a substantial portion of the Employer's assets.

( ) (d) (Specify): .

Note: The Employer may not use the blank in(d) to specify events not described in Treas. Reg. 1.409A-3(i)(5). However, the Employer may increase the percentages required to trigger a Change in Control under one or all three of the listed events.

1.15 Compensation. The Employer makes the following modifications to the "gross W-2" definition of Compensation(choose(a) or at least one of(b) -(e)):

( ) (a) No modifications.

( ) (b) Net Compensation. Exclude all elective deferrals to other plans of the Employer described in Section 1.15.

(X) (c) Base Salary only. Exclude all Compensation other than Base Salary.

(X) (d) Bonus only. Exclude all Compensation other than Bonus.

[X] (e) (Specify): exclude all forms of sales incentive compensation, including but not limited to commissions.

Note: See Section 1.15(B) as to Contractor Compensation.

1.17 Disability. Disability means(choose one of(a) or(b))):

(X) (a) All impairments. All impairments constituting Disability.

( ) (b) Limited. Only the following impairments constituting Disability _____.

1.20 Effective Date. The effective date of the Plan is(choose one of(a) or(b)):

(X) (a) New Plan. This Plan is a new Plan and is effective 01/01/2008.

Note: The effective date should be no earlier than January 1, 2008.

( ) (b) Restated Plan. This Plan is a restated Plan and is restated effective as of January 1, 2008. The Plan is restated to comply with Code 409A. The Plan was originally effective .

Note: If the Plan(whether or not in written form) was in effect before January 1, 2008, the Plan is a restated Plan.

1.38 Plan Name. The name of the Plan as adopted by the Employer is: The Dentsply Supplemental Savings Plan.

1.39 Retirement Age. A Participant's Retirement Age under the Plan is(choose only one of(a)-(d)):

(X) (a) Not applicable. Retirement Age does not apply for purposes of this Plan.

( ) (b) Age. The Participant's attainment of age:_____.

( ) (c) Age and service. The Participant's attainment of age ____ with ____ Years of Service(defined under 1.57) with the Employer.

( ) (d) (Specify): .

1.40 Separation from Service. In determining whether a Participant has incurred a Separation from Service under the Plan (choose one or both or(a) and(b)):

(X) (a) Determination of "Employer." In determining the "Employer" under Section 1.40(E) and Code 414(b) and(c), apply the following percentage: 50%(specify percentage).

Note: The specified percentage may not be more than 80% and may not be less than 20%. If the percentage is less than 50%, there must be legitimate business criteria.

( ) (b) Collectively Bargained Multiple Employer Plan. Under Section 1.40(H), the following reasonable definition of Separation from Service applies: ___(specify).

1.44 Specified Employees-Elections. The Employer makes the following elections relating to the determination of Specified Employees(choose(a) or choose one or more of(b)-(e)):

( ) (a) Not applicable. The Employer does not have any Specified Employees or none which benefit under the Plan.

( ) (b) Alternative Code 415 Compensation. The Employer elects the following alternative definition of Code 415 Compensation: _(specify).

( ) (c) Alternative Specified Employee identification date. The Employer elects the following alternative Specified Employee identification date: ____(specify).

( ) (d) Alternative Specified Employee effective date. The Employer elects the following alternative Specified Employee effective date: _____(specify).

(X) (e) Other elections. The Employer makes the following other elections relating to Specified Employees: Exclude Non-Resident Alien Employees(specify).

Note: See Treas. Reg. 1.409A-1(i)(8) as to uniformity requirements affecting the above Specified Employee elections.

1.51 Unforeseeable Emergency. Unforeseeable Emergency means(choose(a) or choose one of(b) or(c)):

( ) (a) Not applicable. Unforeseeable Emergency does not apply for purposes of this Plan.

(X) (b) All events. All events constituting Unforeseeable Emergency.

( ) (c) Limited. Only the following events constituting Unforeseeable Emergency:.

1.56 Wraparound Election. The Plan(choose one of(a) or(b)) :

( ) (a) Permits. Permits Participants who participate in a 401(k) plan of the Employer to make Wraparound Elections.

(X) (b) Not permitted. Does not permit Wraparound Elections(or the Employer does not maintain a 401(k) plan covering any Participants).

1.57 Year of Service. The following apply in determining credit for a Year of Service under the Plan(choose(a) or choose one or more of(b) -(e)):

(X) (a) Not applicable. Year of Service does not apply for purposes of this Plan.

( ) (b) Year of continuous service. To receive credit for one Year of Service, the Participant must remain in continuous employment with the Employer (or render contract service to the Employer) for the Participant's entire Taxable Year.

( ) (c) Service on any day. To receive credit for one Year of Service, the Participant only need be employed by the Employer(or render contract service to the Employer) on any day of the Participant's Taxable Year.

( ) (d) Pre-Plan service. The Employer will treat service before the Plan's Effective Date for determining Years of Service as follows(choose one of(i) or(ii)):

( ) (i) Include.

( ) (ii) Disregard.

( ) (e) (Specify): .

ARTICLE II
PARTICIPATION

2.01 Participant Designation. The Employer designates the following Employees or Contractors as Participants in the Plan(choose one of(a),(b) or(c)):

(X) (a) All top-hat Employees. All Employees whom the Employer from time to time designates in writing as part of a select group of management or highly compensated employees.

( ) (b) All Employees with maximum qualified plan additions or benefits. All Employees who have reached or will reach their limit under Code 415(b) or(c) in the Employer's qualified plan for the Taxable Year or for the 415 limitation year ending in the Taxable Year.

( ) (c) Specified Employees/Contractors by name, job title or classification:(e.g., Joe Smith, Executive Vice Presidents or those Employees/ Contractors specified in Exhibit B).

Note: An Employer might elect(c) and reference Exhibit B to maintain confidentiality within the workforce as to the identity of some or all Participants.

2.02 Elective Deferrals. Elective Deferrals by Participants are(choose one of(a),(b) or(c)):

(X) (a) Permitted. Participants may make Elective Deferrals.

( ) (b) Not permitted. Participants may not make Elective Deferrals.

( ) (c) Frozen Elective Deferrals. The Plan does not permit Elective Deferrals as of: .

2.02(A) Amount limitation/conditions. A Participant's Elective Deferrals for a Taxable Year are subject to the following amount limitation(s) or other conditions(choose(a) or choose at least one of (b) -(d)):

( ) (a) No limitation.

( ) (b) Maximum Elective Deferral amount: .

( ) (c) Minimum Elective Deferral amount: .

(X) (d) (Specify): 50% of Base Salary; 100% of bonus;

2.02(B) Election timing. A Participant must provide the Elective Deferral election under Section 2.02 to the Employer (choose one of(a) or(b)):

( ) (a) By the deadline. No later than the applicable election deadline under Section 2.02(B).

(X) (b) Specified date. No later than fifteen (15) days before the applicable election deadline under Section 2.02(B).

2.02(B)(6) Final payroll period. The Plan treats final payroll period Compensation under Section 2.02(B)(6) as(choose one of(a) or(b)):

( ) (a) Current Year. As Compensation for the current Taxable Year in which the payroll period commenced.

(X) (b) Subsequent Year. As Compensation for the subsequent Taxable Year in which the Employer pays the Compensation.

2.02(C) Election changes/Irrevocability. A Participant who makes an Elective Deferral election before the applicable deadline under Section 2.02(B)(choose one of(a) or(b)):

(X) (a) May change. May change the election until the applicable election deadline.

( ) (b) May not change. May not change the election as to the first Taxable Year to which the election applies.

Note: A payment election under Section 4.02(A) or (B) is a separate election which is not controlled by this Section 2.02(C). See Section 4.06(B).

2.02(D) Election duration. A Participant's Elective Deferral election (choose one of(a) or(b)):

(X) (a) Taxable Year only. Applies only to the Participant's Compensation for the Taxable Year for which the Participant makes the election.

( ) (b) Continuing. Applies to the Participant's Compensation for all Taxable Years, commencing with the Taxable Year for which the Participant makes the election, unless the Participant makes a new election or revokes or modifies an existing election.

2.03 Nonelective Contributions. During each Taxable Year the Employer will contribute a Nonelective Contribution for each Participant equal to(choose(a) or(f) or choose one or more of(b) -(e)):

(X) (a) None. The Employer will not make Nonelective Contributions to the Plan.

( ) (b) Fixed percentage. % of the Participant's Compensation.

( ) (c) Fixed dollar amount. $ per Participant.

( ) (d) Discretionary. Such Nonelective Contributions(or additional Nonelective Contributions) as the Employer may elect, including zero.

( ) (e) (Specify): .

( ) (f) Frozen Nonelective Contributions. The Employer will not make any Nonelective Contributions as of: .

2.04 Matching Contributions. During each Taxable Year, the Employer will contribute a Matching Contribution equal to(choose(a) or(i) or choose one or more of(b) -(h)):

(X) (a) None. The Employer will not make Matching Contributions to the Plan.

( ) (b) Fixed match-flat. An amount equal to
  % of each Participant's Elective Deferrals for each Taxable Year.

( ) (c) Fixed match-tiered. An amount equal to the following percentages for each specified level of a Participant's Elective Deferrals or Years of Service for each Taxable Year:

Elective Deferrals	Matching Percentage
	%
	%
	%
	%

Note: Specify Elective Deferrals subject to match as a percentage of Compensation or a dollar amount.

Years of Service	Matching Percentage
	%
	%
	%
	%

( ) (d) No other caps. The Employer in applying the Matching Contribution formula under 2.04(b) or(c) above will not limit the Participant's Elective Deferrals taken into account(except as indicated above) and otherwise will not limit the amount of the match.

( ) (e) Limit on Elective Deferrals matched. The Employer in making Matching Contributions will disregard a Participant's Elective Deferrals

exceeding (specify percentage or dollar amount of Compensation) for the Taxable Year.

( ) (f) Limit on matching amount. The Matching Contribution for any Participant for a Taxable Year may not exceed: ____(specify percentage or dollar amount of Compensation).

( ) (g) Discretionary. Such Matching Contributions as the Employer may elect, including zero.

( ) (h) (Specify): .

( ) (i) Frozen Matching Contributions. The Employer will not make any Matching Contributions as of:.

2.05 Actual or Notional Contribution. The Employer's Contributions will be(choose one of(a) or(b) and choose(c) as applicable):

( ) (a) Actual. Made in cash or property to Participant Accounts or to the Trust.

( ) (b) Notional. Credited to Participant Accounts only as a bookkeeping entry.

(X) (c) (Specify): Notional until a change in control.

2.06 Allocation Conditions. To receive an allocation of Employer Contributions, a Participant must satisfy the following conditions during the Taxable Year(choose(a) or choose one or both of(b) and(c)):

[X] (a) No allocation conditions.

( ) (b) Year of continuous service. The Participant must remain in continuous employment with the Employer(or render contract service to the Employer) for the entire Taxable Year.

( ) (c) (Specify): .

ARTICLE III
VESTING AND SUBSTANTIAL RISK OF FORFEITURE

3.01 Vesting Schedule/Other Substantial Risk of Forfeiture. The following vesting schedule or other Substantial Risk of Forfeiture applies to a Participant's Accrued Benefit(choose(a) or choose one or more of(b) -(f)):

(X) (a) Not applicable. The Plan does not apply a vesting schedule or other Substantial Risk of Forfeiture.

( ) (b) Immediate vesting. 100% Vested at all times with respect to the entire Accrued Benefit.

( ) (c) Immediate vesting(Elective Deferrals)/vesting schedule(Employer Contributions). A Participant's Elective Deferral Account is 100% Vested at all times. A Participant's Nonelective Contributions Account and Matching Contributions Account are subject to the following vesting schedule:

Years of Service	Vesting %
or less	0 %
___	___%
___	___%
_ or more	100 %

( ) (d) Vesting schedule - entire Accrued Benefit. The Participant's entire Accrued Benefit is subject to the following vesting schedule:

Years of Service	Vesting %
or less	0%
___	___%
___	___%
___	___%
___	___%
or more	100%

( ) (e) Vesting schedule-class year or all years. The Plan's vesting schedule applies as follows(Choose one of(i) or(ii)):

( ) (i) Class year. Apply the vesting schedule separately to the Deferred Compensation for each Taxable Year.

( ) (ii) All years. Apply the vesting schedule to all Deferred Compensation based on all Years of Service.

( ) (f) Other Substantial Risk of Forfeiture.(Specify): .

Note: An Employer may elect both a vesting schedule and an additional Substantial Risk of Forfeiture. In such event, a Participant failing to satisfy the conditions resulting in a Substantial Risk of Forfeiture will forfeit his/her Account, even if 100% Vested under any vesting schedule. If the Plan is an Ineligible 457 Plan, the Employer must specify a Substantial Risk of Forfeiture, which may be a vesting schedule provided that under any "graded" vesting schedule, an Ineligible 457 Plan Participant will be taxed as and when each portion of his/her Deferred Compensation vests.

3.02 Immediate Vesting upon Specified Events. A Participant's entire Accrued Benefit is 100% Vested without regard to Years of Service if the Participant's Separation from Service with the Employer on or following or as a result of(choose(a) or choose one or more of(b) -(e)):

(X) (a) Not Applicable.

( ) (b) Retirement Age. On or following Retirement Age.

( ) (c) Death. As a result of death.

( ) (d) Disability. As a result of Disability.

( ) (e) (Specify): .

Note: An early vesting provision generally does not result in prohibited acceleration of benefits under Code 409A. See Section 4.03(C).

3.03 Application of Forfeitures. The Employer will(choose only one of(a) -(d)):

(X) (a) Not Applicable. Not apply any provision regarding allocation of forfeitures since there are no Plan forfeitures.

( ) (b) Retain. Keep all forfeitures for the Employer's account.

( ) (c) Allocate. Allocate(in the year in which the forfeiture occurs) any forfeiture to the Accounts of the remaining (nonforfeiting) Participants, in accordance with one of the following methods(choose only one):

( ) (i) Per Compensation. In the same ratio each Participant's Compensation for the Taxable Year bears to the total Compensation of all Participants sharing in the forfeiture allocation for the Taxable Year.

( ) (ii) Per Account balances. In the same ratio each Participant's Account balance at the beginning of the Taxable Year bears to the total Account balances of all Participants sharing in the forfeiture allocation for the Taxable Year.

( ) (d) (Specify): .

Note: If the Employer elects to create the Trust under Section 5.03, the Employer should coordinate its forfeiture application elections with the provisions of the Trust.

ARTICLE IV
BENEFIT PAYMENTS

4.01 Payment Events/Elections. The Plan payment events are(choose one or more of(a) through(i) as applicable):

Note: The Employer must elect the Plan permitted payment events. The Employer may elect all of the 409A permitted events or limit the payment events, but the Employer must elect at least one payment event. If the Plan permits initial payment elections, change payment elections, or both, as to any or all of the Plan permitted payment events, the Employer should elect 4.01(d)(iv),(e)(ii) and(i) as applicable. The Employer also should elect under 4.02(A) and 4.02(B) as to who has election rights and to specify any limitations on such rights. If the Plan will not offer any initial or change payment elections, the Employer should not elect 4.01(d)(iv),(e)(ii) or(i). If the Plan will not offer any initial payment elections the Employer also should elect 4.02(A)(a). If the Plan will not offer change payment elections, the Employer also should elect 4.02(B)(a).

(X) (a) Separation from Service.

(X) (b) Death.

(X) (c) Disability.

(X) (d) Specified Time. The Plan permits payment to a Participant at a Specified Time(choose one of(i)-(iv)):

( ) (i) Forfeiture Lapse. At the time that the Deferred Compensation no longer is subject to a Substantial Risk of Forfeiture.

( ) (ii) Stated Age. Upon attainment of age: _____(specify age).

( ) (iii) (Specify): On: (e.g., January 1, 2015).

(X) (iv) Election. In accordance with a Participant or Employer election under 4.02(A) or(B).

Note: The Employer must approve any Participant payment election. See Section 4.06. Payment at a Specified Time will be a lump-sum payment.

(X) (e) Fixed Schedule. The Plan Permits payment to a Participant in accordance with the following Fixed Schedule(choose one of(i) or(ii)):

( ) (i) Schedule: .

(X) (ii) Election. In accordance with a Participant or Employer election under 4.02(A) or(B).

Note: The Employer must approve any Participant payment election. See Section 4.06. Payment pursuant to a Fixed Schedule will be installments or an annuity commencing at a specific time.

( ) (f) Change in Control. The Plan permits payment to a Participant based on a Change in Control.

(X) (g) Unforeseeable Emergency. The Plan permits payment to a Participant who has an Unforeseeable Emergency.

( ) (h) (Specify): (e.g., based on Unforeseeable Emergency, but only as the Elective Deferral Accounts).

Note: The Employer in(h) may modify any of(a)-(g) but only if such modifications are consistent with Code 409A.

( ) (i) Election. As to 4.01(a),(b),(c),(f),(g) and/or(h), in accordance with a Participant or Employer election under 4.02(A) or(B).

Note: The Employer must approve any Participant payment election. See Section 4.06.

4.01(E) Contractor deemed Separation from Service. In making any payment to a Contractor based on Separation from Service, the Plan (choose (a) or choose one of (b) or (c)):

(X) (a) Not applicable. \ Only Employees are Participants in the Plan.

( ) (b) Applies deemed Separation from Service. Applies the deemed Separation from Service provisions of Section 4.01(E).

( ) (c) Does not apply. Does not apply the deemed Separation from Service provisions of Section 4.01(E).

4.02 Timing, Form and Medium of Payment/Elections. The Plan will pay a Participant's Vested Accrued Benefit as follows(complete(a),(b) and(c)):

(a) Timing. Payment will commence or be made(choose only one of(i) - -(vi)):

( ) (i) 30 days. On a date which is 30 days following the payment event, unless otherwise made at a Specified Time or in accordance with a Fixed Schedule.

( ) (ii) 90 days. On a date which is within 90 days following the payment event, unless otherwise made at a Specified Time or in accordance with a Fixed Schedule.

Note: A Participant may not designate the Taxable Year of Payment under(a)(ii).

(X) (iii) 6 months. On a date that is 6 months following the payment event, unless otherwise made at a Specified Time or in accordance with a Fixed Schedule.

( ) (iv) Specified Time/Fixed Schedule. At the Specified Time under Section 4.01(d) or pursuant to the Fixed Schedule under Section 4.01(e).

( ) (v) (Specify): ___.

( ) (vi) Election. In accordance with a Participant or Employer election under Sections 4.02(A) or(B).

Note: The Employer must approve any Participant payment election. See Section 4.06(C).

Note: See Section 4.01(D) as to restrictions on timing of payments to Specified Employees.

(b) Form. The Plan will make payment in the form of(choose one or more of(i) -(v)):

(X) (i) Lump-sum. A single payment.

(X) (ii) Installments. In installments as follows: 12, 24, 36, 48, 60, or 72 Monthly

( ) (iii) Annuity. An immediate annuity contract.

( ) (iv) (Specify): .

( ) (v) Election. In accordance with a Participant or Employer election under Sections 4.02(A) or(B).

Note: The Employer must approve any Participant payment election. See Section 4.06.

(c) Medium. The form of payment will be(choose only one of(i-(iv)):

(X) (i) Cash only.

( ) (ii) Property only.

( ) (iii) Property or cash(or both).

( ) (iv) Election. In accordance with a Participant or Employer election under 4.02(A) or(B).

Note: The Employer must approve all Participant payment elections. See Section 4.06.

Note: A choice between cash or property is not subject to Code 409A. See Treas. Reg. 1.409A-2(a)(1). The Plan treats this election as not being subject to the timing rules applicable to payment elections.

4.02(A) Initial payment elections. The Plan(choose only one of(a) -(d)):

( ) (a) No initial payment elections. The Plan and Adoption Agreement specify the payment events and the timing, form and medium of payment. If there are multiple payment events, the Plan will make payment based on the earliest event to occur except as follows: _____ _____(indicate no exceptions or specify sequencing).

(X) (b) Participant initial payment election. Permits a Participant initially to elect the payment event and the timing, form and medium of payment of his/her Deferred Compensation in accordance with Section 4.02(A)(choose only one of(i) or(ii)):

( ) (i) All Accounts. The Plan applies a Participant's

elections to all of the Participant's Accounts under the Plan.

(X) (ii) Elective Deferral Account. The Plan applies a Participant's elections only to the Participant's Elective Deferral Account. The Employer will make all payment elections as to Nonelective and Matching Contribution Accounts.

Note: A Participant must elect a payment event from those which the Employer has elected under 4.01 above, unless the Employer has permitted a Participant to elect the 409A permissible payment events. A Participant in his/her election form may limit the payment election to Compensation Deferred at the time of the election or also may apply the payment election to all future Deferred Compensation.

( ) (c) Employer initial payment election. Permits the Employer(and not the Participant) initially to elect the payment events and the timing, form and medium of payment of all Participant Accounts in accordance with Section 4.02(A).

( ) (d) (Specify): (e.g., the Participant may make an election only as to the Participant's Grandfathered Amounts).

Note: If a Participant or the Employer does not make an initial payment election, see Sections 4.01(B) and 4.02(A)(5).

4.02(B) Change payment elections. The Plan(choose only one of(a) or(b); choose(c) if(b) applies and choose(d) if applicable):

Note: Even if the Employer under 4.02(A)(a) elects not to permit any Participant or Employer initial payment elections, the Plan under Section 4.02(A)(1)treats a Plan designation of the payment events and of the timing, form and medium of payment as an initial election for purposes of applying any change election the Plan permits.

( ) (a) Change payment elections not permitted. Does not permit a Participant, a Beneficiary or the Employer to make a change payment election in accordance with Section 4.02(B).

(X) (b) Permits change payment elections. Permits changes payment elections or changes to a change payment elections in accordance with Section 4.02(B) and as follows(choose one or more of(i) -(iv)):

(X) (i) Participant election. Permits a Participant to make change payment elections.

( ) (ii) Employer election. Permits the Employer to make change payment elections.

( ) (iii) Beneficiary election. Permits a Beneficiary following the Participant's death to make change payment elections.

( ) (iv) (Specify): (e.g., a Beneficiary may make a change payment election only if the Participant had the right to do so, OR a Participant may make a change payment election only after attaining age 60).

(X) (c) Limit on number of change payment elections. The number of change payment elections(as to any initial payment election) that a Participant, a Beneficiary or the Employer(as applicable) may make is(choose one of(i) or(ii)):

(X) (i) Unlimited. Not limited except as required under Section 4.02(B).

( ) (ii) Limited. Limited to: _____(specify number).

( ) (d) (Specify): (e.g., permits change payment elections only as to Elective Deferral Account).

4.02(B)(3)(b) Installment payments. The Plan under Section 4.03(B)(3)(b) for purposes of application of the change payment election provisions treats an installment payment as a(choose one of (a),(b) or(c)):

( ) (a) Single payment.

(X) (b) Series of payments.

( ) (c) Treatment for 2005 through 2007. For the period spanning 2005 through 2007, treat installments as(choose one of(i) or(ii)):

( ) (i) Single payment.

( ) (ii) Series of payments.

Note: If the Plan is a restated Plan, and the Employer otherwise before January 1, 2008, did not make a written designation regarding the treatment of installment payments, the Employer in(c) may elect to apply a different election for the period spanning 2005 through 2007, than applies after 2007 under(a) or(b). See Treas. Reg. 1.409A-2(b)(2)(iv).

( ) (d) Not applicable. The Plan does not permit installment payments.

4.06(B) Election changes/Irrevocability. A Participant who makes an initial payment election or a change payment election which the Employer has accepted(complete(a) and(b)):

(a) Initial payment elections.(choose one of(i),(ii) or(iii)):

(X) (i) May change. May change the initial payment election as to the Deferred Compensation to which the election applies, until the applicable election deadline under 4.02(A)(2)(a). Any change to an initial payment election made after the initial payment election becomes irrevocable is a change payment election.

( ) (ii) May not change. May not change the initial election as

to the Deferred Compensation to which the election applies.

( ) (iii) Not applicable. As elected above, a Participant may not make an initial payment election.

(b) Change payment elections.(choose one of(i),(ii) or(iii)):

(X) (i) May change. May change the change payment election as to the Deferred Compensation to which the election applies. Where the payment event is a Specified Time or a Fixed Schedule, the Participant may change the election until the applicable deadline under Section 4.02(B)(1)(a). Where the change payment election relates to any other payment event(not a Specified Time or a Fixed Schedule), the Participant must make the change within 30 days following the Participant's making of thechange payment election which the Participant seeks to change. Any change to a change payment election made after the change payment election becomes irrevocable is a new change payment election.

( ) (ii) May not change. May not change the change payment election as to the Deferred Compensation to which the election applies.

( ) (iii) Not applicable. As elected above, a Participant may not make a change payment election.

Note: An Elective Deferral election under Section 2.02(C) is a separate election which is not controlled by this election 4.06(B).

ARTICLE V
TRUST ELECTION AND INVESTMENTS

5.02 No Trust. The Employer by electing(a) or(b) below does not create the Trust described in Section 5.03. Section 5.02 applies. The Employer will credit each Participant's Account with(choose one or both of(a) or(b)):

( ) (a) Actual Earnings(choose only one of(i) through(iv)):

( ) (i) Employer direction. As a result of the Employer's directed investment of the Account.

( ) (ii) Participant direction. As a result of the Participant's directed investment of his/her own Account.

( ) (iii) Participant direction over Elective Deferrals. As a result of the Participant's directed investment of his/her own Elective Deferral Account, and the Employer's directed investment of the balance of the Participant's Account.

( ) (iv)(Specify): .

( ) (b) Notional Earnings.(choose one or both of(i) or(ii)):

( ) (i) Fixed/floating interest. Interest at the rate of _____and applied to(choose only one of(A),(B) or(C)):

Note: use blank to specify rate, fixed or floating with index, time interval, simple or compounded interest, etc.

( ) (A) Total Account. The Participant's entire Account.

( ) (B) Deferrals only. The Participant's Elective Deferral Account, with the balance of the Account being subject to actual investment as specified in 5.02(a).

( ) (C) Employer Contribution only. The Participant's Employer Contribution Accounts with the balance of the Account being subject to actual investment as specified in 5.02(a).

( )(ii)(Specify): Reference investment funds attached in Exhibit D.

5.03 Trust. The Employer by electing(a) or(b) below will establish the Trust described in Section 5.03 and designated as Exhibit C. The Trust will be identical in form to the Model Rabbi Trust issued by the Internal Revenue Service under Rev. Proc. 92-64 or any successor thereto. The Employer also may modify the Trust if necessary to comply with Applicable Guidance. The Employer will select among the optional and alternative features available under the Trust, and the Employer will not establish or adopt any other trust under the Plan. The version of the Trust the Employer adopts is(choose one of(a) or(b)):

(X)(a) Individually designed version The Trust is not identical in form to the Model Rabbi Trust issued by the Internal Revenue Service under Rev. Proc. 92-64 or any successor thereto.

( ) (b) Adoption agreement version.

EMPLOYER SIGNATURE

The Employer hereby agrees to the provisions of this Plan, and in witness of its agreement, the Employer, by its duly authorized officer, has executed this Adoption Agreement on ,

Name of Employer: Dentsply International Inc.

Employer's EIN: 39-1434669

Signed:

[Name/Title]

TRUSTEE SIGNATURE
[If Trust created under Section 5.03]

The Trustee(s), by executing this Adoption Agreement on , accept(s) the appointment as Trustee of the Trust created under Section 5.03 of the Plan and attached hereto as Exhibit C.

Name of Trustee(s):

Signed: __

Signed: __
[Name/Title]

[Name/Title]

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

BRET W. WISE

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is entered into February 19, 2008, by and between DENTSPLY International Inc., a Delaware corporation (the "Company") and Bret W. Wise, ("Employee").

WHEREAS, the Company and the Employee previously entered into an Employment Agreement, dates as of December 1, 2002, setting forth the terms and conditions of the Employee's employment; and

WHEREAS, the Company and the Employee desire to amend and restate the Employment Agreement to make certain changes in such terms and conditions;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and intending to be bound, it is hereby agreed as follows:

1. Services

1.1 The Company shall continue to employ Employee and Employee agrees to continue to serve as Chairman, Chief Executive Officer and President of the Company, responsible for the business activities and operations assigned by the Chief Executive Officer and/or the Board of Directors effective as of January 1, 2008, and, if elected thereto, as an officer or director of any Affiliate, for the term and on the conditions herein set forth. Employee shall be responsible for the activities and duties presently associated with his position. Employee shall perform such other services as shall from time to time be assigned to him by the Board of Directors, the Chief Executive Officer, or the President of the Company depending on the needs and demands of the business and the availability of other personnel, provided that such services shall generally be similar in level of position and responsibility as those set forth in this Agreement. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties.

1.2 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment. Employment as Chairman, Chief Executive Officer and President shall continue under this Agreement from January 1, 2008, and terminate on the happening of any of the following events:

2.1 Death. The date of death of Employee;

2.2 Termination by Employee Without Good Reason. The date specified in a written notice of termination given to the Company by Employee not less than 180 days in advance of such specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason. Thirty (30) days following the date of a written notice of termination given to the Company by Employee to the effect that any one or more of the following events ("Change Event") has occurred and the Company has failed within such thirty (30) day period to restore the Employee to the position he was in prior to the Change Event (provided, that such written notice of termination must have been given by Employee within ninety (90) days of the Change Event):

(a) failure by the Company to maintain the level of responsibility and status of the Employee similar in all material respects to those of Employee's position as of the date of the Agreement; or

(b) a reduction by the Company in Employee's base salary as in effect as of the date hereof plus all increases thereof subsequent thereto; other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board of Directors of the Company and applicable to all continuing domestic executive employees of the Company, provided such reduction does not reduce Employee's salary by a percentage greater than the average reduction in the compensation of all employees who continue as employees of the Company during such austerity program; or

(c) the failure of the Company to maintain and to continue Employee's participation in all material respects in the Company's benefit plans as in effect from time to time on a basis substantially equivalent to the participation and benefits of Company domestic executive employees; or

(d) any material and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company. Upon written notice of termination given to Employee by the Company, the Employee's obligation to perform services pursuant to this Agreement shall cease as of the date of such notice.

3. Payments by the Company

3.1 During the Period of Employment, the Company shall pay to the Employee for all services to be performed by Employee hereunder a salary of not less than $815,000 per annum, or such larger amount as may from time to time be fixed by the Board of Directors of the Company or, if applicable, by the Human Resources Committee of the Board (or its successor), payable in accordance with the Company's normal pay schedule.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its domestic executive employees, including (without limitation) benefits under any pension, profit sharing, employee stock ownership, stock option, bonus, performance stock appreciation right, management incentive, vacation, disability, annuity, or insurance plans or programs. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 Except as provided in Section 6, if the Period of Employment is terminated by the Employee under Section 2.3, or by the Company under Section 2.4, the Company shall pay compensation and provide benefits to the employee as provided in this Section 3.5 for a period (the "Termination Period") beginning on the date of the termination notice and ending on the earlier of: (i) the second annual anniversary of the date of such termination notice; or (ii) the date on which the Employee would attain age 65, as follows:

(a) Compensation shall be paid to the Employee at the rate of salary being paid to Employee under Section 3.1 immediately before the termination, in accordance with the Company's normal pay schedule;

(b) Bonus and incentive compensation shall be paid to the Employee in accordance with plans approved by the Board of Directors and similar to those in which the Employee participated at time of termination, at the same time and using the same formula and calculations as if termination had not occurred. The Employee shall not be entitled to receive any further grants of stock options or equity incentives under any stock option or similar such plan subsequent to the date of termination notice, but equity incentive grants shall continue to be exercisable during the Termination Period in accordance with the equity incentive plan, as if termination had not occurred until the end of the Termination Period;

(c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during the Termination Period and compensation (and, if applicable, bonus and incentive compensation) as determined under Section (a) (and, if applicable, Subsection (b) above);

(d) Employee shall receive continued coverage during the Termination Period under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available, in lieu thereof be compensated for such coverage), provided that, such coverage shall terminate for any such benefit on the earlier of the following events: (i) the covered person becomes eligible for similar type coverage under another employer's group plans (in which event the Company shall only be required to provide compensation to Employee sufficient for Employee to acquire benefits similar to those provided by the Company); (ii) the covered person becomes eligible for Medicare health benefits; or (iii) the covered person fails to pay the premium for such coverage by the due date thereof (including any grace period provided under the Plan or applicable law); and

(e) In the event of the death of Employee during the Termination Period, the Company shall continue to make payments under Subsection 3.5(a) for the period that is the lesser of the remainder of the Termination Period or twelve (12) months, and shall pay any bonuses due under Subsection 3.5(b) on a pro-rata basis until the date of Employee's death, to Employee's designated

beneficiary or, if no beneficiary has been effectively designated, then to Employee’s estate.

Except as provided in Section 3.6, payment of compensation shall be made in accordance with Subsection 3.5(a) above, and payments of other benefits under Subsections 3.5(b)-(e), if any, shall be paid at the same time and to the same person as compensation or benefits would have been paid under the plan, program, or arrangement to which they relate (after taking into account any election made by the Employee with respect to payments under such plan, program, or arrangement), and shall be pro-rated for any partial year through the date of expiration of the Termination Period; provided that any amount that would be payable to the Employee during the six-month period beginning on this date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended (“Code”) shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under Subsections 3.5(a)-(e) above shall be treated as a separate payment from all other such payments.

3.6 In no event will the Company be obligated to continue Employee's compensation and other benefits under Section 3.5 of this Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement. During the Period of Employment and for a period of three (3) years after the termination thereof, Employee shall not, without the written consent of the Company, directly or indirectly be employed or retained by, or render any services for, or be financially interested in, any firm or corporation engaged in any business which is competitive with any business in which the Company or any of its Affiliates may have been engaged during the Period of Employment. The foregoing restriction shall not apply to the purchase by Employee of up to 5% of the outstanding shares of capital stock of any corporation whose securities are listed on any national securities exchange.

5. Loyalty Commitments. During and after the Period of Employment: (a) Employee shall not disclose any confidential business information about the affairs of the Company or any of its Affiliates; and (b) Employee shall not, without the prior written consent of the Company, induce or attempt to induce any employee or agency representative of the Company or any Affiliate to leave the employment or representation of the Company or such Affiliate, or any customer of the Company or an Affiliate to terminate its customer relationship with the Company or an Affiliate.

6. Change of Control Provisions.

6.1 "Change of Control" means any event by which (i) an Acquiring Person has become such, or (ii) Continuing Directors cease to comprise a majority of the members of

the Board of Directors of the Company (the "Board"). For purposes of this definition:

(a) An "Acquiring Person" means any person or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder as in effect on the date of this Agreement who or which, together with all affiliates and associates (as defined in Rule 12B-2 under the Exchange Act) becomes, by way of any transaction, the beneficial owner of shares of the Company having 30% or more of (i) the then outstanding shares of Common Stock of the Company, or (ii) the voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors of the Company; and

(b) "Continuing Director" means any member of the Board who is not an Acquiring Person, or an affiliate or associate of an Acquiring Person or a representative of an Acquiring Person or of any such affiliate or associate and who (i) was a member of the Board prior to the date of this Agreement, or (ii) subsequently becomes a member of the Board and whose nomination for election or election to the Board is recommended or approved by resolution of a majority of the Continuing Directors or who is included as a nominee in a proxy statement of the Company distributed when a majority of the Board consists of Continuing Directors.

6.2 If, within two (2) years after a Change of Control the Period of Employment is terminated by the Employee under Section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (regardless of whether in accordance with Section 2.4), then in lieu of the periodic payment of the amounts specified in Subsections 3.5(a), (b), and (c) any of the other provisions of Section 3.5 (except as may be otherwise prohibited by law or by said plans), the Company shall pay the following amounts to Employee in a single lump sum cash payment within five (5) business days of such termination (provided, that any amount that would be payable to the Employee during the six-month period beginning on his date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Code shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under this Section 3.6 shall be treated as a separate payment from all other such payments) :

(a) An amount equal to three (3) times the Employee’s current annual salary;

(b) An amount equal to three (3) times the Employee’s Annual Incentive bonus for the year in which the termination occurs based on the target of 100% achievement; and

(c) An amount equal to the benefits that would have been accrued by the Employee for the three (3) year period from the date of termination ("Continuation Period") from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") Supplemental Executive Retirement Plan ("SERP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during such three (3) year period and compensation (and, if applicable, Annual Incentive bonus) as determined under Section (a) and (b) above;

(d) In addition, Employee shall receive continued coverage for a two (2) year period from the date of termination under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available or if required in order to comply with Code Section 409A, in lieu thereof be compensated in monthly cash payments for the premium-equivalent amount of such coverage and then be permitted to purchase such coverage, if available, by paying 100% of the premium cost for such coverage on an after-tax basis).

6.3. Certain Adjustments in Payments.

(a) The provisions of this Section 6.3 shall apply notwithstanding anything in this Agreement to the contrary. Subject to subsection (b) below, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall pay the Employee an additional amount (the "Gross-Up Payment") such that the net amount retained by the Employee after deduction of any excise tax imposed under section 4999 of the Code, and any federal, state and local income tax, employment tax, excise tax and other tax imposed upon the Gross-Up Payment, shall be equal to the Payment.

(b) Notwithstanding subsection (a), and notwithstanding any other provisions of this Agreement to the contrary, if the net after-tax benefit to the Employee of receiving the Gross-Up Payment does not exceed the Safe Harbor Amount (as defined below) by more than 10% (as compared to the net after-tax benefit to the Employee resulting from elimination of the Gross-Up Payment and reduction of the Payments to the Safe Harbor Amount), then (i) the Company shall not pay the Employee the Gross-Up Payment, and (ii) the provisions of subsection (c) below shall apply. The term "Safe Harbor

Amount" means the maximum dollar amount of parachute payments that may be paid to the Participate under section 280G of the Code without imposition of an excise tax under section 4999 of the Code.

(c) The provisions of this subsection (c) shall apply only if the Company is not required to pay the Employee a Gross-Up Payment as a result of subsection (b) above. If the Company is not required to pay the Employee a Gross-Up Payment as a result of the provisions of subsection (b), the Company will apply a limitation on the Payment amount as follows: The aggregate present value of the benefits under Sections 3.5 or 6.2 (the "Separation Benefits") of this Agreement shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of such Separation Benefits without causing any Payment to be subject to the limitation of deduction under section 280G of the Code. For purposes of this Section 6.3, "present value" shall be determined in accordance with section 280G(d)(4) of the Code.

(d) All determinations to be made under this Section 6.3 shall be made by the independent public accounting firm used by the Company immediately prior to the Change of Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Employee within ten days of the Employee's Date of Termination. If any Gross-Up Payment is required to be made, the Company shall make the Gross-Up Payment within ten days after receiving the Accounting Firm's calculations. Any such determination by the Accounting Firm shall be binding upon the Company and the Employee. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6.3 shall be borne solely by the Company.

7. Separability of Provisions. The terms of this Agreement shall be considered to be separable from each other, and in the event any shall be found to be invalid, it shall not affect the validity of the remaining terms.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of (a) the Company and its successors and assigns, and (b) Employee, his personal representatives, heirs, and legatees.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and revokes all prior oral or written understandings between the parties relating to Employee's employment. The Agreement may not be changed orally but only by a written document signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

10. Definitions. The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

10.1 "Affiliate" when used with reference to the Company means any corporations, joint ventures, or other business enterprises directly or indirectly controlling, controlled by, or under common control with the Company. For purposes of this definition, "control" means ownership or power to vote 50% or more of the voting stock, venture interests, or other comparable participation in such business enterprises.

10.2 "Period of Employment" means the period commencing on the effective date hereof and terminating pursuant to Section 2.

10.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.

11. Notices. Where there is provision herein for the delivery of written notice to either of the parties, such notice shall be deemed to have been delivered for the purposes of this Agreement when delivered in person or placed in a sealed, postpaid envelope addressed to such party and mailed by registered mail, return receipt requested to the address set forth below for the Company and the most recent address as may be on the Company records for the Employee:

For Employee: Bret W. Wise

For Company: DENTSPLY International Inc.
221 West Philadelphia Street
York, PA 17404
Attention: Secretary

12. Arbitration. Any controversy arising from or related to this Agreement shall be determined by arbitration in the City of Philadelphia, Pennsylvania, in accordance with the rules of the American Arbitration Association, and judgment upon any such determination or award may be entered in any court having jurisdiction. In the event of any arbitration between Employee and Company related to the Agreement, if employee shall be the successful party, Company will indemnify and reimburse Employee against any reasonable legal fees and expenses incurred in such arbitration.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

14. Compliance with Code Section 409A. The payment provisions of this Agreement are intended to comply with, or to be exempt from, Section 409(a)(2) of the Code. The Company may make any changes to this Agreement it determines in its sole discretion are necessary to comply with the provisions of the Code Section 409A and any regulations or any other guidance issued thereunder without the consent of Employee, so long as such changes to not materially reduce the value of any of the economic benefits provided under this Agreement to the Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Attest: DENTSPLY INTERNATIONAL INC.

_____ _____ By:_____

Secretary

/s/ Bret W. Wise

BRET W. WISE

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

CHRISTOPHER T. CLARK

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is entered into February 19, 2008, by and between DENTSPLY International Inc., a Delaware corporation (the "Company") and Christopher T. Clark, ("Employee").

WHEREAS, the Company and the Employee previously entered into an Employment Agreement, dates as of November 1, 2002, setting forth the terms and conditions of the Employee's employment; and

WHEREAS, the Company and the Employee desire to amend and restate the Employment Agreement to make certain changes in such terms and conditions;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and intending to be bound, it is hereby agreed as follows:

1. Services

1.1 The Company shall continue to employ Employee and Employee agrees to continue to serve as a Executive Vice President and Chief Operating Officer of the Company, responsible for the business activities and operations assigned by the Chief Executive Officer and/or the Board of Directors effective as of January 1, 2008, and, if elected thereto, as an officer or director of any Affiliate, for the term and on the conditions herein set forth. Employee shall be responsible for the activities and duties presently associated with his position. Employee shall perform such other services as shall from time to time be assigned to him by the Board of Directors, the Chief Executive Officer, or the President of the Company depending on the needs and demands of the business and the availability of other personnel, provided that such services shall generally be similar in level of position and responsibility as those set forth in this Agreement. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties.

1.2 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment. Employment as Executive Vice President and Chief Operating Officer shall continue under this Agreement from January 1, 2008, and terminate on the happening of any of the following events:

2.1 Death. The date of death of Employee;

2.2 Termination by Employee Without Good Reason. The date specified in a written notice of termination given to the Company by Employee not less than 180 days in advance of such specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason. Thirty (30) days following the date of a written notice of termination given to the Company by Employee to the effect that any one or more of the following events ("Change Event") has occurred and the Company has failed within such thirty (30) day period to restore the Employee to the position he was in prior to the Change Event (provided, that such written notice of termination must have been given by Employee within ninety (90) days of the Change Event):

(a) failure by the Company to maintain the level of responsibility and status of the Employee similar in all material respects to those of Employee's position as of the date of the Agreement, or

(b) a reduction by the Company in Employee's base salary as in effect as of the date hereof plus all increases thereof subsequent thereto; other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board of Directors of the Company and applicable to all continuing domestic executive employees of the Company, provided such reduction does not reduce Employee's salary by a percentage greater than the average reduction in the compensation of all employees who continue as employees of the Company during such austerity program; or

(c) the failure of the Company to maintain and to continue Employee's participation in all material respects in the Company's benefit plans as in effect from time to time on a basis substantially equivalent to the participation and benefits of Company domestic executive employees; or

(d) any material and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company. Upon written notice of termination given to Employee by the Company, the Employee's obligation to perform services pursuant to this Agreement shall cease as of the date of such notice.

3. Payments by the Company

3.1 During the Period of Employment, the Company shall pay to the Employee for all services to be performed by Employee hereunder a salary of not less than $500,000 per annum, or such larger amount as may from time to time be fixed by the Board of Directors of the Company or, if applicable, by the Human Resources Committee of the Board (or its successor), payable in accordance with the Company's normal pay schedule.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its domestic executive employees, including (without limitation) benefits under any pension, profit sharing, employee stock ownership, stock option, bonus, performance stock appreciation right, management incentive, vacation, disability, annuity, or insurance plans or programs. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 Except as provided in Section 6, if the Period of Employment is terminated by the Employee under Section 2.3, or by the Company under Section 2.4, the Company shall pay compensation and provide benefits to the employee as provided in this Section 3.5 for a period (the "Termination Period") beginning on the date of the termination notice and ending on the earlier of: (i) the second annual anniversary of the date of such termination notice; or (ii) the date on which the Employee would attain age 65, as follows:

(a) Compensation shall be paid to the Employee at the rate of salary being paid to Employee under Section 3.1 immediately before the termination, in accordance with the Company's normal pay schedule;

(b) Bonus and incentive compensation shall be paid to the Employee in accordance with plans approved by the Board of Directors and similar to those in which the Employee participated at time of termination, at the same time and using the same formula and calculations as if termination had not occurred. The Employee shall not be entitled to receive any further grants of stock options or equity incentives under any stock option or similar such plan subsequent to the date of termination notice, but equity incentive grants shall continue to be exercisable during the Termination Period in accordance with the equity incentive plan, as if termination had not occurred until the end of the Termination Period;

(c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during the Termination Period and compensation (and, if applicable, bonus and incentive compensation) as determined under Section (a) (and, if applicable, Subsection (b) above);

(d) Employee shall receive continued coverage during the Termination Period under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available, in lieu thereof be compensated for such coverage), provided that, such coverage shall terminate for any such benefit on the earlier of the following events: (i) the covered person becomes eligible for similar type coverage under another employer's group plans (in which event the Company shall only be required to provide compensation to Employee sufficient for Employee to acquire benefits similar to those provided by the Company); (ii) the covered person becomes eligible for Medicare health benefits; or (iii) the covered person fails to pay the premium for such coverage by the due date thereof (including any grace period provided under the Plan or applicable law); and

(e) In the event of the death of Employee during the Termination Period, the Company shall continue to make payments under Subsection 3.5(a) for the period that is the lesser of the remainder of the Termination Period or twelve (12) months, and shall pay any bonuses due under Subsection 3.5(b) on a pro-rata basis until the date of Employee's death, to Employee's designated

beneficiary or, if no beneficiary has been effectively designated, then to Employee’s estate.

Except as provided in Section 3.6, payment of compensation shall be made in accordance with Subsection 3.5(a) above, and payments of other benefits under Subsections 3.5(b)-(e), if any, shall be paid at the same time and to the same person as compensation or benefits would have been paid under the plan, program, or arrangement to which they relate (after taking into account any election made by the Employee with respect to payments under such plan, program, or arrangement), and shall be pro-rated for any partial year through the date of expiration of the Termination Period; provided that any amount that would be payable to the Employee during the six-month period beginning on this date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended (“Code”) shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under Subsections 3.5(a)-(e) above shall be treated as a separate payment from all other such payments.

3.6 In no event will the Company be obligated to continue Employee's compensation and other benefits under Section 3.5 of this Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement. During the Period of Employment and for a period of three (3) years after the termination thereof, Employee shall not, without the written consent of the Company, directly or indirectly be employed or retained by, or render any services for, or be financially interested in, any firm or corporation engaged in any business which is competitive with any business in which the Company or any of its Affiliates may have been engaged during the Period of Employment. The foregoing restriction shall not apply to the purchase by Employee of up to 5% of the outstanding shares of capital stock of any corporation whose securities are listed on any national securities exchange.

5. Loyalty Commitments. During and after the Period of Employment: (a) Employee shall not disclose any confidential business information about the affairs of the Company or any of its Affiliates; and (b) Employee shall not, without the prior written consent of the Company, induce or attempt to induce any employee or agency representative of the Company or any Affiliate to leave the employment or representation of the Company or such Affiliate, or any customer of the Company or an Affiliate to terminate its customer relationship with the Company or an Affiliate.

6. Change of Control Provisions.

6.1 "Change of Control" means any event by which (i) an Acquiring Person has become such, or (ii) Continuing Directors cease to comprise a majority of the members of

the Board of Directors of the Company (the "Board"). For purposes of this definition:

(a) An "Acquiring Person" means any person or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder as in effect on the date of this Agreement who or which, together with all affiliates and associates (as defined in Rule 12B-2 under the Exchange Act) becomes, by way of any transaction, the beneficial owner of shares of the Company having 30% or more of (i) the then outstanding shares of Common Stock of the Company, or (ii) the voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors of the Company; and

(b) "Continuing Director" means any member of the Board who is not an Acquiring Person, or an affiliate or associate of an Acquiring Person or a representative of an Acquiring Person or of any such affiliate or associate and who (i) was a member of the Board prior to the date of this Agreement, or (ii) subsequently becomes a member of the Board and whose nomination for election or election to the Board is recommended or approved by resolution of a majority of the Continuing Directors or who is included as a nominee in a proxy statement of the Company distributed when a majority of the Board consists of Continuing Directors.

6.2 If, within two (2) years after a Change of Control the Period of Employment is terminated by the Employee under Section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (regardless of whether in accordance with Section 2.4), then in lieu of the periodic payment of the amounts specified in Subsections 3.5(a), (b), and (c) any of the other provisions of Section 3.5 (except as may be otherwise prohibited by law or by said plans), the Company shall pay the following amounts to Employee in a single lump sum cash payment within five (5) business days of such termination (provided, that any amount that would be payable to the Employee during the six-month period beginning on his date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Code shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under this Section 3.6 shall be treated as a separate payment from all other such payments) :

(a) An amount equal to three (3) times the Employee’s current annual salary;

(b) An amount equal to three (3) times the Employee’s Annual Incentive bonus for the year in which the termination occurs based on the target of 100% achievement; and

(c) An amount equal to the benefits that would have been accrued by the Employee for the three (3) year period from the date of termination ("Continuation Period") from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") Supplemental Executive Retirement Plan ("SERP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during such three (3) year period and compensation (and, if applicable, Annual Incentive bonus) as determined under Section (a) and (b) above;

(d) In addition, Employee shall receive continued coverage for the two (2) year period from the date of termination under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available or if required in order to comply with Code Section 409A, in lieu thereof be compensated in monthly cash payments for the premium-equivalent amount of such coverage and then be permitted to purchase such coverage, if available, by paying 100% of the premium cost for such coverage on an after-tax basis).

6.3. Certain Adjustments in Payments.

(a) The provisions of this Section 6.3 shall apply notwithstanding anything in this Agreement to the contrary. Subject to subsection (b) below, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall pay the Employee an additional amount (the "Gross-Up Payment") such that the net amount retained by the Employee after deduction of any excise tax imposed under section 4999 of the Code, and any federal, state and local income tax, employment tax, excise tax and other tax imposed upon the Gross-Up Payment, shall be equal to the Payment.

(b) Notwithstanding subsection (a), and notwithstanding any other provisions of this Agreement to the contrary, if the net after-tax benefit to the Employee of receiving the Gross-Up Payment does not exceed the Safe Harbor Amount (as defined below) by more than 10% (as compared to the net after-tax benefit to the Employee resulting from elimination of the Gross-Up Payment and reduction of the Payments to the Safe Harbor Amount), then (i) the Company shall not pay the Employee the Gross-Up Payment, and (ii) the provisions of subsection (c) below shall apply. The term "Safe Harbor

Amount" means the maximum dollar amount of parachute payments that may be paid to the Participate under section 280G of the Code without imposition of an excise tax under section 4999 of the Code.

(c) The provisions of this subsection (c) shall apply only if the Company is not required to pay the Employee a Gross-Up Payment as a result of subsection (b) above. If the Company is not required to pay the Employee a Gross-Up Payment as a result of the provisions of subsection (b), the Company will apply a limitation on the Payment amount as follows: The aggregate present value of the benefits under Sections 3.5 or 6.2 (the "Separation Benefits") of this Agreement shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of such Separation Benefits without causing any Payment to be subject to the limitation of deduction under section 280G of the Code. For purposes of this Section 6.3, "present value" shall be determined in accordance with section 280G(d)(4) of the Code.

(d) All determinations to be made under this Section 6.3 shall be made by the independent public accounting firm used by the Company immediately prior to the Change of Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Employee within ten days of the Employee's Date of Termination. If any Gross-Up Payment is required to be made, the Company shall make the Gross-Up Payment within ten days after receiving the Accounting Firm's calculations. Any such determination by the Accounting Firm shall be binding upon the Company and the Employee. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6.3 shall be borne solely by the Company.

7. Separability of Provisions. The terms of this Agreement shall be considered to be separable from each other, and in the event any shall be found to be invalid, it shall not affect the validity of the remaining terms.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of (a) the Company and its successors and assigns, and (b) Employee, his personal representatives, heirs, and legatees.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and revokes all prior oral or written understandings between the parties relating to Employee's employment. The Agreement may not be changed orally but only by a written document signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

10. Definitions. The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

10.1 "Affiliate" when used with reference to the Company means any corporations, joint ventures, or other business enterprises directly or indirectly controlling, controlled by, or under common control with the Company. For purposes of this definition, "control" means ownership or power to vote 50% or more of the voting stock, venture interests, or other comparable participation in such business enterprises.

10.2 "Period of Employment" means the period commencing on the effective date hereof and terminating pursuant to Section 2.

10.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.

11. Notices. Where there is provision herein for the delivery of written notice to either of the parties, such notice shall be deemed to have been delivered for the purposes of this Agreement when delivered in person or placed in a sealed, postpaid envelope addressed to such party and mailed by registered mail, return receipt requested to the address set forth below for the Company and the most recent address as may be on the Company records for the Employee:

For Employee:	Christopher T. Clark
For Company:	DENTSPLY International Inc. 221 West Philadelphia Street York, PA 17404 Attention: Secretary

12. Arbitration. Any controversy arising from or related to this Agreement shall be determined by arbitration in the City of Philadelphia, Pennsylvania, in accordance with the rules of the American Arbitration Association, and judgment upon any such determination or award may be entered in any court having jurisdiction. In the event of any arbitration between Employee and Company related to the Agreement, if employee shall be the successful party, Company will indemnify and reimburse Employee against any reasonable legal fees and expenses incurred in such arbitration.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

14. Compliance with Code Section 409A. The payment provisions of this Agreement are intended to comply with, or to be exempt from, Section 409(a)(2) of the Code. The Company may make any changes to this Agreement it determines in its sole discretion are necessary to comply with the provisions of the Code Section 409A and any regulations or any other guidance issued thereunder without the consent of Employee, so long as such

changes to not materially reduce the value of any of the economic benefits provided under this Agreement to the Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Attest: DENTSPLY INTERNATIONAL INC.

_____ _____ By:_____

Secretary

/s/ Christopher T. Clark .
CHRISTOPHER T. CLARK

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

WILLIAM R. JELLISON

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is entered into February 19, 2008, by and between DENTSPLY International Inc., a Delaware corporation (the "Company") and William R. Jellison, ("Employee").

WHEREAS, the Company and the Employee previously entered into an Employment Agreement, dates as of April 20, 1998, setting forth the terms and conditions of the Employee's employment; and

WHEREAS, the Company and the Employee desire to amend and restate the Employment Agreement to make certain changes in such terms and conditions;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and intending to be bound, it is hereby agreed as follows:

1. Services

1.1 The Company shall continue to employ Employee and Employee agrees to continue to serve as a Chief Financial Officer and Senior Vice President, of the Company, responsible for the business activities and operations assigned by the Chief Executive Officer and/or the Board of Directors effective as of January 1, 2008, and, if elected thereto, as an officer or director of any Affiliate, for the term and on the conditions herein set forth. Employee shall be responsible for the activities and duties presently associated with his position. Employee shall perform such other services as shall from time to time be assigned to him by the Board of Directors, the Chief Executive Officer, or the President of the Company depending on the needs and demands of the business and the availability of other personnel, provided that such services shall generally be similar in level of position and responsibility as those set forth in this Agreement. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties.

1.2 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment. Employment as Chief Financial Officer and Senior Vice President shall continue under this Agreement from January 1, 2008, and terminate on the happening of any of the following events:

2.1 Death. The date of death of Employee;

2.2 Termination by Employee Without Good Reason. The date specified in a written notice of termination given to the Company by Employee not less than 180 days in advance of such specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason. Thirty (30) days following the date of a written notice of termination given to the Company by Employee to the effect that any one or more of the following events ("Change Event") has occurred and the Company has failed within such thirty (30) day period to restore the Employee to the position he was in prior to the Change Event (provided, that such written notice of termination must have been given by Employee within ninety (90) days of the Change Event):

(a) failure by the Company to maintain the level of responsibility and status of the Employee similar in all material respects to those of Employee's position as of the date of the Agreement, or

(b) a reduction by the Company in Employee's base salary as in effect as of the date hereof plus all increases thereof subsequent thereto; other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board of Directors of the Company and applicable to all continuing domestic executive employees of the Company, provided such reduction does not reduce Employee's salary by a percentage greater than the average reduction in the compensation of all employees who continue as employees of the Company during such austerity program; or

(c) the failure of the Company to maintain and to continue Employee's participation in all material respects in the Company's benefit plans as in effect from time to time on a basis substantially equivalent to the participation and benefits of Company domestic executive employees; or

(d) any material and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company. Upon written notice of termination given to Employee by the Company, the Employee's obligation to perform services pursuant to this Agreement shall cease as of the date of such notice.

3. Payments by the Company

3.1 During the Period of Employment, the Company shall pay to the Employee for all services to be performed by Employee hereunder a salary of not less than $393,000 per annum, or such larger amount as may from time to time be fixed by the Board of Directors of the Company or, if applicable, by the Human Resources Committee of the Board (or its successor), payable in accordance with the Company's normal pay schedule.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its domestic executive employees, including (without limitation) benefits under any pension, profit sharing, employee stock ownership, stock option, bonus, performance stock appreciation right, management incentive, vacation, disability, annuity, or insurance plans or programs. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 Except as provided in Section 6, if the Period of Employment is terminated by the Employee under Section 2.3, or by the Company under Section 2.4, the Company shall pay compensation and provide benefits to the employee as provided in this Section 3.5 for a period (the "Termination Period") beginning on the date of the termination notice and ending on the earlier of: (i) the second annual anniversary of the date of such termination notice; or (ii) the date on which the Employee would attain age 65, as follows:

(a) Compensation shall be paid to the Employee at the rate of salary being paid to Employee under Section 3.1 immediately before the termination, in accordance with the Company's normal pay schedule;

(b) Bonus and incentive compensation shall be paid to the Employee in accordance with plans approved by the Board of Directors and similar to those in which the Employee participated at time of termination, at the same time and using the same formula and calculations as if termination had not occurred. The Employee shall not be entitled to receive any further grants of stock options or equity incentives under any stock option or similar such plan subsequent to the date of termination notice, but equity incentive grants shall continue to be exercisable during the Termination Period in accordance with the equity incentive plan, as if termination had not occurred until the end of the Termination Period;

(c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during the Termination Period and compensation (and, if applicable, bonus and incentive compensation) as determined under Section (a) (and, if applicable, Subsection (b) above);

(d) Employee shall receive continued coverage during the Termination Period under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available, in lieu thereof be compensated for such coverage), provided that, such coverage shall terminate for any such benefit on the earlier of the following events: (i) the covered person becomes eligible for similar type coverage under another employer's group plans (in which event the Company shall only be required to provide compensation to Employee sufficient for Employee to acquire benefits similar to those provided by the Company); (ii) the covered person becomes eligible for Medicare health benefits; or (iii) the covered person fails to pay the premium for such coverage by the due date thereof (including any grace period provided under the Plan or applicable law); and

(e) In the event of the death of Employee during the Termination Period, the Company shall continue to make payments under Subsection 3.5(a) for the period that is the lesser of the remainder of the Termination Period or twelve (12) months, and shall pay any bonuses due under Subsection 3.5(b) on a pro-rata basis until the date of Employee's death, to Employee's designated

beneficiary or, if no beneficiary has been effectively designated, then to Employee’s estate.

Except as provided in Section 3.6, payment of compensation shall be made in accordance with Subsection 3.5(a) above, and payments of other benefits under Subsections 3.5(b)-(e), if any, shall be paid at the same time and to the same person as compensation or benefits would have been paid under the plan, program, or arrangement to which they relate (after taking into account any election made by the Employee with respect to payments under such plan, program, or arrangement), and shall be pro-rated for any partial year through the date of expiration of the Termination Period; provided that any amount that would be payable to the Employee during the six-month period beginning on this date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended (“Code”) shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under Subsections 3.5(a)-(e) above shall be treated as a separate payment from all other such payments.

3.6 In no event will the Company be obligated to continue Employee's compensation and other benefits under Section 3.5 of this Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement. During the Period of Employment and for a period of three (3) years after the termination thereof, Employee shall not, without the written consent of the Company, directly or indirectly be employed or retained by, or render any services for, or be financially interested in, any firm or corporation engaged in any business which is competitive with any business in which the Company or any of its Affiliates may have been engaged during the Period of Employment. The foregoing restriction shall not apply to the purchase by Employee of up to 5% of the outstanding shares of capital stock of any corporation whose securities are listed on any national securities exchange.

5. Loyalty Commitments. During and after the Period of Employment: (a) Employee shall not disclose any confidential business information about the affairs of the Company or any of its Affiliates; and (b) Employee shall not, without the prior written consent of the Company, induce or attempt to induce any employee or agency representative of the Company or any Affiliate to leave the employment or representation of the Company or such Affiliate, or any customer of the Company or an Affiliate to terminate its customer relationship with the Company or an Affiliate.

6. Change of Control Provisions.

6.1 "Change of Control" means any event by which (i) an Acquiring Person has become such, or (ii) Continuing Directors cease to comprise a majority of the members of

the Board of Directors of the Company (the "Board"). For purposes of this definition:

(a) An "Acquiring Person" means any person or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder as in effect on the date of this Agreement who or which, together with all affiliates and associates (as defined in Rule 12B-2 under the Exchange Act) becomes, by way of any transaction, the beneficial owner of shares of the Company having 30% or more of (i) the then outstanding shares of Common Stock of the Company, or (ii) the voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors of the Company; and

(b) "Continuing Director" means any member of the Board who is not an Acquiring Person, or an affiliate or associate of an Acquiring Person or a representative of an Acquiring Person or of any such affiliate or associate and who (i) was a member of the Board prior to the date of this Agreement, or (ii) subsequently becomes a member of the Board and whose nomination for election or election to the Board is recommended or approved by resolution of a majority of the Continuing Directors or who is included as a nominee in a proxy statement of the Company distributed when a majority of the Board consists of Continuing Directors.

6.2 If, within two (2) years after a Change of Control the Period of Employment is terminated by the Employee under Section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (regardless of whether in accordance with Section 2.4), then in lieu of the periodic payment of the amounts specified in Subsections 3.5(a), (b), and (c) any of the other provisions of Section 3.5 (except as may be otherwise prohibited by law or by said plans), the Company shall pay the following amounts to Employee in a single lump sum cash payment within five (5) business days of such termination (provided, that any amount that would be payable to the Employee during the six-month period beginning on his date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Code shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under this Section 3.6 shall be treated as a separate payment from all other such payments) :

(a) An amount equal to three (3) times the Employee’s current annual salary;

(b) An amount equal to three (3) times the Employee’s Annual Incentive bonus for the year in which the termination occurs based on the target of 100% achievement; and

(c) An amount equal to the benefits that would have been accrued by the Employee for the three (3) year period from the date of termination ("Continuation Period") from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") Supplemental Executive Retirement Plan ("SERP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during such three (3) year period and compensation (and, if applicable, Annual Incentive bonus) as determined under Section (a) and (b) above;

(d) In addition, Employee shall receive continued coverage for the two (2) year period from the date of termination under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available or if required in order to comply with Code Section 409A, in lieu thereof be compensated in monthly cash payments for the premium-equivalent amount of such coverage and then be permitted to purchase such coverage, if available, by paying 100% of the premium cost for such coverage on an after-tax basis).

6.3. Certain Adjustments in Payments.

(a) The provisions of this Section 6.3 shall apply notwithstanding anything in this Agreement to the contrary. Subject to subsection (b) below, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall pay the Employee an additional amount (the "Gross-Up Payment") such that the net amount retained by the Employee after deduction of any excise tax imposed under section 4999 of the Code, and any federal, state and local income tax, employment tax, excise tax and other tax imposed upon the Gross-Up Payment, shall be equal to the Payment.

(b) Notwithstanding subsection (a), and notwithstanding any other provisions of this Agreement to the contrary, if the net after-tax benefit to the Employee of receiving the Gross-Up Payment does not exceed the Safe Harbor Amount (as defined below) by more than 10% (as compared to the net after-tax benefit to the Employee resulting from elimination of the Gross-Up Payment and reduction of the Payments to the Safe Harbor Amount), then (i) the Company shall not pay the Employee the Gross-Up Payment, and (ii) the provisions of subsection (c) below shall apply. The term "Safe Harbor

Amount" means the maximum dollar amount of parachute payments that may be paid to the Participate under section 280G of the Code without imposition of an excise tax under section 4999 of the Code.

(c) The provisions of this subsection (c) shall apply only if the Company is not required to pay the Employee a Gross-Up Payment as a result of subsection (b) above. If the Company is not required to pay the Employee a Gross-Up Payment as a result of the provisions of subsection (b), the Company will apply a limitation on the Payment amount as follows: The aggregate present value of the benefits under Sections 3.5 or 6.2 (the "Separation Benefits") of this Agreement shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of such Separation Benefits without causing any Payment to be subject to the limitation of deduction under section 280G of the Code. For purposes of this Section 6.3, "present value" shall be determined in accordance with section 280G(d)(4) of the Code.

(d) All determinations to be made under this Section 6.3 shall be made by the independent public accounting firm used by the Company immediately prior to the Change of Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Employee within ten days of the Employee's Date of Termination. If any Gross-Up Payment is required to be made, the Company shall make the Gross-Up Payment within ten days after receiving the Accounting Firm's calculations. Any such determination by the Accounting Firm shall be binding upon the Company and the Employee. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6.3 shall be borne solely by the Company.

7. Separability of Provisions. The terms of this Agreement shall be considered to be separable from each other, and in the event any shall be found to be invalid, it shall not affect the validity of the remaining terms.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of (a) the Company and its successors and assigns, and (b) Employee, his personal representatives, heirs, and legatees.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and revokes all prior oral or written understandings between the parties relating to Employee's employment. The Agreement may not be changed orally but only by a written document signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

10. Definitions. The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

10.1 "Affiliate" when used with reference to the Company means any corporations, joint ventures, or other business enterprises directly or indirectly controlling, controlled by, or under common control with the Company. For purposes of this definition, "control" means ownership or power to vote 50% or more of the voting stock, venture interests, or other comparable participation in such business enterprises.

10.2 "Period of Employment" means the period commencing on the effective date hereof and terminating pursuant to Section 2.

10.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.

11. Notices Where there is provision herein for the delivery of written notice to either of the parties, such notice shall be deemed to have been delivered for the purposes of this Agreement when delivered in person or placed in a sealed, postpaid envelope addressed to such party and mailed by registered mail, return receipt requested to the address set forth below for the Company and the most recent address as may be on the Company records for the Employee:

For Employee: William R. Jellison

For Company: DENTSPLY International Inc.
221 West Philadelphia Street
York, PA 17404
Attention: Secretary

12. Arbitration. Any controversy arising from or related to this Agreement shall be determined by arbitration in the City of Philadelphia, Pennsylvania, in accordance with the rules of the American Arbitration Association, and judgment upon any such determination or award may be entered in any court having jurisdiction. In the event of any arbitration between Employee and Company related to the Agreement, if employee shall be the successful party, Company will indemnify and reimburse Employee against any reasonable legal fees and expenses incurred in such arbitration.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

14. Compliance with Code Section 409A. The payment provisions of this Agreement are intended to comply with, or to be exempt from, Section 409(a)(2) of the Code. The Company may make any changes to this Agreement it determines in its sole discretion are necessary to comply with the provisions of the Code Section 409A and any regulations or any other guidance issued thereunder without the consent of Employee, so long as such

changes to not materially reduce the value of any of the economic benefits provided under this Agreement to the Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Attest: DENTSPLY INTERNATIONAL INC.

By:

Secretary

/s/ William R. Jellison .
WILLIAM R. JELLISON

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

BRIAN M. ADDISON

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is entered into February 19, 2008, by and between DENTSPLY International Inc., a Delaware corporation (the "Company") and Brian M. Addison, ("Employee").

WHEREAS, the Company and the Employee previously entered into an Employment Agreement, dates as of September 10, 1998, setting forth the terms and conditions of the Employee's employment; and

WHEREAS, the Company and the Employee desire to amend and restate the Employment Agreement to make certain changes in such terms and conditions;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and intending to be bound, it is hereby agreed as follows:

1. Services

1.1 The Company shall continue to employ Employee and Employee agrees to continue to serve as Vice President, Secretary and General Counsel, of the Company of the Company, responsible for the business activities and operations assigned by the Chief Executive Officer and/or the Board of Directors effective as of January 1, 2008, and, if elected thereto, as an officer or director of any Affiliate, for the term and on the conditions herein set forth. Employee shall be responsible for the activities and duties presently associated with his position. Employee shall perform such other services as shall from time to time be assigned to him by the Board of Directors, the Chief Executive Officer, or the President of the Company depending on the needs and demands of the business and the availability of other personnel, provided that such services shall generally be similar in level of position and responsibility as those set forth in this Agreement. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties.

1.2 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment. Employment as Vice President, Secretary and General Counsel shall continue under this Agreement from January 1, 2008, and terminate on the happening of any of the following events:

2.1 Death. The date of death of Employee;

2.2 Termination by Employee Without Good Reason. The date specified in a written notice of termination given to the Company by Employee not less than 180 days in advance of such specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason. Thirty (30) days following the date of a written notice of termination given to the Company by Employee to the effect that any one or more of the following events ("Change Event") has occurred and the Company has failed within such thirty (30) day period to restore the Employee to the position he was in prior to the Change Event (provided, that such written notice of termination must have been given by Employee within ninety (90) days of the Change Event):

(a) failure by the Company to maintain the level of responsibility and status of the Employee similar in all material respects to those of Employee's position as of the date of the Agreement, or

(b) a reduction by the Company in Employee's base salary as in effect as of the date hereof plus all increases thereof subsequent thereto; other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board of Directors of the Company and applicable to all continuing domestic executive employees of the Company, provided such reduction does not reduce Employee's salary by a percentage greater than the average reduction in the compensation of all employees who continue as employees of the Company during such austerity program; or

(c) the failure of the Company to maintain and to continue Employee's participation in all material respects in the Company's benefit plans as in effect from time to time on a basis substantially equivalent to the participation and benefits of Company domestic executive employees; or

(d) any material and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company. Upon written notice of termination given to Employee by the Company, the Employee's obligation to perform services pursuant to this Agreement shall cease as of the date of such notice.

3. Payments by the Company

3.1 During the Period of Employment, the Company shall pay to the Employee for all services to be performed by Employee hereunder a salary of not less than $341,000 per annum, or such larger amount as may from time to time be fixed by the Board of Directors of the Company or, if applicable, by the Human Resources Committee of the Board (or its successor), payable in accordance with the Company's normal pay schedule.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its domestic executive employees, including (without limitation) benefits under any pension, profit sharing, employee stock ownership, stock option, bonus, performance stock appreciation right, management incentive, vacation, disability, annuity, or insurance plans or programs. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 Except as provided in Section 6, if the Period of Employment is terminated by the Employee under Section 2.3, or by the Company under Section 2.4, the Company shall pay compensation and provide benefits to the employee as provided in this Section 3.5 for a period (the "Termination Period") beginning on the date of the termination notice and ending on the earlier of: (i) the second annual anniversary of the date of such termination notice; or (ii) the date on which the Employee would attain age 65, as follows:

(a) Compensation shall be paid to the Employee at the rate of salary being paid to Employee under Section 3.1 immediately before the termination, in accordance with the Company's normal pay schedule;

(b) Bonus and incentive compensation shall be paid to the Employee in accordance with plans approved by the Board of Directors and similar to those in which the Employee participated at time of termination, at the same time and using the same formula and calculations as if termination had not occurred. The Employee shall not be entitled to receive any further grants of stock options or equity incentives under any stock option or similar such plan subsequent to the date of termination notice, but equity incentive grants shall continue to be exercisable during the Termination Period in accordance with the equity incentive plan, as if termination had not occurred until the end of the Termination Period;

(c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during the Termination Period and compensation (and, if applicable, bonus and incentive compensation) as determined under Section (a) (and, if applicable, Subsection (b) above);

(d) Employee shall receive continued coverage during the Termination Period under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available, in lieu thereof be compensated for such coverage), provided that, such coverage shall terminate for any such benefit on the earlier of the following events: (i) the covered person becomes eligible for similar type coverage under another employer's group plans (in which event the Company shall only be required to provide compensation to Employee sufficient for Employee to acquire benefits similar to those provided by the Company); (ii) the covered person becomes eligible for Medicare health benefits; or (iii) the covered person fails to pay the premium for such coverage by the due date thereof (including any grace period provided under the Plan or applicable law); and

(e) In the event of the death of Employee during the Termination Period, the Company shall continue to make payments under Subsection 3.5(a) for the period that is the lesser of the remainder of the Termination Period or twelve (12) months, and shall pay any bonuses due under Subsection 3.5(b) on a pro-rata basis until the date of Employee's death, to Employee's designated

beneficiary or, if no beneficiary has been effectively designated, then to Employee’s estate.

Except as provided in Section 3.6, payment of compensation shall be made in accordance with Subsection 3.5(a) above, and payments of other benefits under Subsections 3.5(b)-(e), if any, shall be paid at the same time and to the same person as compensation or benefits would have been paid under the plan, program, or arrangement to which they relate (after taking into account any election made by the Employee with respect to payments under such plan, program, or arrangement), and shall be pro-rated for any partial year through the date of expiration of the Termination Period; provided that any amount that would be payable to the Employee during the six-month period beginning on this date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended (“Code”) shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under Subsections 3.5(a)-(e) above shall be treated as a separate payment from all other such payments.

3.6 In no event will the Company be obligated to continue Employee's compensation and other benefits under Section 3.5 of this Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement. During the Period of Employment and for a period of three (3) years after the termination thereof, Employee shall not, without the written consent of the Company, directly or indirectly be employed or retained by, or render any services for, or be financially interested in, any firm or corporation engaged in any business which is competitive with any business in which the Company or any of its Affiliates may have been engaged during the Period of Employment. The foregoing restriction shall not apply to the purchase by Employee of up to 5% of the outstanding shares of capital stock of any corporation whose securities are listed on any national securities exchange.

5. Loyalty Commitments. During and after the Period of Employment: (a) Employee shall not disclose any confidential business information about the affairs of the Company or any of its Affiliates; and (b) Employee shall not, without the prior written consent of the Company, induce or attempt to induce any employee or agency representative of the Company or any Affiliate to leave the employment or representation of the Company or such Affiliate, or any customer of the Company or an Affiliate to terminate its customer relationship with the Company or an Affiliate.

6. Change of Control Provisions.

6.1 "Change of Control" means any event by which (i) an Acquiring Person has become such, or (ii) Continuing Directors cease to comprise a majority of the members of

the Board of Directors of the Company (the "Board"). For purposes of this definition:

(a) An "Acquiring Person" means any person or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder as in effect on the date of this Agreement who or which, together with all affiliates and associates (as defined in Rule 12B-2 under the Exchange Act) becomes, by way of any transaction, the beneficial owner of shares of the Company having 30% or more of (i) the then outstanding shares of Common Stock of the Company, or (ii) the voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors of the Company; and

(b) "Continuing Director" means any member of the Board who is not an Acquiring Person, or an affiliate or associate of an Acquiring Person or a representative of an Acquiring Person or of any such affiliate or associate and who (i) was a member of the Board prior to the date of this Agreement, or (ii) subsequently becomes a member of the Board and whose nomination for election or election to the Board is recommended or approved by resolution of a majority of the Continuing Directors or who is included as a nominee in a proxy statement of the Company distributed when a majority of the Board consists of Continuing Directors.

6.2 If, within two (2) years after a Change of Control the Period of Employment is terminated by the Employee under Section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (regardless of whether in accordance with Section 2.4), then in lieu of the periodic payment of the amounts specified in Subsections 3.5(a), (b), and (c) any of the other provisions of Section 3.5 (except as may be otherwise prohibited by law or by said plans), the Company shall pay the following amounts to Employee in a single lump sum cash payment within five (5) business days of such termination (provided, that any amount that would be payable to the Employee during the six-month period beginning on his date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Code shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under this Section 3.6 shall be treated as a separate payment from all other such payments) :

(a) An amount equal to three (3) times the Employee’s current annual salary;

(b) An amount equal to three (3) times the Employee’s Annual Incentive bonus for the year in which the termination occurs based on the target of 100% achievement; and

(c) An amount equal to the benefits that would have been accrued by the Employee for the three (3) year period from the date of termination ("Continuation Period") from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") Supplemental Executive Retirement Plan ("SERP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during such three (3) year period and compensation (and, if applicable, Annual Incentive bonus) as determined under Section (a) and (b) above;

(d) In addition, Employee shall receive continued coverage for the two (2) year period from the date of termination under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available or if required in order to comply with Code Section 409A, in lieu thereof be compensated in monthly cash payments for the premium-equivalent amount of such coverage and then be permitted to purchase such coverage, if available, by paying 100% of the premium cost for such coverage on an after-tax basis).

6.3. Certain Adjustments in Payments.

(a) The provisions of this Section 6.3 shall apply notwithstanding anything in this Agreement to the contrary. Subject to subsection (b) below, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall pay the Employee an additional amount (the "Gross-Up Payment") such that the net amount retained by the Employee after deduction of any excise tax imposed under section 4999 of the Code, and any federal, state and local income tax, employment tax, excise tax and other tax imposed upon the Gross-Up Payment, shall be equal to the Payment.

(b) Notwithstanding subsection (a), and notwithstanding any other provisions of this Agreement to the contrary, if the net after-tax benefit to the Employee of receiving the Gross-Up Payment does not exceed the Safe Harbor Amount (as defined below) by more than 10% (as compared to the net after-tax benefit to the Employee resulting from elimination of the Gross-Up Payment and reduction of the Payments to the Safe Harbor Amount), then (i) the Company shall not pay the Employee the Gross-Up Payment, and (ii) the provisions of subsection (c) below shall apply. The term "Safe Harbor

Amount" means the maximum dollar amount of parachute payments that may be paid to the Participate under section 280G of the Code without imposition of an excise tax under section 4999 of the Code.

(c) The provisions of this subsection (c) shall apply only if the Company is not required to pay the Employee a Gross-Up Payment as a result of subsection (b) above. If the Company is not required to pay the Employee a Gross-Up Payment as a result of the provisions of subsection (b), the Company will apply a limitation on the Payment amount as follows: The aggregate present value of the benefits under Sections 3.5 or 6.2 (the "Separation Benefits") of this Agreement shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of such Separation Benefits without causing any Payment to be subject to the limitation of deduction under section 280G of the Code. For purposes of this Section 6.3, "present value" shall be determined in accordance with section 280G(d)(4) of the Code.

(d) All determinations to be made under this Section 6.3 shall be made by the independent public accounting firm used by the Company immediately prior to the Change of Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Employee within ten days of the Employee's Date of Termination. If any Gross-Up Payment is required to be made, the Company shall make the Gross-Up Payment within ten days after receiving the Accounting Firm's calculations. Any such determination by the Accounting Firm shall be binding upon the Company and the Employee. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6.3 shall be borne solely by the Company.

7. Separability of Provisions. The terms of this Agreement shall be considered to be separable from each other, and in the event any shall be found to be invalid, it shall not affect the validity of the remaining terms.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of (a) the Company and its successors and assigns, and (b) Employee, his personal representatives, heirs, and legatees.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and revokes all prior oral or written understandings between the parties relating to Employee's employment. The Agreement may not be changed orally but only by a written document signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

10. Definitions. The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

10.1 "Affiliate" when used with reference to the Company means any corporations, joint ventures, or other business enterprises directly or indirectly controlling, controlled by, or under common control with the Company. For purposes of this definition, "control" means ownership or power to vote 50% or more of the voting stock, venture interests, or other comparable participation in such business enterprises.

10.2 "Period of Employment" means the period commencing on the effective date hereof and terminating pursuant to Section 2.

10.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.

11. Notices. Where there is provision herein for the delivery of written notice to either of the parties, such notice shall be deemed to have been delivered for the purposes of this Agreement when delivered in person or placed in a sealed, postpaid envelope addressed to such party and mailed by registered mail, return receipt requested to the address set forth below for the Company and the most recent address as may be on the Company records for the Employee:

For Employee: Brian M. Addison

For Company: DENTSPLY International Inc.
221 West Philadelphia Street
York, PA 17404
Attention:

12. Arbitration. Any controversy arising from or related to this Agreement shall be determined by arbitration in the City of Philadelphia, Pennsylvania, in accordance with the rules of the American Arbitration Association, and judgment upon any such determination or award may be entered in any court having jurisdiction. In the event of any arbitration between Employee and Company related to the Agreement, if employee shall be the successful party, Company will indemnify and reimburse Employee against any reasonable legal fees and expenses incurred in such arbitration.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

14. Compliance with Code Section 409A. The payment provisions of this Agreement are intended to comply with, or to be exempt from, Section 409(a)(2) of the Code. The Company may make any changes to this Agreement it determines in its sole discretion are necessary to comply with the provisions of the Code Section 409A and any regulations or any other guidance issued thereunder without the consent of Employee, so long as such changes to not materially reduce the value of any of the economic benefits provided under

this Agreement to the Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Attest:

DENTSPLY INTERNATIONAL INC.

By:

/s/ Brian M. Addison
BRIAN M. ADDISON

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

JAMES G. MOSCH

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is entered into February 19, 2008, by and between DENTSPLY International Inc., a Delaware corporation (the "Company") and James G. Mosch, ("Employee").

WHEREAS, the Company and the Employee previously entered into an Employment Agreement, dates as of November 1, 2002, setting forth the terms and conditions of the Employee's employment; and

WHEREAS, the Company and the Employee desire to amend and restate the Employment Agreement to make certain changes in such terms and conditions;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and intending to be bound, it is hereby agreed as follows:

1. Services

1.1 The Company shall continue to employ Employee and Employee agrees to continue to serve as a Senior Vice President of the Company, responsible for the business activities and operations assigned by the Chief Executive Officer and/or the Board of Directors effective as of January 1, 2008, and, if elected thereto, as an officer or director of any Affiliate, for the term and on the conditions herein set forth. Employee shall be responsible for the activities and duties presently associated with his position. Employee shall perform such other services as shall from time to time be assigned to him by the Board of Directors, the Chief Executive Officer, or the President of the Company depending on the needs and demands of the business and the availability of other personnel, provided that such services shall generally be similar in level of position and responsibility as those set forth in this Agreement. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties.

1.2 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment. Employment as Senior Vice President shall continue under this Agreement from January 1, 2008, and terminate on the happening of any of the following events:

2.1 Death. The date of death of Employee;

2.2 Termination by Employee Without Good Reason. The date specified in a written notice of termination given to the Company by Employee not less than 180 days in advance of such specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason. Thirty (30) days following the date of a written notice of termination given to the Company by Employee to the effect that any one or more of the following events ("Change Event") has occurred and the Company has failed within such thirty (30) day period to restore the Employee to the position he was in prior to the Change Event (provided, that such written notice of termination must have been given by Employee within ninety (90) days of the Change Event):

(a) failure by the Company to maintain the level of responsibility and status of the Employee similar in all material respects to those of Employee's position as of the date of the Agreement, or

(b) a reduction by the Company in Employee's base salary as in effect as of the date hereof plus all increases thereof subsequent thereto; other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board of Directors of the Company and applicable to all continuing domestic executive employees of the Company, provided such reduction does not reduce Employee's salary by a percentage greater than the average reduction in the compensation of all employees who continue as employees of the Company during such austerity program; or

(c) the failure of the Company to maintain and to continue Employee's participation in all material respects in the Company's benefit plans as in effect from time to time on a basis substantially equivalent to the participation and benefits of Company domestic executive employees; or

(d) any material and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company. Upon written notice of termination given to Employee by the Company, the Employee's obligation to perform services pursuant to this Agreement shall cease as of the date of such notice.

3. Payments by the Company

3.1 During the Period of Employment, the Company shall pay to the Employee for all services to be performed by Employee hereunder a salary of not less than $359,000 per annum, or such larger amount as may from time to time be fixed by the Board of Directors of the Company or, if applicable, by the Human Resources Committee of the Board (or its successor), payable in accordance with the Company's normal pay schedule.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its domestic executive employees, including (without limitation) benefits under any pension, profit sharing, employee stock ownership, stock option, bonus, performance stock appreciation right, management incentive, vacation, disability, annuity, or insurance plans or programs. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 Except as provided in Section 6, if the Period of Employment is terminated by the Employee under Section 2.3, or by the Company under Section 2.4, the Company shall pay compensation and provide benefits to the employee as provided in this Section 3.5 for a period (the "Termination Period") beginning on the date of the termination notice and ending on the earlier of: (i) the second annual anniversary of the date of such termination notice; or (ii) the date on which the Employee would attain age 65, as follows:

(a) Compensation shall be paid to the Employee at the rate of salary being paid to Employee under Section 3.1 immediately before the termination, in accordance with the Company's normal pay schedule;

(b) Bonus and incentive compensation shall be paid to the Employee in accordance with plans approved by the Board of Directors and similar to those in which the Employee participated at time of termination, at the same time and using the same formula and calculations as if termination had not occurred. The Employee shall not be entitled to receive any further grants of stock options or equity incentives under any stock option or similar such plan subsequent to the date of termination notice, but equity incentive grants shall continue to be exercisable during the Termination Period in accordance with the equity incentive plan, as if termination had not occurred until the end of the Termination Period;

(c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during the Termination Period and compensation (and, if applicable, bonus and incentive compensation) as determined under Section (a) (and, if applicable, Subsection (b) above);

(d) Employee shall receive continued coverage during the Termination Period under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available, in lieu thereof be compensated for such coverage), provided that, such coverage shall terminate for any such benefit on the earlier of the following events: (i) the covered person becomes eligible for similar type coverage under another employer's group plans (in which event the Company shall only be required to provide compensation to Employee sufficient for Employee to acquire benefits similar to those provided by the Company); (ii) the covered person becomes eligible for Medicare health benefits; or (iii) the covered person fails to pay the premium for such coverage by the due date thereof (including any grace period provided under the Plan or applicable law); and

(e) In the event of the death of Employee during the Termination Period, the Company shall continue to make payments under Subsection 3.5(a) for the period that is the lesser of the remainder of the Termination Period or twelve (12) months, and shall pay any bonuses due under Subsection 3.5(b) on a pro-rata basis until the date of Employee's death, to Employee's designated

beneficiary or, if no beneficiary has been effectively designated, then to Employee’s estate.

Except as provided in Section 3.6, payment of compensation shall be made in accordance with Subsection 3.5(a) above, and payments of other benefits under Subsections 3.5(b)-(e), if any, shall be paid at the same time and to the same person as compensation or benefits would have been paid under the plan, program, or arrangement to which they relate (after taking into account any election made by the Employee with respect to payments under such plan, program, or arrangement), and shall be pro-rated for any partial year through the date of expiration of the Termination Period; provided that any amount that would be payable to the Employee during the six-month period beginning on this date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended (“Code”) shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under Subsections 3.5(a)-(e) above shall be treated as a separate payment from all other such payments.

3.6 In no event will the Company be obligated to continue Employee's compensation and other benefits under Section 3.5 of this Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement. During the Period of Employment and for a period of three (3) years after the termination thereof, Employee shall not, without the written consent of the Company, directly or indirectly be employed or retained by, or render any services for, or be financially interested in, any firm or corporation engaged in any business which is competitive with any business in which the Company or any of its Affiliates may have been engaged during the Period of Employment. The foregoing restriction shall not apply to the purchase by Employee of up to 5% of the outstanding shares of capital stock of any corporation whose securities are listed on any national securities exchange.

5. Loyalty Commitments. During and after the Period of Employment: (a) Employee shall not disclose any confidential business information about the affairs of the Company or any of its Affiliates; and (b) Employee shall not, without the prior written consent of the Company, induce or attempt to induce any employee or agency representative of the Company or any Affiliate to leave the employment or representation of the Company or such Affiliate, or any customer of the Company or an Affiliate to terminate its customer relationship with the Company or an Affiliate.

6. Change of Control Provisions.

6.1 "Change of Control" means any event by which (i) an Acquiring Person has become such, or (ii) Continuing Directors cease to comprise a majority of the members of

the Board of Directors of the Company (the "Board"). For purposes of this definition:

(a) An "Acquiring Person" means any person or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder as in effect on the date of this Agreement who or which, together with all affiliates and associates (as defined in Rule 12B-2 under the Exchange Act) becomes, by way of any transaction, the beneficial owner of shares of the Company having 30% or more of (i) the then outstanding shares of Common Stock of the Company, or (ii) the voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors of the Company; and

(b) "Continuing Director" means any member of the Board who is not an Acquiring Person, or an affiliate or associate of an Acquiring Person or a representative of an Acquiring Person or of any such affiliate or associate and who (i) was a member of the Board prior to the date of this Agreement, or (ii) subsequently becomes a member of the Board and whose nomination for election or election to the Board is recommended or approved by resolution of a majority of the Continuing Directors or who is included as a nominee in a proxy statement of the Company distributed when a majority of the Board consists of Continuing Directors.

6.2 If, within two (2) years after a Change of Control the Period of Employment is terminated by the Employee under Section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (regardless of whether in accordance with Section 2.4), then in lieu of the periodic payment of the amounts specified in Subsections 3.5(a), (b), and (c) any of the other provisions of Section 3.5 (except as may be otherwise prohibited by law or by said plans), the Company shall pay the following amounts to Employee in a single lump sum cash payment within five (5) business days of such termination (provided, that any amount that would be payable to the Employee during the six-month period beginning on his date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Code shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under this Section 3.6 shall be treated as a separate payment from all other such payments) :

(a) An amount equal to two (2) times the Employee’s current annual salary;

(b) An amount equal to two (2) times the Employee’s Annual Incentive bonus for the year in which the termination occurs based on the target of 100% achievement; and

(c) An amount equal to the benefits that would have been accrued by the Employee for the two (2) year period from the date of termination ("Continuation Period") from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") Supplemental Executive Retirement Plan ("SERP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during such two (2) year period and compensation (and, if applicable, Annual Incentive bonus) as determined under Section (a) and (b) above;

(d) In addition, Employee shall receive continued coverage for the two (2) year period from the date of termination under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available or if required in order to comply with Code Section 409A, in lieu thereof be compensated in monthly cash payments for the premium-equivalent amount of such coverage and then be permitted to purchase such coverage, if available, by paying 100% of the premium cost for such coverage on an after-tax basis).

6.3. Certain Adjustments in Payments.

(a) The provisions of this Section 6.3 shall apply notwithstanding anything in this Agreement to the contrary. Subject to subsection (b) below, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall pay the Employee an additional amount (the "Gross-Up Payment") such that the net amount retained by the Employee after deduction of any excise tax imposed under section 4999 of the Code, and any federal, state and local income tax, employment tax, excise tax and other tax imposed upon the Gross-Up Payment, shall be equal to the Payment.

(b) Notwithstanding subsection (a), and notwithstanding any other provisions of this Agreement to the contrary, if the net after-tax benefit to the Employee of receiving the Gross-Up Payment does not exceed the Safe Harbor Amount (as defined below) by more than 10% (as compared to the net after-tax benefit to the Employee resulting from elimination of the Gross-Up Payment and reduction of the Payments to the Safe Harbor Amount), then (i) the Company shall not pay the Employee the Gross-Up Payment, and (ii) the provisions of subsection (c) below shall apply. The term "Safe Harbor

Amount" means the maximum dollar amount of parachute payments that may be paid to the Participate under section 280G of the Code without imposition of an excise tax under section 4999 of the Code.

(c) The provisions of this subsection (c) shall apply only if the Company is not required to pay the Employee a Gross-Up Payment as a result of subsection (b) above. If the Company is not required to pay the Employee a Gross-Up Payment as a result of the provisions of subsection (b), the Company will apply a limitation on the Payment amount as follows: The aggregate present value of the benefits under Sections 3.5 or 6.2 (the "Separation Benefits") of this Agreement shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of such Separation Benefits without causing any Payment to be subject to the limitation of deduction under section 280G of the Code. For purposes of this Section 6.3, "present value" shall be determined in accordance with section 280G(d)(4) of the Code.

(d) All determinations to be made under this Section 6.3 shall be made by the independent public accounting firm used by the Company immediately prior to the Change of Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Employee within ten days of the Employee's Date of Termination. If any Gross-Up Payment is required to be made, the Company shall make the Gross-Up Payment within ten days after receiving the Accounting Firm's calculations. Any such determination by the Accounting Firm shall be binding upon the Company and the Employee. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6.3 shall be borne solely by the Company.

7. Separability of Provisions. The terms of this Agreement shall be considered to be separable from each other, and in the event any shall be found to be invalid, it shall not affect the validity of the remaining terms.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of (a) the Company and its successors and assigns, and (b) Employee, his personal representatives, heirs, and legatees.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and revokes all prior oral or written understandings between the parties relating to Employee's employment. The Agreement may not be changed orally but only by a written document signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

10. Definitions. The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

10.1 "Affiliate" when used with reference to the Company means any corporations, joint ventures, or other business enterprises directly or indirectly controlling, controlled by, or under common control with the Company. For purposes of this definition, "control" means ownership or power to vote 50% or more of the voting stock, venture interests, or other comparable participation in such business enterprises.

10.2 "Period of Employment" means the period commencing on the effective date hereof and terminating pursuant to Section 2.

10.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.

11. Notices. Where there is provision herein for the delivery of written notice to either of the parties, such notice shall be deemed to have been delivered for the purposes of this Agreement when delivered in person or placed in a sealed, postpaid envelope addressed to such party and mailed by registered mail, return receipt requested to the address set forth below for the Company and the most recent address as may be on the Company records for the Employee:

For Employee: James G. Mosch

For Company: DENTSPLY International Inc.
221 West Philadelphia Street
York, PA 17404
Attention: Secretary

12. Arbitration. Any controversy arising from or related to this Agreement shall be determined by arbitration in the City of Philadelphia, Pennsylvania, in accordance with the rules of the American Arbitration Association, and judgment upon any such determination or award may be entered in any court having jurisdiction. In the event of any arbitration between Employee and Company related to the Agreement, if employee shall be the successful party, Company will indemnify and reimburse Employee against any reasonable legal fees and expenses incurred in such arbitration.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

14. Compliance with Code Section 409A. The payment provisions of this Agreement are intended to comply with, or to be exempt from, Section 409(a)(2) of the Code. The Company may make any changes to this Agreement it determines in its sole discretion are necessary to comply with the provisions of the Code Section 409A and any regulations or any other guidance issued thereunder without the consent of Employee, so long as such changes to not materially reduce the value of any of the economic benefits provided under this Agreement to the Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Attest: DENTSPLY INTERNATIONAL INC.

_____ _____ By:_____

Secretary

/s/ James G. Mosch
JAMES G. MOSCH

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

ROBERT J. SIZE

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is entered into February 19, 2008, by and between DENTSPLY International Inc., a Delaware corporation (the "Company") and Robert J. Size, ("Employee").

WHEREAS, the Company and the Employee previously entered into an Employment Agreement, dates as of January 1, 2007, setting forth the terms and conditions of the Employee's employment; and

WHEREAS, the Company and the Employee desire to amend and restate the Employment Agreement to make certain changes in such terms and conditions;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and intending to be bound, it is hereby agreed as follows:

1. Services

1.1 The Company shall continue to employ Employee and Employee agrees to continue to serve as a Senior Vice President of the Company, responsible for the business activities and operations assigned by the Chief Executive Officer and/or the Board of Directors effective as of January 1, 2008, and, if elected thereto, as an officer or director of any Affiliate, for the term and on the conditions herein set forth. Employee shall be responsible for the activities and duties presently associated with his position. Employee shall perform such other services as shall from time to time be assigned to him by the Board of Directors, the Chief Executive Officer, or the President of the Company depending on the needs and demands of the business and the availability of other personnel, provided that such services shall generally be similar in level of position and responsibility as those set forth in this Agreement. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties.

1.2 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment. Employment as Senior Vice President shall continue under this Agreement from January 1, 2008, and terminate on the happening of any of the following events:

2.1 Death. The date of death of Employee;

2.2 Termination by Employee Without Good Reason. The date specified in a written notice of termination given to the Company by Employee not less than 180 days in advance of such specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason. Thirty (30) days following the date of a written notice of termination given to the Company by Employee to the effect that any one or more of the following events ("Change Event") has occurred and the Company has failed within such thirty (30) day period to restore the Employee to the position he was in prior to the Change Event (provided, that such written notice of termination must have been given by Employee within ninety (90) days of the Change Event):

(a) failure by the Company to maintain the level of responsibility and status of the Employee similar in all material respects to those of Employee's position as of the date of the Agreement, or

(b) a reduction by the Company in Employee's base salary as in effect as of the date hereof plus all increases thereof subsequent thereto; other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board of Directors of the Company and applicable to all continuing domestic executive employees of the Company, provided such reduction does not reduce Employee's salary by a percentage greater than the average reduction in the compensation of all employees who continue as employees of the Company during such austerity program; or

(c) the failure of the Company to maintain and to continue Employee's participation in all material respects in the Company's benefit plans as in effect from time to time on a basis substantially equivalent to the participation and benefits of Company domestic executive employees; or

(d) any material and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company. Upon written notice of termination given to Employee by the Company, the Employee's obligation to perform services pursuant to this Agreement shall cease as of the date of such notice.

3. Payments by the Company

3.1 During the Period of Employment, the Company shall pay to the Employee for all services to be performed by Employee hereunder a salary of not less than $320,000 per annum, or such larger amount as may from time to time be fixed by the Board of Directors of the Company or, if applicable, by the Human Resources Committee of the Board (or its successor), payable in accordance with the Company's normal pay schedule.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its domestic executive employees, including (without limitation) benefits under any pension, profit sharing, employee stock ownership, stock option, bonus, performance stock appreciation right, management incentive, vacation, disability, annuity, or insurance plans or programs. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 Except as provided in Section 6, if the Period of Employment is terminated by the Employee under Section 2.3, or by the Company under Section 2.4, the Company shall pay compensation and provide benefits to the employee as provided in this Section 3.5 for a period (the "Termination Period") beginning on the date of the termination notice and ending on the earlier of: (i) the second annual anniversary of the date of such termination notice; or (ii) the date on which the Employee would attain age 65, as follows:

(a) Compensation shall be paid to the Employee at the rate of salary being paid to Employee under Section 3.1 immediately before the termination, in accordance with the Company's normal pay schedule;

(b) Bonus and incentive compensation shall be paid to the Employee in accordance with plans approved by the Board of Directors and similar to those in which the Employee participated at time of termination, at the same time and using the same formula and calculations as if termination had not occurred. The Employee shall not be entitled to receive any further grants of stock options or equity incentives under any stock option or similar such plan subsequent to the date of termination notice, but equity incentive grants shall continue to be exercisable during the Termination Period in accordance with the equity incentive plan, as if termination had not occurred until the end of the Termination Period;

(c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during the Termination Period and compensation (and, if applicable, bonus and incentive compensation) as determined under Section (a) (and, if applicable, Subsection (b) above);

(d) Employee shall receive continued coverage during the Termination Period under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available, in lieu thereof be compensated for such coverage), provided that, such coverage shall terminate for any such benefit on the earlier of the following events: (i) the covered person becomes eligible for similar type coverage under another employer's group plans (in which event the Company shall only be required to provide compensation to Employee sufficient for Employee to acquire benefits similar to those provided by the Company); (ii) the covered person becomes eligible for Medicare health benefits; or (iii) the covered person fails to pay the premium for such coverage by the due date thereof (including any grace period provided under the Plan or applicable law); and

(e) In the event of the death of Employee during the Termination Period, the Company shall continue to make payments under Subsection 3.5(a) for the period that is the lesser of the remainder of the Termination Period or twelve (12) months, and shall pay any bonuses due under Subsection 3.5(b) on a pro-rata basis until the date of Employee's death, to Employee's designated

beneficiary or, if no beneficiary has been effectively designated, then to Employee’s estate.

Except as provided in Section 3.6, payment of compensation shall be made in accordance with Subsection 3.5(a) above, and payments of other benefits under Subsections 3.5(b)-(e), if any, shall be paid at the same time and to the same person as compensation or benefits would have been paid under the plan, program, or arrangement to which they relate (after taking into account any election made by the Employee with respect to payments under such plan, program, or arrangement), and shall be pro-rated for any partial year through the date of expiration of the Termination Period; provided that any amount that would be payable to the Employee during the six-month period beginning on this date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended (“Code”) shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under Subsections 3.5(a)-(e) above shall be treated as a separate payment from all other such payments.

3.6 In no event will the Company be obligated to continue Employee's compensation and other benefits under Section 3.5 of this Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement. During the Period of Employment and for a period of three (3) years after the termination thereof, Employee shall not, without the written consent of the Company, directly or indirectly be employed or retained by, or render any services for, or be financially interested in, any firm or corporation engaged in any business which is competitive with any business in which the Company or any of its Affiliates may have been engaged during the Period of Employment. The foregoing restriction shall not apply to the purchase by Employee of up to 5% of the outstanding shares of capital stock of any corporation whose securities are listed on any national securities exchange.

5. Loyalty Commitments. During and after the Period of Employment: (a) Employee shall not disclose any confidential business information about the affairs of the Company or any of its Affiliates; and (b) Employee shall not, without the prior written consent of the Company, induce or attempt to induce any employee or agency representative of the Company or any Affiliate to leave the employment or representation of the Company or such Affiliate, or any customer of the Company or an Affiliate to terminate its customer relationship with the Company or an Affiliate.

6. Change of Control Provisions.

6.1 "Change of Control" means any event by which (i) an Acquiring Person has become such, or (ii) Continuing Directors cease to comprise a majority of the members of

the Board of Directors of the Company (the "Board"). For purposes of this definition:

(a) An "Acquiring Person" means any person or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder as in effect on the date of this Agreement who or which, together with all affiliates and associates (as defined in Rule 12B-2 under the Exchange Act) becomes, by way of any transaction, the beneficial owner of shares of the Company having 30% or more of (i) the then outstanding shares of Common Stock of the Company, or (ii) the voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors of the Company; and

(b) "Continuing Director" means any member of the Board who is not an Acquiring Person, or an affiliate or associate of an Acquiring Person or a representative of an Acquiring Person or of any such affiliate or associate and who (i) was a member of the Board prior to the date of this Agreement, or (ii) subsequently becomes a member of the Board and whose nomination for election or election to the Board is recommended or approved by resolution of a majority of the Continuing Directors or who is included as a nominee in a proxy statement of the Company distributed when a majority of the Board consists of Continuing Directors.

6.2 If, within two (2) years after a Change of Control the Period of Employment is terminated by the Employee under Section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (regardless of whether in accordance with Section 2.4), then in lieu of the periodic payment of the amounts specified in Subsections 3.5(a), (b), and (c) any of the other provisions of Section 3.5 (except as may be otherwise prohibited by law or by said plans), the Company shall pay the following amounts to Employee in a single lump sum cash payment within five (5) business days of such termination (provided, that any amount that would be payable to the Employee during the six-month period beginning on his date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Code shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under this Section 3.6 shall be treated as a separate payment from all other such payments) :

(a) An amount equal to two (2) times the Employee’s current annual salary;

(b) An amount equal to two (2) times the Employee’s Annual Incentive bonus for the year in which the termination occurs based on the target of 100% achievement; and

(c) An amount equal to the benefits that would have been accrued by the Employee for the two (2) year period from the date of termination ("Continuation Period") from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") Supplemental Executive Retirement Plan ("SERP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during such two (2) year period and compensation (and, if applicable, Annual Incentive bonus) as determined under Section (a) and (b) above;

(d) In addition, Employee shall receive continued coverage for the two (2) year period from the date of termination under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available or if required in order to comply with Code Section 409A, in lieu thereof be compensated in monthly cash payments for the premium-equivalent amount of such coverage and then be permitted to purchase such coverage, if available, by paying 100% of the premium cost for such coverage on an after-tax basis).

6.3. Certain Adjustments in Payments.

(a) The provisions of this Section 6.3 shall apply notwithstanding anything in this Agreement to the contrary. Subject to subsection (b) below, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall pay the Employee an additional amount (the "Gross-Up Payment") such that the net amount retained by the Employee after deduction of any excise tax imposed under section 4999 of the Code, and any federal, state and local income tax, employment tax, excise tax and other tax imposed upon the Gross-Up Payment, shall be equal to the Payment.

(b) Notwithstanding subsection (a), and notwithstanding any other provisions of this Agreement to the contrary, if the net after-tax benefit to the Employee of receiving the Gross-Up Payment does not exceed the Safe Harbor Amount (as defined below) by more than 10% (as compared to the net after-tax benefit to the Employee resulting from elimination of the Gross-Up Payment and reduction of the Payments to the Safe Harbor Amount), then (i) the Company shall not pay the Employee the Gross-Up Payment, and (ii) the provisions of subsection (c) below shall apply. The term "Safe Harbor

Amount" means the maximum dollar amount of parachute payments that may be paid to the Participate under section 280G of the Code without imposition of an excise tax under section 4999 of the Code.

(c) The provisions of this subsection (c) shall apply only if the Company is not required to pay the Employee a Gross-Up Payment as a result of subsection (b) above. If the Company is not required to pay the Employee a Gross-Up Payment as a result of the provisions of subsection (b), the Company will apply a limitation on the Payment amount as follows: The aggregate present value of the benefits under Sections 3.5 or 6.2 (the "Separation Benefits") of this Agreement shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of such Separation Benefits without causing any Payment to be subject to the limitation of deduction under section 280G of the Code. For purposes of this Section 6.3, "present value" shall be determined in accordance with section 280G(d)(4) of the Code.

(d) All determinations to be made under this Section 6.3 shall be made by the independent public accounting firm used by the Company immediately prior to the Change of Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Employee within ten days of the Employee's Date of Termination. If any Gross-Up Payment is required to be made, the Company shall make the Gross-Up Payment within ten days after receiving the Accounting Firm's calculations. Any such determination by the Accounting Firm shall be binding upon the Company and the Employee. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6.3 shall be borne solely by the Company.

7. Separability of Provisions. The terms of this Agreement shall be considered to be separable from each other, and in the event any shall be found to be invalid, it shall not affect the validity of the remaining terms.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of (a) the Company and its successors and assigns, and (b) Employee, his personal representatives, heirs, and legatees.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and revokes all prior oral or written understandings between the parties relating to Employee's employment. The Agreement may not be changed orally but only by a written document signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

10. Definitions. The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

10.1 "Affiliate" when used with reference to the Company means any corporations, joint ventures, or other business enterprises directly or indirectly controlling, controlled by, or under common control with the Company. For purposes of this definition, "control" means ownership or power to vote 50% or more of the voting stock, venture interests, or other comparable participation in such business enterprises.

10.2 "Period of Employment" means the period commencing on the effective date hereof and terminating pursuant to Section 2.

10.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.

11. Notices. Where there is provision herein for the delivery of written notice to either of the parties, such notice shall be deemed to have been delivered for the purposes of this Agreement when delivered in person or placed in a sealed, postpaid envelope addressed to such party and mailed by registered mail, return receipt requested to the address set forth below for the Company and the most recent address as may be on the Company records for the Employee:

For Employee: Robert J. Size

For Company: DENTSPLY International Inc.
221 West Philadelphia Street
York, PA 17404
Attention: Secretary

12. Arbitration. Any controversy arising from or related to this Agreement shall be determined by arbitration in the City of Philadelphia, Pennsylvania, in accordance with the rules of the American Arbitration Association, and judgment upon any such determination or award may be entered in any court having jurisdiction. In the event of any arbitration between Employee and Company related to the Agreement, if employee shall be the successful party, Company will indemnify and reimburse Employee against any reasonable legal fees and expenses incurred in such arbitration.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

14. Compliance with Code Section 409A. The payment provisions of this Agreement are intended to comply with, or to be exempt from, Section 409(a)(2) of the Code. The Company may make any changes to this Agreement it determines in its sole discretion are necessary to comply with the provisions of the Code Section 409A and any regulations or any other guidance issued thereunder without the consent of Employee, so long as such changes to not materially reduce the value of any of the economic benefits provided under this Agreement to the Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Attest: DENTSPLY INTERNATIONAL INC.

_____ _____ By:_____

Secretary

/s/ Robert J. Size
ROBERT J. SIZE

BOARD COMPENSATION ARRANGEMENT – MARCH 2008

Annual Retainer Fee	$40,000.00
Committee Chair Annual Fee	$7,500.00
Audit Committee Chair Annual Fee	$10,000.00
Lead Director Annual Fee	$10,000.00
In-Person Board/Committee Meeting Attendance Fee	$1,500.00
Telephone Board/Committee Meeting Attendance Fee	$1,000.00
Equity Incentive Grants	As determined periodically by the Board of Directors. Currently, annual grants with a value of $90,000 based on a Black-Scholes valuation

CONSIGNMENT AGREEMENT

CONSIGNMENT AGREEMENT, dated as of _____, 2002, by and between DRESDNER BANK AG, FRANKFURT, a credit institution incorporated under the laws of Germany in Frankfurt with offices at Global Debt, Precious Metals and Commodity Trading, Attn. Wolfgang Wrzesniok-Rossbach, Jürgen-Ponto-Platz 1, 60301 Frankfurt, Germany (the “Consignor”), and DENTSPLY INTERNATIONAL INC., a Delaware corporation with its principal place of business at 570 West College Avenue, York, Pennsylvania 17405 (the "Company").

W I T N E S S E T H:

WHEREAS, the Company uses certain commodities in its business; and

WHEREAS, the Consignor has agreed to consign such commodities to the Company on the terms and conditions and in reliance upon the representations and warranties of the Company hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual promises hereinafter contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINITIONS

When used herein, the terms set forth below shall be defined as follows:

1.1. “Approved Locations” means (a) the premises of the Company at the Company’s Address; (b) the premises of the Company’s Subsidiaries at the addresses set forth in Exhibit C attached hereto; and (c) such other locations of the Company’s Subsidiaries as may be agreed upon from time to time in writing by FPM, on behalf of the Consignor and the Other Consignors; provided, however, FPM, on behalf of the Consignor and the Other Consignors, shall have the right to give written notice to the Company that a location, whether now or hereafter approved, is no longer an Approved Location.

1.2. "Authorized Representatives" means all person(s) who are authorized by and on behalf of the Company (a) to transact consignment and purchase and sale transactions with the Consignor under the Consignment Facility; and (b) to request that a consignment under the Consignment Facility be continued as such.

1.3. "Bank" means Fleet National Bank, a national banking association.

1.4. "Business Day" means a day on which commercial banks settle payments in (a) London, if the payment obligation is calculated by reference to any LIBOR Rate, or (b) New York, for all other payment obligations; an adjustment will be made if a date would otherwise

fall on a day that is not a Business Day so that the date will be the first following day that is a Business Day except as otherwise set forth herein.

1.5. "Collateral Assignment" means that certain Collateral Assignment of the Subsidiary Consignment Agreement by the Company in favor of FPM, as agent for Consignor and the Other Consignors, as amended from time to time, whereby the Company has collaterally assigned all its rights, title and interest in and to the Subsidiary Consignment Agreement to FPM, for the benefit of the Consignor and the Other Consignors, and which secure, inter alia, the payment and performance of the Obligations.

1.6. "Company" means Dentsply International Inc., a Delaware corporation.

1.7. "Company's Address" means 570 West College Avenue, York, Pennsylvania USA 17405.

1.8. "Consigned Precious Metal" means Precious Metal which has been consigned to the Company by the Consignor pursuant to the Consignment Facility.

1.9. "Consignment Facility" means the facility under Paragraph 2 hereof whereby the Company may request consignments of Precious Metal.

1.10. "Consignment Facility Indebtedness" means the value (as determined in accordance with Paragraph 2.2 hereof) of Precious Metal on consignment to the Company under the Consignment Facility.

1.11. "Consignment Limit" means:

(a) Seventeen Million Five Hundred Thousand Dollars ($17,500,000); or

(b) such limit as the Consignor and the Company may agree upon from time to time as evidenced by an amendment in substantially the form of Exhibit B attached hereto and made a such other form as the Consignor shall require, with a copy to FPM in any case; or

(c) such other limit as the Consignor may approve in its sole discretion.

1.12. "Consignment Period" means, with respect to the consignment of Precious Metal based upon a Fixed Consignment Fee, the period beginning on the Drawdown Date and ending on the day which numerically corresponds to such date one (1), two (2), three (3), six (6) or twelve (12) months (or such other period, if agreed to by the Consignor) thereafter (or, if such month has no numerically corresponding day, on the last London Banking Day of such month), as the Company may select in its relevant notice pursuant to Paragraph 2.4 or 2.5; provided, however, that, if such Consignment Period would otherwise end on a day which is not a London Banking Day, such Consignment Period shall end on the next following London Banking Day;

provided, however, that if such next following London Banking Day is the first London Banking Day of a calendar month, such Consignment Period shall end on the next preceding London Banking Day.

1.13. "Consignor " means Dresdner Bank AG, Frankfurt, a credit institution incorporated under the laws of Germany in Frankfurt.

1.14. "Consignor's Address" means Global Debt, Precious Metals and Commodity Trading, Attn. Wolfgang Wrzesniok-Rossbach, Jürgen-Ponto-Platz 1, 60301 Frankfurt, Germany.

1.15. "Credit Agreement" means that certain 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated May 25, 2001 among the Company, the Guarantors (as defined therein), the Banks from time to time party thereto, ABN AMRO Bank N.V., as Administrative Agent for the Banks and arranger and bookrunner and Credit Suisse First Boston and Bank of Tokyo-Mitsubishi Trust Company, as Co-Syndication Agents, and First Union National Bank and Harris Trust and Savings Bank, as Co-Documentation Agents., as amended from time to time.

1.16. "Dentsply Subsidiaries" means Degussa Dental GmbH, a German limited liability company and successor-in-interest to Degussa Dental GmbH & Co KG, and wholly owned by the Company; Ceramco, Inc., a Delaware corporation and a wholly owned subsidiary of the Company; and Elephant Dental B.V., a corporation organized under the laws of The Netherlands and a wholly owned subsidiary of the Company.

1.17. "Drawdown Date" means, with respect the Consignment Facility, the date on which any consignment under the Consignment Facility is made or is to be made and the date on which any consignment under the Consignment Facility is continued in accordance with Paragraph 2.5 hereof.

1.18. "Event of Default" means each and every event specified in Paragraph 8.1 of this Agreement.

1.19. "FPM" means Fleet Precious Metals Inc., a Rhode Island corporation.

1.20. "Financial Statements" means (a) the audited balance sheet of the Company as at December 31, 2000 and the statements of income and retained earnings of the Company for the year ended on such date prepared and certified by independent certified public accountants; and (b) a balance sheet of the Company as at June 30, 2001, and combined profit and loss and surplus statements of the Company for the period then ended, together with supporting schedules, prepared on a review basis by independent certified public accountants.

1.21. "Fiscal Year" means the year ending December 31.

1.22. "Fixed Consignment Fee" means a consignment fee calculated in accordance with the provisions of Paragraph 2.3(c) hereof.

1.23. "Fixed Rate Consignment" means the consignment of Precious Metal by the Consignor to the Company under the Consignment Facility which bears a Fixed Consignment Fee.

1.24. "Following Business Day Convention" shall mean that an adjustment will be made if any relevant date would otherwise fall on a day that is not a Business Day so that the date will be the first following day that is a Business Day.

1.25. "GAAP" means generally accepted accounting principles consistently applied.

1.26. "Intercreditor and Collateral Sharing Agreement" means that certain Intercreditor and Collateral Sharing Agreement to be entered into by the Consignor and the Other Consignors with respect to the Company, as the same may be amended from time to time, which Intercreditor and Collateral Sharing Agreement shall be satisfactory to the Consignor in all respects in its sole discretion.

1.27. "Inventory " means all inventory (as defined in Section 9-109(4) of the Uniform Commercial Code) goods, merchandise and other personal property, wherever located, now owned or hereafter acquired by the Company which are held for sale or lease, or furnished or to be furnished under any contract of service or are raw materials, work in process, supplies or materials used or consumed in the Company's business, and all products thereof, and substitutions, replacements, additions or accessions thereto, all cash or non-cash proceeds of all of the foregoing including insurance proceeds.

1.28. "Laws " means all applicable ordinances, statutes, rules, regulations, orders, injunctions, writs or decrees of any government or political subdivision or agency thereof, or any court or similar entity established by any thereof.

1.29. "Lenders " means all lenders who are parties to the Credit Agreement from time to time.

1.30. "London Banking Day" means any day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

1.31. "Metals Report" means a Precious Metal report of the Company which shall identify Precious Metal by location and which shall identify all liabilities to third parties for toll or other third party Precious Metal by location and by third party and otherwise to be in form acceptable to the Consignor, certified by a financial officer of the Company.

1.32. "Obligations " means any and all indebtedness, obligations and liabilities of the Company to the Consignor of every kind and description, direct or indirect, secured or unsecured,

joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising under this Agreement, including, without limitation, all indebtedness and obligations under the Consignment Facility extended to the Company hereunder; and all interest, taxes, fees, charges, expenses and attorneys' fees chargeable to the Company or incurred by the Consignor hereunder, or any other document or instrument delivered hereunder or as a supplement hereto.

1.33. "Other Consignors" means all suppliers, lenders, consignors or financial institutions who enter into consignment agreements with the Company pursuant to which such supplier, lender, consignor or financial institution agrees to consign Precious Metal to the Company and who become parties to the Intercreditor and Collateral Sharing Agreement.

1.34. "Other Consignment Agreements" means those certain Consignment Agreements or Consignment and Forward Contract Agreements entered into by and between the Other Consignors and the Company from time to time, as the same may be amended from time to time.

1.35. "Other Consignors' Precious Metal" means all Precious Metal consigned to the Company by the Other Consignors pursuant to the Other Consignment Agreements.

1.36. "Permitted Liens" means, so long as execution thereon has been stayed:

(a) Liens for taxes, assessments, or similar charges, incurred in the ordinary course of business, which either are not yet due or are being contested in good faith by appropriate proceedings, and as to which the Company shall have set aside adequate reserves;

(b) Pledges or deposits made in the ordinary course of business to secure payment of workmen's compensation, or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs;

(c) Liens of mechanics, materialmen, warehousemen, carriers, or other like liens, securing obligations incurred in the ordinary course of business that are not yet due and payable;

(d) Good faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of ten percent (10%) of the aggregate amount due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business;

(e) Encumbrances consisting of zoning restrictions, easements, or other restrictions on the use of real property, none of which materially impairs the use of such property by the Company or any Subsidiary in the operation of its business, and none of which is violated in any material respect by existing or proposed structures or land use; and

(f) Liens in favor of the Consignor and the Other Consignors.

1.37. "Person " means an individual, corporation, partnership, limited liability company, joint venture, trust, or unincorporated organization.

1.38. "Precious Metal" means:

(a) gold bullion, having a minimum degree of fineness of ninety-nine and 50/100 percent (99.5%), or being of such quality and in such form the delivery of which would be (i) settler in all respects with the requirements of the London Bullion Market Association for "international good delivery," or (ii) acceptable in internationally recognized terminal markets acceptable to the Consignor and the Company; and

(b) silver bullion, having a minimum degree of fineness of ninety-nine and 90/100 percent (99.90%), or being of such quality and in such form the delivery of which would be (i) sett conforming in all respects with the requirements of the London Bullion Market Association for "international good delivery," or (ii) acceptable in internationally recognized termi mutually acceptable to the Consignor and the Company; and

(c) platinum plate, having a fineness of not less than ninety-nine and 95/100 percent (99.95%), or being of such quality and in such form the delivery of which would be (i) settlement all respects with the requirements of the London Platinum and Palladium Market for "international good delivery," or (ii) acceptable in internationally recognized terminal market acceptable to the Consignor and the Company; and

(d) palladium plate, having a fineness of not less than ninety-nine and 95/100 percent (99.95%), or being of such quality and in such form the delivery of which would be (i) settlemen all respects with the requirements of the London Platinum and Palladium Market for "international good delivery," or (ii) acceptable in internationally

recognized terminal markets mutually acceptable to the Consignor and the Company.

1.39. "Premises " means all real estate owned, used or leased by the Company or by any of the Company's Subsidiaries including, without limitation, the Dentsply Subsidiaries.

1.40. "Prime Rate" means the rate of interest designated by Bank from time to time as being its so-called "prime rate" of interest. The Prime Rate is a reference rate and does necessarily represent the lowest or best rate being charged to any customer. Changes in the rate of interest resulting from changes in the Prime Rate shall take place immediately without notice or demand of any kind.

1.41. "Security Agreement" means the German Security Agreement dated on or about the date hereof of the Company in favor of the Consignor, as amended from time to time, which secures the payment and performance of the Obligations under German law.

1.42. "Subsidiary " means any corporation of which more than fifty (50%) percent of the outstanding voting securities shall, at the time of determination, be owned by the Company directly or indirectly through one or more Subsidiaries.

1.43. "Subsidiary Consignment Agreement" means that certain Consignment and Forward Contracts Agreement dated December 20, 2001, as amended from time to time, by and between the Company and the Dentsply Subsidiaries whereby the Company shall consign the Consigned Precious Metal and the Other Consignors' Precious Metal to the Dentsply Subsidiaries, and all agreements executed or delivered in connection therewith, and all security therefor.

To the extent not defined in this Paragraph l, unless the context otherwise requires, accounting and financial terms used in this Agreement shall have the meanings attributed to them by GAAP, and all other terms contained in this Agreement shall have the meanings attributed to them by Article 9 of the Uniform Commercial Code in force in the State of New York, as of the date hereof to the extent the same are used or defined therein.

2. CONSIGNMENT FACILITY.

2.1. Precious Metal to be Consigned; Insurance; Title

(a) The Precious Metal to be consigned to the Company by the Consignor under Consignment Facility will consist of Precious Metal as defined herein. EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE OF THIS PARAGRAPH 2.1(A), THE CONSIGNOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE GOODS CONSIGNED OR TO BE SOLD

HEREUNDER, WHETHER AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER, AND THE CONSIGNOR HEREBY DISCLAIMS ALL SUCH WARRANTIES.

(b) The Consigned Precious Metal shall be consigned to the Company by the Consignor, in the Consignor's sole discretion, in amounts as requested by the Company from time to time, provided that no Event of Default has occurred and is then continuing. It is understood that at no time shall the Consignment Facility Indebtedness exceed the Consignment Limit.

(c) All deliveries requested by the Company of Consigned Precious Metal shall be made at the Company's expense and risk by a recognized reputable carrier of the Consignor's selection. Following the delivery of Consigned Precious Metal to the Company, or to such other location as may be agreed upon from time to time by the parties hereto, the Company shall insure the Consigned Precious Metal to its full value against all risks of loss and shall, as between the Consignor and the Company, accept all risk of loss until its return to the Consignor, as hereinafter provided. All such insurance policies shall provide at least thirty (30) days' prior written notice to the Consignor of any cancellation or alteration thereof. At the Consignor's request, the Company will furnish the Consignor with the certificate of an insurance company reasonably satisfactory to the Consignor and a true and complete copy of all insurance policies evidencing the satisfaction of the Company's insurance obligations hereunder and the inclusion of FPM, as agent for Consignor and the Other Consignors, as an additional insured and loss payee under any applicable policy as its interest may appear; provided, however, that the Consignor shall be under no duty either to ascertain the existence of or to examine any such policy or certificate or to advise the Company in the event such policy shall not comply with the requirements hereof.

(d) Title to all Consigned Precious Metal shall remain in the Consignor until such Consigned Precious Metal is purchased and withdrawn from consignment by the Company, and Precious Metal shall for the purposes of this Agreement be deemed to be outstanding on consignment until it is paid for in full by the Company as provided in Paragraph 2.3(e) hereof, whereupon title to such purchased Precious Metal shall pass to the Company. The Company authorizes the Consignor to file such financing statements and other documents as may be reasonably requested by the Consignor to protect the Consignor's interests as a consignor and a secured party under the Uniform Commercial Code.

(e) The Company shall pay all license fees, assessments and sales, use, excise, property and other taxes now or hereafter imposed by any governmental body or authority with respect to the possession, use, sale, transfer, consignment, delivery or ownership of the Consigned Precious Metal.

(f) The Consignor shall not be liable for any delay in delivery or for any inability to deliver Precious Metal hereunder directly or indirectly resulting from any unavailability or scarcity of precious metals, foreign or domestic embargoes, seizure, acts of God, insurrections, strikes, war, the adoption or enactment of any law, ordinance, regulation, ruling or order directly or

indirectly interfering with the production, sale, consignment or delivery of Precious Metal hereunder, lack of transportation, fire, flood, explosions or other accidents, events or contingencies beyond the Consignor's reasonable control.

(g) The parties hereto hereby acknowledge, confirm and agree that the foregoing description of the form and manner in which Precious Metal will be consigned and delivered pursuant to this Agreement is intended to make clear that the Consignor is obligated to engage only in transactions involving Precious Metal in quantities and units which it customarily maintains in its regular inventory, but is not intended to limit such form and manner in the event that the Consignor shall agree separately to engage in other types of transactions. Without limiting the generality of the foregoing, Precious Metal in the possession or control of the Company, or Precious Metal held by a third party for the account of the Company, shall constitute Precious Metal consigned pursuant to this Agreement notwithstanding that (i) such Precious Metal is in alloyed form or is contained in raw materials, work-in-process, or finished goods, (ii) such Precious Metal was delivered to, or credited to the account of, the Company by a third party in exchange for or in consideration of Precious Metal delivered by the Consignor to such third party, (iii) such Precious Metal was sold by the Company to the Consignor and then consigned back to the Company pursuant to this Agreement, or (iv) such Precious Metal is demonstrably not the Precious Metal physically delivered by the Consignor.

2.2. Valuation

For the purpose of this Agreement, the value of the Consigned Precious Metal shall be determined (a) on the basis of the London Bullion Brokers' second fixing price on the valuation date in the case of gold, platinum and palladium, and (b) on the basis of the London Bullion Brokers' fixing price, in the case of silver, or, in any case if no price is available for such date, then on the basis of said second fixing price or fixing price, as applicable, on the next previous day for which such price was available. In the event that the London Bullion Brokers shall discontinue or alter its usual practice of quoting a price for gold, platinum, palladium or silver, as applicable, on any day for which such a price is necessary for the purposes hereof, the Consignor shall so notify the Company and the Consignor shall at its option announce a substituted index or mechanism which shall thereupon become the method of valuation hereunder.

2.3. Payments by the Company.

(a) During such time as Precious Metal is consigned (or is deemed to be consigned under this Agreement, in particular as set forth in Section 2.1(g)) to the Company hereunder and until the same is withdrawn from consignment and paid for in full by the Company as hereinafter provided, the Company will pay to the Consignor a fee computed daily on the value of such Consigned Precious Metal as hereinafter set forth. Consignment fees shall be accrued on a daily basis and shall be paid as follows:

(i) in the case of Fixed Rate Consignments having Consignment Periods of not more than ninety (90) days, consignment fees shall be paid on the last day of the Consignment Period with respect thereto; and

(ii) in the case of Fixed Rate Consignments having Consignment Periods in excess of ninety (90) days, consignment fees shall be paid quarterly and on the last day of the Consignment Period with respect thereto, not later than the fifth Business Day following the receipt of billing.

Notwithstanding the foregoing, consignment fees may be payable more frequently if agreed upon by the Consignor and the Company.

(b) The Company shall pay a Fixed Consignment Fee with respect to each consignment of Precious Metal under the Consignment Facility, subject to the terms and conditions hereinafter set forth.

(c) Each Fixed Consignment Fee shall be calculated by the Consignor for a certain specific quantity and form of Precious Metal consigned to the Company for a certain specific Consignment Period. The quantity and form of Precious Metal, and the Consignment Period shall be selected by the Company and consented to by the Consignor. Once the specific quantity and form of Precious Metal and the specific Consignment Period have been selected and consented to by the Consignor and the consignment fee determined, such selections shall be irrevocable and binding on the Company and shall obligate the Company to accept the consignment requested the Consignor in the amount, in the form and for the Consignment Period specified.

(d) At such time as the Company shall request the consignment and delivery of Precious Metal under the Consignment Facility, it shall become obligated to pay to the Consignor a market premium per troy ounce announced by the Consignor at the time of such consignment. Such payment is to be made within five (5) Business Days of the Company's receipt of the monthly invoice.

(e) At such time as the Company shall purchase and withdraw Consigned Precious Metal from consignment under the Consignment Facility, it shall become obligated to (i) pay to the Consignor (x) a purchase price computed in accordance with Paragraph 2.2 hereof if such purchase is effected by the Company (and the Company has notified the Consignor) prior to 2:30 P.M., London Time, on any London Banking Day, plus any applicable premium, or (y) such other purchase price as shall be mutually agreed upon by the Consignor and the Company, or (ii) deliver Precious Metal to the Consignor's unallocated accounts, loco London, in the case of gold and silver, and loco Zurich, in the case of platinum and palladium, in an amount equal to the Precious Metal purchased. All payments of purchase price for Consigned Precious Metal or

deliveries of Precious Metal are to be made within two (2) London Banking Days, provided, however, title to such Consigned Precious Metal shall not pass until the payment of such purchase price. Consigned Precious Metal shall be deemed to have been purchased and withdrawn from consignment, and payment of the purchase price shall become due, at the earlier of (i) such time as the Company shall notify the Consignor, it elects to purchase such Consigned Precious Metal, (ii) such time as the Company sells such Consigned Precious Metal in the ordinary course of its business, (iii) the Company has not returned any Consigned Precious Metal when due, or (iv) the Company otherwise loses possession or control over the Consigned Precious Metal for reasons within the Company's reasonable control, including but not limited to knowingly or unknowingly passing on the Consigned Precious Metal to a third party.

2.4. Requests for Consignments under the Consignment Facility.

(a) The Company shall give to the Consignor telephonic notice or notice sent by telecopier from an Authorized Representative of the Company (confirmed in writing by the Consignor) of each request for a consignment under the Consignment Facility. Each such notice shall be irrevocable and binding on the Company and shall obligate the Company to accept the consignment requested from the Consignor.

(b) Requests for any Fixed Rate Consignments shall be furnished by an Authorized Representative of the Company to the Consignor by 12:00 noon (New York time) two (2) London Banking Days prior to the proposed Drawdown Date. Each such notice shall specify (i) the amount and type of Precious Metal requested, (ii) the proposed Drawdown Date of such consignment, and (iii) the Consignment Period for such consignment.

(c) Requests for, and repayments of, Fixed Rate Consignments shall be for not less than:

(i) Four Thousand (4,000) fine troy ounces or integral multiples of One Hundred (100) fine troy ounces in excess thereof, in the case of gold;

(ii) Fifty Thousand (50,000) fine troy ounces or integral multiples of Five Hundred (500) fine troy ounces in excess thereof, in the case of silver;

(iii) One Thousand (1,000) fine troy ounces or integral multiples of Fifty (50) fine troy ounces in excess thereof, in the case of platinum;

(iv) One Thousand (1,000) fine troy ounces or integral multiples of One Hundred (100) fine troy ounces in excess thereof, in the case of palladium.

2.5. Rollover Option.

Any Fixed Rate Consignments may be continued as such upon the expiration of a Consignment Period with respect thereto by an Authorized Representative of the Company giving to the Consignor telephonic notice (confirmed in writing by the Consignor) of the Company's decision to continue an outstanding consignment as such. In the event that the Company does not notify the Consignor of its election hereunder with respect to any consignment by 12:00 noon (New York time) two (2) London Banking Days prior to the expiration of the Consignment Period, such consignment shall be become due and payable on the last day of the Consignment Period with respect thereto.

2.6. Inability to Determine Fixed Consignment Fee.

In the event, prior to the commencement of any Consignment Period relating to any Fixed Rate Consignment, the Consignor shall determine in good faith that adequate and reasonable methods do not exist for ascertaining the Fixed Consignment Fee that would otherwise determine the rate of interest to be applicable to any Fixed Rate Consignment during any Consignment Period, the Consignor shall forthwith give notice of such determination (which shall be conclusive and binding on the Company) to the Company. In such event, (a) any request for a Fixed Rate Consignment shall be automatically withdrawn, (b) each Fixed Rate Consignment will automatically, on the last day of the then current Consignment Period thereof, become due and payable, and (c) the obligations of the Consignor to make Fixed Rate Consignments shall be suspended until the Consignor determines that the circumstances giving rise to such suspension no longer exist, whereupon the Consignor shall so notify the Company.

2.7. Illegality.

Notwithstanding any other provisions herein, if any present or future law, regulation, treaty or directive or in the reasonable interpretation or application thereof shall make it unlawful for the Consignor to make or maintain Fixed Rate Consignments, the Consignor shall forthwith give notice of such circumstances to the Company and thereupon (a) the agreement of the Consignor to make Fixed Rate Consignments shall forthwith be suspended, and (b) the Fixed Rate Consignments then outstanding shall become due and payable on the last day of each Consignment Period applicable to such Fixed Rate Consignments or within such earlier period as may be required by law. The Company shall promptly pay the Consignor any additional amounts necessary to compensate the Consignor for any costs incurred by the Consignor in making any conversion in accordance with this Paragraph, including any interest or fees payable by the Consignor to lenders of funds obtained by it in order to make or maintain its Fixed Rate Consignments hereunder.

2.8. Indemnity.

The Company shall indemnify the Consignor and hold the Consignor harmless from and against any loss, cost or expense (including reasonable loss of anticipated profits) that the

Consignor may sustain or incur as a consequence of (a) default by the Company in payment of any Fixed Rate Consignments as and when due and payable (including, without limitation, as a result of prepayment or late payment of the purchase price for the Consigned Precious Metal or the acceleration of the Consignment Facility Indebtedness pursuant to the terms of this Agreement), which expenses shall include any such loss or expense arising from interest or fees payable by the Consignor to lenders of funds obtained by it in order to maintain its Fixed Rate Consignments; (b) default by the Company in taking a consignment or conversion after the Company has given (or is deemed to have given) its request therefor; and (c) the purchase of Consigned Precious Metal bearing a Fixed Consignment Fee on a day that is not the last day of the applicable Consignment Period with respect thereto, including interest or fees payable by the Consignor to lenders of funds obtained by it in order to maintain any such consignments.

2.9. Use of Proceeds.

No portion of the proceeds of the Consignment Facility shall be used, in whole or in part, for the purpose of purchasing or carrying any "margin stock" as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System.

2.10. True Consignment; Grant of Security Interest

(a) The parties hereto intend that this Agreement shall provide for a true consignment and that all transactions hereunder shall constitute true consignments of the Precious Metal.

(b) To secure the prompt and punctual payment and performance of all indebtedness, obligations and liabilities of the Company to the Consignor under this Consignment Facility, whether now existing or hereafter incurred, the Company hereby grants to the Consignor a continuing security interest in (i) the Consigned Precious Metal, whether now existing or hereafter arising, (ii) all Inventory of the Company which contains Consigned Precious Metal, whether now existing or hereafter arising, and (iii) all proceeds and products of the foregoing to the extent that the Consignor has not received payment with respect to the Consigned Precious Metal content thereof in accordance with the terms hereof. Nothing contained in the foregoing grant is intended to conflict with the true consignment nature of this Agreement.

2.11. Maintenance of Consignment Limit

If the Consignment Facility Indebtedness any time exceeds the Consignment Limit, the Company will promptly, without further notice or demand by the Consignor, either (a) make payment to the Consignor, as provided in Paragraph 2.3(e) hereof, for Consigned Precious Metal having an aggregate value sufficient to result in Consignment Facility Indebtedness being not more than the Consignment Limit, or (b) deliver to the Consignor, either physically at the Consignor's vault at HSBC Bank in London, in the case of gold and silver, and at UBS Zurich, in the case of platinum and palladium or to the Consignor's unallocated accounts, loco London, in the case of

gold and silver, and loco Zurich, in the case of platinum and palladium, sufficient Consigned Precious Metal to achieve the result referred to in the preceding clause (a). Any physical return of Consigned Precious Metal to the Consignor's vault at HSBC Bank in London, in the case of gold and silver, or at UBS Zurich, in the case of platinum and palladium shall be at the Company's expense and risk and shall only be credited to the Company's account upon the Consignor's assaying the value thereof.

2.12. Termination; Return of Precious Metal

(a) This Agreement is not a commitment of the Consignor to consign Precious Metals or otherwise extend credit to the Company. The Consignor may terminate this Consignment Facility by giving forty-five (45) days' prior written notice of such termination to the Company. Upon giving of such notice, the Consignor may, at its option, suspend or terminate the consignment or delivery of Precious Metal hereunder. ALL SUMS OUTSTANDING UNDER THIS CONSIGNMENT FACILITY WILL BE DUE AND PAYABLE UPON THE EARLIER OF (I) THE OCCURRENCE OF AN EVENT OF DEFAULT AND ACCELERATION OF THE OBLIGATIONS BY THE CONSIGNOR, OR (II) FORTY-FIVE (45) DAYS AFTER RECEIPT OF WRITTEN NOTICE FROM THE CONSIGNOR HEREUNDER.

(b) The Company may terminate this Consignment Facility by giving five (5) days' prior written notice of such termination to the Consignor. Upon receipt of such notice, the Consignor shall suspend and terminate the consignment or delivery of Precious Metal hereunder. ALL SUMS OUTSTANDING UNDER THIS CONSIGNMENT FACILITY WILL BE DUE AND PAYABLE FIVE (5) DAYS AFTER RECEIPT OF WRITTEN NOTICE FROM THE COMPANY HEREUNDER.

(c) Termination of this Consignment Facility shall not affect the Company's duty to pay and perform its obligations to the Consignor hereunder in full. Notwithstanding termination, until all Consignment Facility Indebtedness has been fully satisfied, the Consignor shall retain all security interests granted to it and, except for those specific covenants and conditions dealing with the making of consignments, all terms and conditions of this Agreement shall remain in full force and effect.

(d) Upon termination of this Agreement for any reason the Company shall within twenty-four (24) hours following such effective date of termination (i) pay to the Consignor (x) a purchase price computed in accordance with Paragraph 2.2 hereof, plus any applicable premium, or (y) such other purchase price as shall be mutually agreed upon by the Consignor and the Company; (ii) deliver Precious Metal to the Consignor's unallocated accounts, loco London, in the case of gold and silver, and loco Zurich, in the case of platinum and palladium, in an amount equal to the Consignment Facility Indebtedness; or (iii) deliver to the Consignor at the Consignor's vault at HSBC Bank in London, in the case of gold and silver, and at UBS Zurich, in the case of platinum and palladium, any Precious Metal theretofore consigned to but not purchased and paid for in full by the Company. Any physical return of Consigned Precious Metal to the Consignor's

vault in at HSBC Bank in London, in the case of gold and silver, or at UBS Zurich, in the case of platinum and palladium shall be at the Company's expense and risk and shall only be credited to the Company's account upon the Consignor's assaying the value thereof.

(e) Notwithstanding the provisions of Paragraph 2.12(d) hereof, in the event that the Consignment Facility is terminated as a result of the Consignor giving forty-five (45) days written notice of termination to the Company as set forth in Paragraph 2.12(a) hereof, the Consignor, at its option and in its sole discretion, may agree not to accelerate the Fixed Rate Consignments and may permit the Consigned Precious Metal which is the subject of such Fixed Rate Consignments to be paid on the last day of the Consignment Period with respect thereto in accordance with their respective terms and with the consignment fees with respect thereto to be payable in accordance with Paragraph 2.3(a) hereof.

3. AUTHORIZED REPRESENTATIVES.

The Company shall deliver to the Consignor a certificate or letter certifying to the Consignor the name(s) of all Authorized Representatives, in the form attached hereto as Exhibit A. The Consignor may conclusively rely on such certificate or letter until it shall receive a further certificate from the Company in form acceptable to the Consignor canceling or amending the prior list of Authorized Representatives. Any person identifying himself or herself as an Authorized Representative of the Company shall have the right to effect transactions under this Agreement. The Consignor shall have no responsibility or obligation to ascertain whether the person is in fact the Authorized Representative of the Company which he or she claims to be or is, in fact, authorized to effect the transaction. At its option, the Consignor may verify any telephonic or telegraphic request for transaction by calling an Authorized Representative, and where more than one Authorized Representative is so authorized, by calling an Authorized Representative or other individual other than the caller or the individual initiating the transaction. The Company authorizes the Consignor at its option to record electronically all telephonic requests for transactions that the Consignor may receive from the Company or any other person purporting to act on behalf of the Company.

4. CONDITIONS.

4.1. Conditions to the Consignor's Obligation to Consign Precious Metal.

(a) As a precondition to the Consignor’s consigning Precious Metal (but with the Consignor retaining full discretion as to whether to consign Precious Metal from time to time):

(i) The representations and warranties set forth in Paragraph 6 hereof shall be true and correct on and as of the date hereof and the date each consignment is requested and is to occur.

(ii) The Company shall have executed and delivered to the Consignor, or shall have caused to be executed and delivered to the Consignor in form and substance acceptable to the Consignor, upon the execution of this Agreement, all agreements required by the Consignor for the purpose of securing payment and performance of Company's obligations under this Agreement, together with any other documents required by the terms hereof or thereof, including, without limitation, the Security Agreement and the Collateral Assignment; and all insurance required by the terms hereof and by the Security Agreement, all of which shall at all times remain in full force and effect.

(iii) The Consignor shall have received the favorable written opinion of counsel for the Company, dated the date hereof, satisfactory to the Consignor and its counsel in scope and substance, stating, among other things, that this Agreement and all agreements delivered in connection herewith have been duly authorized, executed and delivered by the Company and constitute the valid, binding and enforceable obligations of the parties thereto; and such other supporting documents and certificates as the Consignor or its special counsel may reasonably request.

(iv) There shall have been no material adverse change in the Company's financial condition or its financial or business prospects from those represented in any financial statement or other information submitted to the Consignor or upon which the Consignor has relied.

(v) The Company shall have supplied the Consignor with a certificate from an insurance company reasonably satisfactory to the Consignor with respect to the assets of the Company, and a true and complete copy of all insurance policies satisfactory to the Consignor in all respects and which shall include FPM, as agent for the Consignor and the Other Consignors, as an additional insured and loss payee, as its interests may appear.

(vi) All legal matters incident to the transactions hereby contemplated shall be satisfactory to counsel for the Consignor.

(vii) At the option of FPM, FPM shall have completed an adequate pre-funding examination of the Company evidencing, among other things, satisfactory precious metal controls and physical security controls.

(viii) The Company shall have delivered the initial Metals Report as of _____, 2001, which shall be acceptable to the Consignor in its sole discretion.

(ix) No Event of Default as specified in Paragraph 8.1 hereof, nor any event which upon notice or lapse of time or both would constitute such an Event of Default, shall have occurred and be continuing

4.2. Company's Confirmation.

The Company's request to the Consignor for the delivery of Precious Metal under the Consignment Facility shall be deemed to be a representation and warranty to the Consignor that the respective conditions specified in Paragraph 4.1 for such consignment have been satisfied.

5. SECURITY

The repayment of the Obligations shall be secured by, and entitled to the benefits of, the Security Agreement and the Collateral Assignment.

6. REPRESENTATIONS AND WARRANTIES

As a material inducement to the Consignor to deliver Consigned Precious Metal to the Company, the Company hereby represents and warrants to the Consignor (which representations and warranties shall survive the execution of this Agreement and the delivery of Consigned Precious Metal) that:

6.1. Corporate Authority. The Company (i) is duly organized, validly existing and in good standing under the laws of its state of incorporation, (ii) has the requisite corporate power and authority to own its properties and to carry on business as now being conducted, and holds all material permits, authorizations and licenses, without material restrictions or limitations, which are necessary for such ownership or business activity, and (iii) is qualified to do business in every jurisdiction where such qualification is necessary, and has the requisite corporate power to execute, deliver and perform this Agreement, the Security Agreement, the Collateral Assignment, and any security document or documents securing the obligations of the Company under this Agreement. The Company has no reason to believe that any such material permits, authorizations or licenses will be revoked, canceled, rescinded, modified or lost.

6.2. No Conflict. The execution, delivery and performance by the Company of the terms and provisions of this Agreement, the Security Agreement, the Collateral Assignment, and any other such security document(s) have been duly authorized by all requisite corporate action and will not violate any provision of law, any order of any court or other agency of government, the articles of incorporation or the by-laws of the Company or any indenture, agreement or other instrument to which it is party, or by which it is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or, except as may be provided by this Agreement, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company pursuant to, any such indenture, agreement or other instrument.

6.3. Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending or, to the knowledge of the Company threatened, against or affecting the Company which, if adversely determined, would have a material adverse effect on the business, operations, properties, assets or condition, financial or otherwise, of the Company.

6.4. Other Agreements. The Company is not a party to any agreement or instrument or subject to any charter or other corporate restriction adversely affecting its business, properties or assets, operations or conditions, financial or otherwise.

6.5. Default. The Company is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party which could have a materially adverse effect upon the Company's business, operations, properties, assets, or condition, financial or otherwise.

6.6. Financing Statements. No financing statement or agreement is on file in any public office pertaining to or affecting the Consigned Precious Metal or any Inventory of the Company, now owned or hereafter acquired containing Consigned Precious Metal.

6.7. Representations. No statement of fact made by or on behalf of the Company in this Agreement or in any certificate or schedule furnished to the Consignor pursuant hereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein or herein not misleading. There is no fact presently known to the Company which has not been disclosed to the Consignor which materially affects adversely, nor as far as the Company can reasonably foresee, will materially affect adversely the property, business, operations or condition (financial or otherwise) of the Company.

6.8. Binding Obligations. This Agreement, the Security Agreement, the Collateral Assignment, all other agreements securing this Agreement have been duly executed and delivered by the Company and constitute legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization and other similar laws of general application affecting the rights of creditors generally.

6.9. No Event of Default. No Event of Default as defined in Paragraph 8.1 hereof, and no event which, with the passage of time or the giving of notice, or both, would become such an Event of Default, has occurred and is continuing.

6.10. Financial Statements. The Company has furnished the Financial Statements to the Consignor. The Financial Statements have been prepared in accordance with GAAP on a basis consistent with that of preceding periods and are complete and correct in all material respects and fairly present the financial condition of the Company as at said dates, and the results of its operations for the year or other period ended on said dates. Since the date(s) of the above described balance sheets, there has been no material adverse change in the financial condition of the Company.

6.11. Credit Agreement. The Company reaffirms and restates and incorporates herein by reference, as of the date hereof, all of the representations and warranties made by Company in the Credit Agreement, except to the extent altered by actions permitted pursuant to the terms thereof or expressly contemplated pursuant to the terms hereof or to the extent the Consignor has been advised in writing of any inaccuracy with respect to such representations or warranties and has waived the same in writing.

6.12. Solvency.

(a) The fair salable value of the assets of the Company exceeds as of the date hereof and will, immediately following each consignment and delivery of Consigned Precious Metal and after giving effect to the application of the proceeds of the Consignment Facility, exceed the amount that will be required to be paid on or in respect of its existing debts and other liabilities (including contingent liabilities) as they mature.

(b) The assets of the Company do not as of the date hereof and will not, immediately following each consignment and delivery of Consigned Precious Metal, and after giving effect to the application of the proceeds thereof, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted.

(c) The Company does not intend to, or believe that it will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by the Company and the timing of and amounts of cash to be payable on or in respect of indebtedness of the Company.

7. AFFIRMATIVE AND NEGATIVE COVENANTS

The Company covenants and agrees that, from the date hereof and until payment and performance in full of all Obligations, the Company shall:

7.1. Credit Agreement. Observe, maintain and perform all of the covenants and agreements set forth in the Credit Agreement, all of which are fully incorporated herein, are hereby fully restated, shall be fulfilled by the Company and shall remain in full force and effect. Such terms will apply herein, as the same may be amended/extended/renewed in the Credit Agreement, provided that if the Company is no longer a party to the Credit Agreement while this Agreement remains in effect, the terms in effect at the time that the Credit Agreement terminated, or the Company ceased to be a party, shall continue to apply for purposes of this Agreement.

7.2. Litigation. Give prompt written notice to the Consignor of any proceedings instituted against it by or in any Federal or state court or before any commission or other regulatory body, Federal, state or local, which, if adversely determined, would have a materially adverse effect upon its business, operations, properties, assets, or condition, financial or otherwise.

7.3. Financial Condition. Furnish to the Consignor promptly, from time to time, such information regarding its operations, assets, business affairs and financial condition, as the Consignor may reasonably request and promptly advise the Consignor of any material adverse change in its condition, financial or otherwise.

7.4. Audits. Permit agents or representatives of FPM, for the benefit of the Consignor and the Other Consignors, to inspect, at reasonable hours, the Consigned Precious Metal and the Company's books and records and to make abstracts or reproductions of such books and records and permit FPM's audit staff, for the benefit of the Consignor and the Other Consignors, to conduct not less than one annual audit and field exam of the Consigned Precious Metal, all such audits and exams to be at the sole cost and expense of the Company.

7.5. Liens. Not create, incur, assume or suffer to exist any mortgage, pledge, lien, charge or other encumbrance of any nature whatsoever on (a) any of the Consigned Precious Metal or any of the Other Consignors' Precious Metal, or (b) any products or property now or hereafter owned which does or will include Consigned Precious Metal or any of the Other Consignors' Precious Metal.

7.6. Disposition of Property. Not, without the Consignor's prior written consent, sell, lease, transfer or otherwise dispose of the Consigned Precious Metal or the Other Consignors' Precious Metal, except for:

(a) sales of inventory and other assets in the ordinary course of the Company's business; and

(b) the consignment of the Consigned Precious Metal and Other Consignors' Precious Metal to the Dentsply Subsidiaries pursuant to the Subsidiary Consignment Agreement, provided that the terms of the Subsidiary Consignment Agreement must be acceptable to FPM in all respects and in its sole discretion, and provided further that the value (as determined in

accordance with Paragraph 2.2 hereof) of Precious Metal on consignment at any time to Ceramco, Inc. shall not exceed Two Million Dollars ($2,000,000) and the value (as determined in accordance with Paragraph 2.2 hereof) of Precious Metal on consignment at any time to Elephant Dental B.V. shall not exceed Five Million Dollars ($5,000,000).

7.7. Corporate Status. Not change its name or place of incorporation unless it has provided the Consignor with thirty (30) days' prior written notice thereof.

7.8. Consigned Precious Metal. Not grant any security interest or ownership rights to any customer or creditor (including any credit institutions) of the Company with respect to any of the Consigned Precious Metal or any of the Other Consignors' Precious Metal while at the Company's Premises or at other Approved Locations regardless of whether or not such customers have prepaid orders for the Consigned Precious Metal or the Other Consignors' Precious Metal or any products or property which does or will include the Consigned Precious Metal or the Other Consignors' Precious Metal and regardless of whether such creditors (including credit institutions) have prior or ongoing security arrangements with the Company, in which case the Company shall ensure that neither the Consigned Precious Metals nor any of the Other Consignors Precious Metal shall be subject to such prior security arrangements.

7.9. Consignments. Not obtain Precious Metal on consignment or credit from any supplier, lender, consignor or financial institution other than the Consignor and the Other Consignors unless such supplier, lender, consignor or financial institution shall first (a) have entered into a Consignment Agreement with the Company in a form acceptable to FPM; and (b) become a party to the Intercreditor and Collateral Sharing Agreement with Consignor and the Other Consignors, which Intercreditor and Collateral Sharing Agreement shall be satisfactory to FPM in all respects in its sole discretion and which shall at all times remain in full force and effect.

7.10. Location of Precious Metal. At all times, all of the Consigned Precious Metal and all of the Other Consignors' Precious Metal shall be located at an Approved Location, or shall be in transit to, or from, an Approved Location.

7.11. Other Consignment Agreements. Not amend any provision of any of the Other Consignment Agreements except in accordance with the provisions of the Intercreditor and Collateral Sharing Agreement.

7.12. Financial Statements. Unless otherwise explicitly waived by the Consignor in writing, furnish to the Consignor:

(a) within one hundred twenty (120) days after the end of each Fiscal Year, an audited balance sheet as of the end of such Fiscal Year, and an audited statement of earnings for the Fiscal Year, certified by certified public accountants selected by the Company and acceptable to the Consignor;

(b) within sixty (60) days after the end of each calendar quarter, a balance sheet as of the end of such period, and a statement of earnings for the Fiscal Year through the end of such period, prepared either by the Company and certified by a financial officer of the Company or prepared on not less than a compilation basis by independent certified public accountants selected by the Company and acceptable to the Consignor;

(c) within thirty (30) days of the end of each calendar month, a Metals Report; and

(d) promptly, from time to time such other information regarding its operations, assets, business, affairs and financial condition, including without limitation, an accounts payable reports and agings of the Company, as the Consignor may reasonably request.

7.13. Environmental Matters. With respect to environmental matters:

(a) comply strictly and in all respects with the requirements of all federal, state, and local environmental laws;

(b) immediately contain and remove any hazardous or toxic material found on the Premises in violation of applicable law, which work must be done in compliance with applicable laws and at the Company's expense; and

(c) indemnify, defend, and hold the Consignor harmless from and against any claim, cost, damage (including, without limitation, consequential damages), expense (including, without limitation, attorneys' fees and expenses), loss, liability, or judgment now or hereafter arising as a result of any claim for environmental cleanup costs, any resulting damage to the environment and any other environmental claims against the Company, the Consignor, or the Premises. The provisions of this subparagraph (c) shall continue in effect and shall survive (among other events) any termination of this Agreement, foreclosure, a deed in lieu of foreclosure transaction, payment and satisfaction of the obligations evidenced hereby or incurred pursuant hereto, and release of any collateral.

7.14. Insurance. Keep its insurable properties adequately insured at all times, by financially sound and reputable insurers, to such extent and against such risks, including fire and other risks insured against by extended coverage, and maintain liability and such other insurance as is customarily maintained by company engaged in similar businesses.

7.15. Notices Relating to Credit Agreement. Forward to the Consignor copies of all amendments to the Credit Agreement and all notices of default issued in connection with the Credit Agreement immediately upon receipt thereof.

8. EVENTS OF DEFAULT AND ACCELERATION

8.1. Events of Default In each case of the occurrence of any one or more of the following events (each of which is herein called an "Event of Default"):

(a) default in the payment or performance of any of the Company's Obligations or agreements hereunder or under the Other Consignment Agreements; or

(b) any representation or warranty made herein or in any certificate, statement or agreement furnished in connection with this Agreement shall prove to be false or misleading in any material respect; or

(c) default in the payment or performance of any obligation or indebtedness of the Company to the Consignor or any affiliate of the Consignor, whether now or hereafter existing and howsoever arising, incurred or evidenced; or

(d) default in the payment or performance of any obligation or indebtedness of the Company to the Lenders or any affiliate of the Lenders under the Credit Agreement, or under any other loan or credit agreement which replaces the Credit Agreement upon its termination, whether now or hereafter existing and howsoever arising, incurred or evidenced; or

(e) default in the payment or performance of any obligation or indebtedness of any of the Dentsply Subsidiaries to the Company under the Subsidiary Consignment Agreement or under any other consignment agreement pursuant to which Precious Metal is consigned to any of the Dentsply Subsidiaries , whether now or hereafter existing and howsoever arising, incurred or evidenced; or

(f) the Company or any of the Dentsply Subsidiaries shall (i) make a general assignment for the benefit of creditors, or (ii) file or suffer the filing of any voluntary or involuntary petition under any chapter of the Bankruptcy Act by or against the Company or under the Insolvency Ordinance (*Insolvenzordnung*) by or against Degussa Dental GmbH, or (iii) apply for or permit the appointment of a receiver, trustee or custodian of any of its property or business; or (iv) become insolvent to suffer the entry of an order for relief under Title 11 of the United States Code; or (v) make an admission of its general inability to pay its debts as they become due; or

(g) the occurrence of any material loss, theft or destruction of or damage to any of the Consigned Precious Metal or to any of the Other Consignors' Precious Metal; or

(h) the occurrence of any attachment on any of the Consigned Precious Metal or on any of the Other Consignors' Precious Metal; or

(i) default with respect to any evidence of indebtedness of the Company or any Dentsply Subsidiary (other than to the Consignor, the Other Consignors and the Lenders), if the effect of such default is to (x) accelerate the maturity of such indebtedness or permit the holder thereof to cause such indebtedness to become due prior to the stated maturity thereof, and (y) cause a material adverse effect upon the Company's business, operations, properties, assets, or condition, financial or otherwise, or

(j) any indebtedness of Company or any Dentsply Subsidiary (other than to the Consignor, the Other Consignors and the Lenders) is not paid, when due and payable, whether at the due date thereof or a date fixed for prepayment or otherwise and such failure has a material adverse effect upon the business of the Company or any Dentsply Subsidiary, operations, properties, assets, or condition, financial or otherwise; or

(k) the occurrence of any event of default under (x) any agreement now or at any time hereafter securing or guaranteeing performance of this Agreement, including, without limitation, the Security Agreement and the Collateral Assignment, or (y) any agreement now or at any time hereafter securing or guaranteeing performance of any of the Other Consignment Agreements; or

(l) any direct or indirect change in the majority ownership or control of the Company or any of the Dentsply Subsidiaries; or

(m) the occurrence of any material loss, theft or destruction of or damage to any of the property of the Company or any of the Dentsply Subsidiaries which, in the Consignor's sole reasonable determination, is not adequately insured;

then in any such event, at the Consignor's option, (A) the obligations of the Consignor hereunder shall terminate, (B) the Company shall promptly return to the Consignor all Precious Metal theretofore consigned to but not purchased and paid for by the Company, and (C) all the Company's obligations to the Consignor (including, without limitation, the Consignment Facility) shall become and be immediately due and payable without presentment, demand or notice, all of which are hereby expressly waived, notwithstanding any credit or time allowed to the Company or any instrument evidencing any of the Company's obligations to the Consignor. The Consignor shall in addition have all of the rights and remedies of a secured party under the Uniform Commercial Code with respect to any collateral now or hereafter securing the Company's obligations hereunder. The Company shall, at the Consignor's request, immediately assemble all such collateral and the Consigned Precious Metal, and the Consignor may go upon the Premises to take immediate possession thereof. The Company shall pay all reasonable legal expenses and attorneys' fees

incurred by the Consignor in enforcing the Consignor's rights, powers and remedies under this Agreement.

8.2. Waiver No failure or delay on the Consignor's part to exercise or to enforce any of the Consignor's rights hereunder or under any other instruments or agreement evidencing any of the Company's obligations to the Consignor or to require strict compliance with the terms hereof or thereof in any one or more instances and no course of conduct on the Consignor's part shall constitute or be deemed to constitute a waiver or relinquishment of any such rights hereunder unless it shall have signed a waiver thereof in writing and no such waiver, unless expressly stated therein, shall be effective as to any transaction which occurs after the date of such waiver or as to any continuance of a breach after such waiver. The Consignor's rights hereunder shall continue unimpaired notwithstanding any extension of time, compromise or other indulgence granted by the Consignor to the Company with respect to any of the Company's obligations to the Consignor or any instrument given the Consignor in connection therewith, and the Company hereby waives notice of any such extension, compromise or other indulgence and consents to be bound thereby as if it had expressly agreed thereto in advance.

9. NO ASSIGNMENT

The rights of the Company under this Agreement may not be assigned to any third party without the prior written consent of the Consignor. All covenants and agreements of the Company contained herein shall bind the Company and its successors and assigns, and shall inure to the benefit of the Consignor, its successors and assigns.

10. EXPENSES

The Company shall pay on demand all expenses of the Consignor in connection with the preparation, administration, default, collection, wavier or amendment of consignment terms, or in connection with the Consignor's exercise, preservation or enforcement of any of its rights, remedies or options hereunder or under the Security Agreement or the Collateral Assignment, including, without limitation, fees of outside legal counsel, including German counsel, or the allocated costs of in-house legal counsel, accounting, consulting, brokerage or other costs relating to any appraisals or examinations conducted in connection with the Consignment or any collateral therefor, and the amount of all such expenses shall, until paid, bear interest at the rate applicable to unpaid purchase price hereunder (including any default rate) and be an obligation secured by such collateral.

11. GOVERNING LAW; MISCELLANEOUS

11.1. Governing Law. This Agreement shall be governed by and shall be construed under the laws of the State of New York (excluding the laws applicable to conflicts or choice of law) unless otherwise specifically provided. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

11.2. JURISDICTION. THE COMPANY AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER CONSIGNMENT DOCUMENTS MAY BE BROUGHT BY THE CONSIGNOR IN ITS DISCRETION IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN OR IN THE COURTS OF MUNICH, GERMANY AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURTS AND SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON COMPANY BY MAIL AT THE ADDRESS SET FORTH IN THIS AGREEMENT, IT BEING UNDERSTOOD THAT THE COMPANY MAY ONLY BE ENTITLED TO BRING SUIT IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN. THE COMPANY HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT FORUM. THE COMPANY AND THE CONSIGNOR MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CONSIGNMENT DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PART, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF THE CONSIGNOR RELATING TO THE ADMINISTRATION OF THE CONSIGNMENT FACILITY OR ENFORCEMENT OF THE CONSIGNMENT DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, THE COMPANY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE COMPANY CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE CONSIGNOR HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE CONSIGNOR WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS AGREEMENT AND EXTENDS THE CONSIGNMENT FACILITY.

11.3. Survival of Covenants. This Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto, shall survive the consigning of Precious Metal by the Consignor to the Company, the execution and delivery to the Consignor of this Agreement, and shall continue in full force and effect so long as any indebtedness or obligation of the Company to the Consignor is outstanding and unpaid. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assign of such party; and all covenants, promises and agreements contained in this Agreement by or on behalf of the Company shall inure to the benefit of the successors and assigns of the Consignor.

11.4. Late Fee. If the entire amount of a required payment is not paid in full within ten (10) business days after the same is due, the Company shall pay to the Consignor a late fee equal to five percent (5%) of the required payment.

11.5. Default Interest Rate. The Company hereby agrees to pay upon demand, to the extent permitted by law, late charges on any sum or amount not paid when due hereunder at a rate per annum equal to the Prime Rate plus four percent (4%), from the date of delinquency until payment in full. Interest shall be calculated on the basis of a 360-day year counting the actual number of days elapsed. Each change in the Prime Rate charged being effective upon each date the Prime Rate changes.

11.6. Increased Costs. If any present or future applicable law, which expression, as used herein, includes statutes, rules and regulations thereunder and interpretations thereof by any competent court or by any governmental or other regulatory body or official charged with the administration or the interpretation thereof and requests, directives, instructions and notices at any time or from time to time hereafter made upon or otherwise issued to the Consignor by any central bank or other fiscal, monetary or other authority (whether or not having the force of law), shall:

(a) subject the Consignor to any tax (except for taxes on income or profits), levy, impost, duty, charge, fee, deduction or withholding of any nature with respect to the making of Fixed Rate Consignments, or

(b) materially change the basis of taxation (except for changes in taxes on income or profits) of payments to the Consignor of the principal of or the interest on Fixed Rate Consignments or any other amounts payable to the Consignor under this Agreement for Fixed Rate Consignments, or

(c) impose or increase or render applicable (other than to the extent specifically provided for elsewhere in this Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or commitments of an officer of the Consignor, or

(d) impose on the Consignor any other conditions or requirements with respect to Fixed Rate Consignments or any class of loans or commitments of which any of Fixed Rate Consignments form a part;

and the result of any of the foregoing is

(e) to increase the cost to the Consignor of making, funding, issuing, renewing, extending or maintaining any of the Fixed Rate Consignments, or

(f) to reduce the amount of principal, interest or other amount payable to the Consignor hereunder on account of any of the Fixed Rate Consignments, or

(g) to require the Consignor to make any payment or to forego any interest or other sum payable hereunder, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by the Consignor from the Company hereunder,

then, and in each such case, the Company will, upon demand by the Consignor, at any time and from time to time and as often as the occasion therefor may arise, pay to the Consignor such additional amounts as will be sufficient to compensate the Consignor for such additional cost, reduction, payment or foregone interest or other sum.

11.7. Capital Adequacy. If any present or future law, governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) or the interpretation thereof by a court or governmental authority with appropriate jurisdiction affects the amount of capital required or expected to be maintained by the Consignor or any corporation controlling the Consignor and the Consignor reasonably determines that the amount of capital required to be maintained by it is increased by or based upon the existence of Fixed Rate Consignments made or deemed to be made pursuant hereto, then the Consignor may notify the Company of such fact, and the Company shall pay to the Consignor from time to time upon demand, as an additional fee payable hereunder, such amount as the Consignor shall determine and certify in a notice to the Company to be an amount that will adequately compensate the Consignor in light of these circumstances for its increased costs of maintaining such capital. The Consignor shall allocate such cost increases among its customers in good faith and on equitable basis.

11.8. Certificate of Increased Costs and Capital Adequacy. A certificate setting forth any additional amounts payable pursuant to Paragraphs 11.6 and 11.7 and a brief explanation of such amounts which are due, submitted by the Consignor to the Company, shall be prima facie evidence that such amounts are due and owing.

11.9. Assignments. The Consignor shall have the unrestricted right at any time or from time to time, with the Company's consent (such consent shall only be required provided that no

Event of Default has occurred and is then continuing), which shall not be unreasonably withheld, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), and Company agrees that it shall execute, or cause to be executed, such documents, including without limitations, amendments to this Agreement and to any other documents, instruments and agreements executed in connection herewith as the Consignor shall deem necessary to effect the foregoing. In addition, at the request of the Consignor and any such Assignee, Company shall enter into one or more new Consignment Agreements, as applicable, with any such Assignee and, if the Consignor has retained any of its rights and obligations hereunder following such assignment, to the Consignor, which new Consignment Agreement shall be issued in replacement of, but not in discharge of, the liability evidenced by the Consignment Agreement entered into by the Consignor prior to such assignment and shall reflect the amount of the respective commitments and consignment held by such Assignee and the Consignor after giving effect to such assignment. Each interest assigned hereunder shall be in an amount equal to at least Five Million Dollars ($5,000,000) of the total commitment of the Consignor. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by the Consignor in connection with such assignment, and the payment by Assignee of the purchase price agreed to by the Consignor, and such Assignee, such Assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Consignor hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by the Consignor pursuant to the assignment documentation between the Consignor and such Assignee, and the Consignor shall be released from its obligations hereunder and thereunder to a corresponding extent. The Consignor may furnish any information concerning the Company in its possession from time to time to prospective Assignee, provided that the Consignor shall require any such prospective Assignee to agree in writing to maintain the confidentiality of such information.

11.10. Participations. The Consignor shall have the unrestricted right at any time and from time to time, with the consent of Company (such consent shall only be required provided that no Event of Default has occurred and is then continuing), which shall not be unreasonably withheld, to grant to one or more banks or other financial institutions (each, a "Participant") participating interests in the Consignor's obligation to consign Precious Metal hereunder. Each participating interest granted hereunder shall be in an amount equal to at least Five Million Dollars ($5,000,000) of the total commitment of the Consignor. In the event of any such grant by the Consignor of a participating interest to a Participant, the Consignor shall remain responsible for the performance of its obligations hereunder and Company shall continue to deal solely and directly with the Consignor in connection with the Consignor's rights and obligations hereunder. The Consignor may furnish any information concerning the Company in its possession from time to time to prospective Participants, provided that the Consignor shall require any such prospective Participant to agree in writing to maintain the confidentiality of such information.

11.11. Maximum Interest. All agreements between the Company and the Consignor are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to the Consignor for the use or the forbearance of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof; provided, however, that in the event there is a change in the law which results in a higher permissible rate of interest, then this Agreement shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of the Company and the Consignor in the execution, delivery and acceptance of this Agreement to contract in strict compliance with the laws of the State of New York from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the consignment documents at the time of performance of such provision shall be due, shall involve transcending the limit of such validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to the limits of such validity, and if under or from circumstances whatsoever the Consignor should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between the Company and the Consignor.

11.12. Payments.

(a) All payments (other than payments in the form of Precious Metal) shall be made by the Company at the office of the Consignor herein set forth or such other place as the Consignor may from time to time specify in writing in lawful currency of the United States of America in immediately available funds, without counterclaim or setoff and free and clear of, and without any deduction or withholding for, any taxes or other payments.

(b) All payments shall be applied first to the payment of all fees, expenses and other amounts due to the Consignor (excluding purchase price for Consigned Precious Metal and consignment fees), then to accrued consignment fees and interest and the balance on account of outstanding purchase prices for Consigned Precious Metal; provided, however, that after the occurrence of an Event of Default, payments will be applied to the obligations of the Company to the Consignor as the Consignor determines in its sole discretion.

(c) If this Agreement or any payment hereunder becomes due on a day which is not a Business Day, the due date of this Agreement or payment shall be extended to the next succeeding Business Day, and such extension of time shall be included in computing interest and fees in connection with such payment.

11.13. Loss of Agreement. Upon receipt of an affidavit of an officer of the Consignor as to the loss, theft, destruction or mutilation of any security document which is not of public

record, and, in the case of any such loss, theft, destruction or mutilation, the Company will issue, in lieu thereof, a replacement security document of like tenor.

11.14. Pledge to Federal Reserve. The Consignor may at any time pledge all or any portion of its rights under the consignment documents to any of the twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C Section 341. No such pledge or enforcement thereof shall release the Consignor from its obligations under any of the consignment documents.

11.15. Notices. All notices and other communications hereunder shall be in writing, except as otherwise provided in this Agreement; and shall be sent by any one of the following: certified mail, return receipt requested; overnight courier; confirmed telecopier; or by hand and shall addressed (i) if to the Company, to it at the Company's Address, and (ii) if to the Consignor, to it at the Consignor's Address. Notices shall be deemed effective three (3) days after deposit in the mail, if sent by certified mail; the next Business Day, if sent by overnight courier; upon confirmation, if sent by confirmed telecopier; and upon delivery, if sent by hand. The address of any party hereto for such demands, notices and other communications may be changed by giving notice in writing at any time to the other party hereto.

11.16. Waivers in Writing. No modification or waiver of any provision of this Agreement, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. No notice to, or demand on, the Company, in any case, shall entitle the Company to any other or future notice or demand in the same, similar or other circumstances.

11.17. Delay in Enforcement. Neither any failure or any delay on the part of the Consignor in exercising any right, power or privilege hereunder or under any other instrument given as security therefor, shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or future exercise, or the exercise of any right, power or privilege.

11.18. Severability. In the event any part of this Agreement is found to be unenforceable in any jurisdiction, the remaining provisions of this Agreement shall be binding with the same effect as though the unenforceable part were deleted; provided, however, such provision shall continue to be enforceable in all other jurisdictions; and provided, further, however, that if a court finds such provision to be unenforceable, such court shall be entitled to modify such provision in order to make the same enforceable.

11.19. Final Agreement. This Agreement is intended by the parties as the final, complete and exclusive statement of the transactions evidenced by this Agreement. All prior or contemporaneous promises, agreements sand understandings, whether oral or written, are deemed to be superseded by this Agreement, and no party is relying on any promise, agreement or understanding not set forth in this Agreement. This Agreement may not be amended or

modified except by a written instrument describing such amendment or modification executed by the Company and Consignor.

The next page is a signature page

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

WITNESS:

_____

DENTSPLY INTERNATIONAL INC.

By:_____
Title:

DRESDNER BANK AG, FRANKFURT

By:_____
Title:

EXHIBIT INDEX

Exhibit A	Authorized Representatives Letter
Exhibit B	Change in Consignment Limit
Exhibit C	Approved Locations

EXHIBIT A

(TO BE TYPED ON COMPANY'S LETTERHEAD)

, 2002

To: Dresdner Bank AG, Frankfurt
Global Debt
Precious Metals and Commodity Trading
Attn. Wolfgang Wrzesniok-Rossbach
Jürgen-Ponto-Platz 1, 60301
Frankfurt, Germany

Dear Sir or Madam:

In accordance with that certain Consignment Agreement dated the date hereof (the “Consignment Agreement”) by and between the undersigned and Dresdner Bank AG, Frankfurt (the "Consignor"), the undersigned hereby designates the following persons as Authorized Representatives who are authorized by and on behalf of the undersigned: (a) to transact consignment and purchase and sale transactions with the Consignor under the Consignment Facility; (b) to request that a consignment under the Consignment Facility be continued as such; and (c) to generally to bind the undersigned in any and all transactions by and between Consignor and the undersigned under the Consignment Facility:

Name	Title
Delana J. Fuller	Bookkeeper III
Donald R. Gross	Cash Manager
Volker Wagner	European Treasury Manager
Andrew M. Smith	Treasury and Risk Manager
William E. Reardon	Treasurer

The Consignor is hereby authorized to rely on this authorization until Consignor receives further written notice canceling or amending the foregoing. All capitalized terms used herein without definition shall have the meanings assigned by the Consignment Agreement.

Very truly yours,
DENTSPLY INTERNATIONAL INC.

By:_____

Title:

EXHIBIT B

_____, 200_

DENTSPLY INTERNATIONAL INC.
570 West College Avenue
York, Pennsylvania 17405

Ladies and Gentlemen:

Upon your acceptance of the terms of this letter agreement as evidenced by your execution and delivery to Dresdner Bank AG, Frankfurt _____ ("Consignor") on or before _____, 200_, of a copy of this letter, DENTSPLY INTERNATIONAL INC. (the "Company"), and the Consignor agree effective _____, 200_, to amend the definition of the Consignment Limit contained in Paragraph 1.11 of that certain Consignment Agreement dated _____, 2002, as the same may have been heretofore amended (the "Consignment Agreement"), by and between Consignor and the Company to read as follows:

"1.11. "Consignment Limit" means:

(a) _____ Dollars ($_____); and

(b) such limit as Consignor and the Company may agree upon from time to time as evidenced by an amendment in substantially the form of Exhibit B attached hereto and made a par such other form as Consignor shall require; or

(c) such other limit as Consignor may approve in its sole discretion."

Except as amended hereby, the Consignment Agreement and all agreements securing or guaranteeing the Consignment Agreement shall remain in full force and effect and are in all respect hereby ratified and affirmed.

Very truly yours,
DRESDNER BANK AG, FRANKFURT

By:_____
Title:_____

Accepted and agreed as of the
____ day of _____, 200_.

DENTSPLY INTERNATIONAL INC.

By: _____
Title: _____

cc: Frederick Reinhardt, Senior Vice President
Fleet Precious Metal Inc.
111 Westminster Street
Providence, RI 02903

EXHIBIT C

APPROVED LOCATIONS

Degussa Dental GmbH
Rodenbacher Chaussee 4
D-63457 Hanau-Wolfgang
Germany

Elephant Dental
Verlengde Lageweg 10
1628 PM Hoorn
Netherlands

Ceramco, Inc. (f/k/a Degussa-Ney Dental)
65 West Dudley Town Road
Bloomfield, Connecticut 06002-1316
USA

Coimpa Ltda.
Av. Gen. Rodrigo
Otavio.512, 69077-000
Manaus-AM

Sankin Kogyo Ltd.
Nasu Factory 1382-11
Shimoishigami
Ohtawara City, Tochigi 324-0036

Degussa Dental Austria GmbH
Liesinger Flur-Gasse 2c
1235 Vienna
Austria

Ceramco Inc.
Six Terri Lane
Burlington, NJ 08016
USA

DENTSPLY INTERNATIONAL INC.

CODE OF

BUSINESS CONDUCT AND ETHICS

CONTENTS

Code of Business Conduct

Dear Fellow Employee:

DENTSPLY International Inc. has been in business since 1899, and we are proud of the global reputation and trust we have earned. This is a reputation that we are determined to protect and enhance. Our *Code of Business Conduct* sets forth our guiding principles for the conduct of our business that must be followed by everyone who does business on behalf of DENTSPLY.

All employees, agents, consultants, independent contractors and representatives of DENTSPLY have the responsibility to read, understand, and abide by the principles and standards contained in this *Code*. It is difficult to make a policy that applies to every situation, and there will be times when the *Code* does not address a particular question. Applying common sense, good judgment, and integrity to every business issue will help to ensure that your decisions are consistent with DENTSPLY values and this *Code*. If you are an employee and you have questions, please contact your supervisor, the relevant Senior Management, or the General Counsel. If you are not an employee, please feel free to ask your DENTSPLY contact, or the General Counsel's office.

DENTSPLY's success depends upon each of us. Acting with integrity and the highest ethical standards is not only good policy, it is also good business. Every DENTSPLY employee and shareowner relies upon you to do the right thing. We know that our confidence in you is well placed.

Chairman and
Chief Executive Officer

President and Chief Operating Officer

GENERAL CODE OF CONDUCT

1. Introduction

DENTSPLY International Inc. (the "Company") has adopted this Code of Business Conduct, consisting of the components described below (the "Program"), to assist the Company and its personnel in conducting business in an ethical manner and in full compliance with the requirements of all applicable laws and regulations. It is the policy of the Company to comply with all applicable laws, including, without limitation, medical device and similar requirements, employment, discrimination, health, safety, antitrust, securities and environmental laws. No director, officer, executive or manager of the Company has authority to violate any law or to direct another employee or any other person to violate any law on behalf of the Company. This Program reflects the Company's intent to operate not only in a legal manner, but in accordance with sound business ethics. The Program applies to all Company business operations and subsidiaries worldwide and to all employees, officers and directors of the Company and its subsidiaries ("personnel"), except for legal requirements which are specific to a jurisdiction. Because the Program documents may not be translated into the local language in every location where we do business, it shall be the responsibility of management responsible for those areas to communicate the general purpose and requirements of the Program.

The Program consists of 1) a Code of Business Conduct ("Code") setting forth general standards for the conduct of Company business and operations, including procedures for reporting of concerns about compliance with the Code and/or legal requirements; 2) a set of more specific policies oriented toward compliance with specific laws and requirements; and 3) procedures to help ensure that the Program is effective in preventing, detecting and taking appropriate action with regard to violations of applicable laws and the Code, such as periodic monitoring and auditing programs. All Company personnel must be aware of the contents of the Program and perform their responsibilities in a manner which is fully consistent with the Program. Becausethe principles described in the Code are general, Company personnel should review the applicable policies for specific instructions and contact their supervisors, the relevant Senior Management and/or the General Counsel's office regarding proper conduct in a particular situation in which they have any questions.

The Program will be overseen by a Corporate Compliance Committee consisting of the Company's Chief Executive Officer, Chief Operating Officer, the Chief Financial Officer and the General Counsel. The Committee will meet as necessary to review the Program, the Code and compliance activities within the Company.

The Code of Business Conduct reflects general principles to guide employees in making ethical decisions and cannot and is not intended to address every specific situation. As such, nothing in this Code prohibits or restricts the Company from taking any disciplinary action on any matters pertaining to employee conduct, whether or not they are expressly discussed in this document. The Program, including the Code, is not intended to and shall not be deemed or construed to provide any rights, contractual or otherwise, to any third parties or to any personnel of the Company or its subsidiaries. The provisions of the Program may be revised, changed or amended at any time as determined appropriate by the Company.

2. General Standards of Conduct

A. One of the Company's strongest assets is a reputation for integrity and honesty. A fundamental principle on which the Company will operate its business is full compliance with applicable laws. The Company will also conduct its business in conformance with sound ethical standards. Achieving business results by illegal acts or unethical conduct is not acceptable.

All Company personnel shall act in compliance with the requirements of applicable law and this Code and in a sound ethical manner when conducting Company business and operations.

B. Each Company supervisor and manager is responsible for ensuring compliance by the personnel whom he or she supervises or manages with applicable law and the Code. All personnel are responsible for acquiring sufficient knowledge to recognize potential compliance issues applicable to their duties and for appropriately seeking advice regarding such issues.

C. This Code has been distributed to all applicable Company personnel and sets forth general standards relevant to the Company’s business and operations. In addition, there are a number of more detailed and specific policies covering particular business units or subject matters. The Company will communicate those specific policies to personnel who are particularly affected by them and they must be complied with in the course of the Company's business. These policies may be changed and/or additional policies may be issued from time to time.

D. All of the Company's business transactions shall be carried out in accordance with management's general or specific directives.

E. Company personnel shall be honest in all dealings with government agencies and representatives. No misrepresentations shall be made, and no false bills or requests for payment or other documents shall be submitted to government agencies or representatives.

F. All of the Company books and records shall be kept in accordance with U.S. generally accepted accounting standards (“U.S. GAAP”) or other applicable local or statutory principles with reconciliation to U.S. GAAP. All transactions, payments, receipts, accounts and assets shall be completely and accurately recorded on the Company's books and records on a consistent basis. No payment shall be approved or made with the intention or understanding that it will be used for any purpose other than that described in the supporting documentation for the payment. All internal financial and other control procedures shall be followed.

3. Reporting of Violations

A. Illegal acts or improper conduct may subject the Company (and its employees) to severe civil and criminal penalties, including large fines and being barred from certain types of business. It is therefore very important that any suspected illegal activity or violations of the Code be promptly brought to the Company's attention.

B. Any Company personnel who believes or becomes aware that any violation of this Code, including violation of applicable accounting, internal controls or auditing matters, or any suspected illegal activity has been engaged in by Company personnel or by non-employees acting on the Company's behalf shall promptly report the violation or activity in person, by phone or in writing, to one of the following persons:

1. The personnel's immediate supervisor, business unit or department head or another senior manager.
2. The General Counsel or another attorney in the Company’s Legal Department.
3. The Chief Financial Officer or Director of Internal Audit.

To the extent an employee is uncomfortable contacting any of the above people, employees should contact the Chief Executive Officer, the Chief Operating Officer or a Senior Vice President.

C. Company personnel may report suspected illegal acts or a violation of this Code anonymously. To the extent practical and appropriate under the circumstances and as permitted by law, the Company will take reasonable precautions to maintain the confidentiality of those individuals who report illegal activity or violations of this Code and of those individuals involved in the alleged improper activity, whether or not it turns out that improper acts occurred. Anonymous reports may be made by phone, web reporting or letter. Reports by phone can bemade to a third party hotline service at 800-461-9330, reports by letter should be directed to the General Counsel’s office.

D. It shall be a violation of this Code if personnel fail to report a known illegal activity or violation of the Code. If you have a question about whether particular acts or conduct may be illegal or violate the Code, you should contact one of the persons listed above in subsection B. It shall be a violation of this Code if personnel to whom a suspected illegal act or violation of the Code is reported fail to ensure that the act or violation of the Code comes to the attention of the General Counsel’s office, the Director of Internal Audit or a member of the Corporate Compliance

Committee.If the suspected illegal acts or conduct in violation of the Code involve a person to whom such acts or violations might otherwise be reported, the acts or violation should be reported to another person to whom reporting is appropriate.

E. It is Company policy to promptly and thoroughly investigate reports of suspected illegal activity or violations of this Code. Company personnel must cooperate with these investigations. It shall be a violation of this Code for personnel to prevent, hinder or delay discovery and full investigation of suspected illegal acts or violations of this Code.

F. No reprisals or disciplinary action will be taken or permitted against personnel for good faith reporting of, or cooperating in the investigation of, suspected illegal acts or violations of this Code. It shall be a violation of this Code for Company personnel to punish or conduct reprisals against other personnel for making a good faith report of, or cooperating in the investigation of, suspected illegal acts or violations of this Code.

G. Personnel who violate the Code or commit illegal acts are subject to disciplinary action, up to and including dismissal from the Company. Personnel who report their own illegal acts or improper conduct, however, will have such self-reporting taken into account in determining the appropriate disciplinary action.

4. Government Interviews or Investigation

A. The Company and its personnel shall cooperate fully and promptly with appropriate government investigations into possible civil and criminal violations of the law. It is important, however, that in this process, the Company is able to protect the legal rights of the Company and its personnel. To accomplish these objectives, any governmental inquiries or requests for information, documents or interviews, other than routine operating inspections (e.g., OSHA, FDA, etc.), should be promptly referred to the General Counsel's office.

5. Compliance Procedures

A. Introduction. The Purpose of these procedures is to increase awareness of the Program and Code, facilitate internal reporting of any suspected violation of the law or the Code and ensure that any reported violations are fully investigated and that the Company responds appropriately to any violations.

B. Maintaining Awareness of the Program

1. A copy of the Code, which includes a description of how to report suspected violations of the law or the Code, will be provided to employees of the Company.

2. New employees will be provided a copy of the Code upon their employment.

3. Applicable employees will periodically be required to sign a form stating their awareness of and compliance with the Code and the Program.

4. A copy of the Code and a description of the violation-reporting procedure will be available to all Company employees.

5. The Internal Audit Department shall, as it determines appropriate, include in its audits a review of awareness of and compliance with the Code, particularly with regard to management employees or other employees who are in a position to engage in conduct which may not be easily observed by other employees, or in a position where there is frequent involvement in activities which may carry a significant risk of liability.

6. The General Counsel’s office, in cooperation with other relevant departments, shall create and distribute policies and/or guides applicable to the Company's business and shall periodically review compliance of the Company and its business units with applicable law.

C. Company Investigations

1. If a report of potential illegal acts or conduct in violation of the Code is made, it shall promptly be brought to the attention of the General Counsel.

2. The General Counsel shall oversee the investigation of any report of suspected illegal acts or violation of the Code, utilizing appropriate legal, internal audit and other department personnel and shall involve outside legal counsel or the Company's independent auditors when appropriate.

3. Reports of suspected illegal acts or violations of the Code shall be promptly investigated; such investigations may include interviews of employees and external parties and the review of relevant documents or other materials. The investigation will be conducted in a manner which, to the degree reasonable, protects any applicable legal privileges with regard to the investigation.

4. Once an investigation is completed, if determined appropriate by the General Counsel, the Corporate Compliance Committee and appropriate management of the Company shall be apprised and evaluate the results of the investigation and decide if any corrective, disciplinary or other action is warranted and shall direct and oversee implementation of any such action.

5. The Audit Committee of the Board of Directors, Executive Committee of the Board of Directors or the full Board of Directors shall be informed, as determined appropriate by the Corporate Compliance Committee or as required by law, regarding investigations and any actions taken or to be taken as a result of investigations under the Code.

D. Ongoing Evaluation of Program

1. The Company will monitor and audit compliance with the Code and applicable laws.

2. The Corporate Compliance Committee will review the effectiveness and content of the Program on a regular periodic basis. The Code and other compliance policies will be updated as appropriate.

6. International Matters

A. International Operations. Laws and customs vary throughout the world, but all employees must uphold the integrity of the Company in other nations as diligently as they would do so in the United States. When conducting business in other countries, it is imperative that employees be sensitive to foreign legal requirements and United States laws that apply to foreign operations, including the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act generally makes it unlawful to give anything of value to foreign government officials, foreign political parties, party officials, or candidates for public office for the purposes of obtaining, or retaining, business for the Company. Employees should contact the Internal Audit or Legal Department if they have any questions concerning a specific situation.

B. Sanctions and Trade Embargoes. The United States government uses economic sanctions and trade embargoes to further various foreign policy and national security objectives. Employees must abide by all economic sanctions or trade embargoes that the United States has adopted, whether they apply to foreign countries, political organizations or particular foreign individuals and entities. Inquires regarding whether a transaction on behalf of the Company complies with applicable sanction and trade embargo programs should be referred to the Legal Department.

C. Antiboycott. Certain countries have adopted boycott laws which are designed to discourage companies from doing business with Israel. Laws in the United States make it illegal for companies to abide by or acknowledge such boycotts.

7. Waivers

It is recognized that a rare circumstance might arise in which the Code should not apply. No waivers of the provisions of this Code to any Director or Executive Officer shall be made or granted unless approved by the Board of Directors (or a designated Committee of the Board) of the Company. Any such waiver shall be promptly disclosed by the Company.

USE OF COMPANY FUNDS AND RESOURCES

One critical element of the Company's reputation for integrity is its adherence to both legal and generally accepted ethical standards governing the use of Company funds and resources. The following directives provide specific standards of conduct to be followed:

1. No funds shall be used for any purpose which would be in violation of any applicable law; or to make payments to, or for the benefit of, domestic or foreign government employees; provided that gratuities in small amounts may be paid to foreign government employees if such gratuities merely enable the Company to receive services to which it would otherwise be entitled.

2. Funds or assets shall not be used, directly or indirectly, to make gifts to, provide entertainment for, or furnish assistance in the form of transportation or other services to, government employees or public officials, if such gifts, entertainment, or assistance would be a violation of governmental regulations or would adversely reflect on the Company's or the officials' integrity or reputation.

3. All assets and liabilities must be recorded in the regular books of the Company and its subsidiaries; no undisclosed or unrecorded funds or assets shall be established for any purpose; no false or artificial entries shall be made in the books and records for any reason; and no payments shall be approved or made with the intention or understanding that any part of such payments are to be used for any purpose other than that described by the material supporting the disbursement.

4. No direct or indirect political contributions shall be made with Company funds without the express approval of the Board of Directors and subject to review by the Company's General Counsel as to the legality of such contributions.

5. Any officer or employee who has information or knowledge of any violation of these directives shall promptly report the matter to the General Counsel or the appropriate corporate or divisional officer.

6. All officers and managers are obligated to seek advice and guidance from the Company's Legal Department in order to ensure compliance with all applicable laws, rules and regulations.

7. All managers shall be responsible for the enforcement of, and compliance with, all policies of the Company, including distribution and communications to ensure employee knowledge thereof and compliance therewith.

CONFLICT OF INTEREST

Directors and employees of the Company are expected to avoid involvements or situations which could interfere, or appear to interfere, with the impartial discharge of their responsibilities. Therefore, these persons shall **NOT**, for their own account or for the account of any other person, directly or indirectly:

1. Seek to profit from information about the business affairs, financial position, or any transactions of the Company which have not been publicly disseminated.

2. Divert to themselves or others any business or investment opportunity in which the Company is or might be interested if aware of the opportunity.

3. Become a director or officer of any firm or obtain any financial interest (other than the acquisition of publicly traded securities which do not exceed 3% of such enterprise or of such person's net worth) in any firm supplying goods or services to the Company or which purchases goods or services from the Company, unless authorized by the Board of Directors.

4. Have a proprietary interest in or participate in any business enterprise involving the manufacture or sale of any product which is competitive with or similar to products produced by the Company, or involving the offering of any type of services competitive with or similar to services offered by the Company. In addition, any conduct which might give rise to potential for misuse of the Company's trade secrets or confidential business information is also prohibited. However, this policy shall not preclude an investment interest in publicly held corporations which manufacture and sell such products or offer such services within the limits described in Paragraph 3 above.

5. Give or accept personal gifts, payments, favors, special considerations, discounts, etc. which are of more than a normal value, unless approved by the employee's manager. Common social amenities may be given or accepted without manager approval only if they are of the type that are normally associated with accepted business practice within the industry or relative work discipline. Additional management approval beyond the employee's manager should be secured if any doubt exists with respect to a particular item or situation.

6. Enter into personal transactions with suppliers of the Company or with customers of the Company other than on terms and conditions as are available to the public, except as disclosed to the Audit Committee of the Board of Directors.

PERSONAL RESPONSIBLITIES OF EMPLOYEES

All employees are expected to maintain high ethical standards in their actions and working relationships with customers, fellow employees, competitors, representatives of government, communication media and others. All employees of the Company are expected to act in business matters with dual responsibility to the public interest and the Company's interest, above their own.

In addition to being in compliance with all Company policies, all employees must also be in compliance with the following:

- Any employee who has information or knowledge of any violation of any Company Policies or any violation of a legal obligation or requirement shall promptly report the matter to their manager/supervisor, to any corporate or divisional officer, or to the General Counsel.

- All confidential information about the Company, including inventions, discoveries, formulas, trade secrets, customer lists, employee data, etc., as well as confidential information acquired by the Company from another company, individual or entity subject to a secrecy and proprietary rights agreement, shall be kept confidential during and subsequent to the period of employment with the Company.

- Information gathered on competitors, customers, suppliers, etc., must be acquired legally and in a manner consistent with the Company's high level of ethics and proper business conduct. Employees on the receiving end of another company's confidential information should alert their supervisor of the situation, who in turn should seek guidance from the Legal Department.

It is recognized that in many situations and issues involving ethical or moral judgment, it may be difficult to determine the right course of action with certainty. In such instances, employees shall **not** rely solely on their own judgment, but shall discuss the matter in full with their respective manager/supervisor. In such instances, full disclosure of the facts in a timely fashion and to the proper management level will serve to meet the employees' responsibilities with respect to this Policy.

TRADING IN DENTSPLY INTERNATIONAL INC.
AND OTHER RELATED SECURITIES

Federal laws and regulations prohibit purchases and sales of the Company's stock and other related securities by directors, officers and employees on the basis of material information which is not generally available to the public. The passing of such inside information – "tipping" – to outsiders who may then trade on it is also prohibited. To assure compliance with these laws, the following rules apply to directors, officers and employees of the Company.

1. They shall not purchase or sell or otherwise trade in securities of the Company or derivative securities, such as listed stock options, while in possession of material, non-public information about the Company.

2. For purposes of this policy, the term "material information" means that information as to which there is a substantial likelihood that the information would be viewed by a reasonable investor as significantly altering the "total mix" of information available in making investment decisions.

3. "Non-public information" is that information which has not become generally available to the investing public, through such channels as the Company's publications, e.g., press releases, Annual and Interim Reports to Stockholders, Proxy Statements and SEC filings; as well as news articles, stock analysts' reports and like writings about the Company and subjects relating to its businesses.

4. They shall not divulge confidential – and possibly material – information about the Company, either to other employees or to outsiders, except on a "need-to-know" basis.

5. They shall not buy or sell securities of any other company about which material non-public information has been obtained through the performance of their position responsibilities at DENTSPLY International Inc.

Should there be any questions concerning the above with regard to any particular transaction involving DENTSPLY International Inc. securities or other related securities, please consult with the Legal Department prior to taking any action.

ACCURACY OF BOOKS, RECORDS POLICY AND PUBLIC STATEMENTS

The Company's financial records should accurately reflect the nature and purpose of all transactions.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, you must consult the Legal Department before taking any action with respect to any such records.

The Company's public statements, including press releases and public filings, shall not contain any material incorrect information and shall not omit any information necessary to make the statements contained therein not misleading. Required filings with the Securities and Exchange Commission ("SEC") shall be complete, timely and in compliance with the requirements of the SEC.

DISCRIMINATION AND HARASSMENT

The Company provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, national origin, age, non-job related disability, or status as a Vietnam-era or special disabled veteran in accordance with all applicable federal, state and local laws, including executive orders as appropriate for any federal contracts. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

The Company expressly prohibits any form of employee harassment. This policy extends not only to the Company's employees, but also to all persons with whom the Company's employees deal, such as suppliers and customers.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and all other verbal or physical conduct of a sexual or otherwise offensive nature, and is prohibited especially where (a) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (b) submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment; or (c) such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment. Furthermore, offensive comments, jokes, innuendoes, pictures, cartoons and other sexually oriented documents and statements are prohibited.

Each member of management is responsible for creating an atmosphere free of discrimination and harassment, sexual or otherwise. Further, employees are responsible for respecting the rights of their co-workers and expected to conduct themselves in a business-like manner at all times.

If an employee experiences any improper job-related harassment or believes they have been treated in an unlawful, discriminatory manner, they should first attempt to resolve the problem with the individual exhibiting the conduct toward them. If attempting to resolve the issue themselves is inappropriate or not successful, they should promptly report the occurrence to their supervisor, a member of management, or to a representative of the Human Resources Department. The Human Resources Department will investigate all matters related to discrimination and/or harassment and take proper action.

If the Company determines that an employee has engaged in harassment or other prohibited conduct, appropriate disciplinary action will be taken, up to and including termination of employment.

The Company prohibits any form of retaliation against any employee for filing a legitimate complaint under this policy or for assisting in a complaint investigation.

ANTITRUST LAW

The antitrust laws generally are intended to promote the free enterprise system by eliminating artificial restraints on competition. Violations of the antitrust laws can subject violators to criminal penalties and civil damages, and individuals to criminal penalties, imprisonment or both. These laws are often complex and not easily understood. Nevertheless, it has always been the uncompromising policy of the Company that its employees will comply strictly with such laws. Certain activities are legally deemed to be inherently anti-competitive and no defense of any kind will be permitted to justify or excuse the conduct. Other activities will constitute violations if they are anti-competitive and cannot otherwise be justified. It is difficult to provide specific directives governing employee conduct involved in such "rule of reason" activities because of the fact-specific nature of antitrust analysis. However, based on well-established court decisions, no director, officer or employee should engage in any of the following conduct without first discussing the circumstances with the General Counsel:

1. Discuss with competitors past, present or future prices of, or marketing plans for, any of the Company's products; or past, present or future prices paid or to be paid for products or materials purchased by the Company, or other business information affecting such prices. ("Price" includes all terms of sale, including discounts, allowances, promotional programs, credit terms and the like.)

2. Discuss with competitors the division or allocation of markets, territories or customers, or discuss with customers the division or allocation among customers of their markets, territories or customers.

3. Discuss with competitors or customers the boycotting of third parties.

4. Reach an agreement or understanding with a customer on the specific price at which the customer will resell the Company's products.

Whenever an employee becomes involved in any activity in which a competitive restraint may be present or that could lead to a problem under the antitrust laws, he or she should consult with a member of the Legal Department before taking any action.

CERTIFICATION

Please indicate that you have received, read and understood the DENTSPLY Code of Business Conduct and Ethics by signing your name, dating the attached Acknowledgement and returning it promptly to your local Human Resources Department.

ACKNOWLEDGEMENT

I certify that I have received, read and understood the DENTSPLY Code of Business Conduct and Ethics.

_____
(signature)

_____
(print your name)

Division:_____

Date:_____

Subsidiaries of DENTSPLY International Inc. (the "Company")- 2008

A. Direct Subsidiaries of the Company

1) DENTSPLY Prosthetics U.S. LLC (Delaware)

2) Ceramco Manufacturing B.V. (Netherlands)

3) CeraMed Dental, LLC (Delaware)

4) GAC International LLC (New York)
   a) Orthodental International, Inc.
   b) Orthodental S.A. de C.V. (Mexico)

5) DENTSPLY Finance Co. (Delaware)
   a) Dentsply Chile Comercial Limitada (Chile)
   b) Dentsply Germany Investments GmbH (Germany)
      1) Dentsply Luxembourg, S.a.r.l. (Luxembourg)

6) DENTSPLY North America LLC (Delaware)

7) Dentsply Argentina S.A.C.e.I. (Argentina)

8) Dentsply Industria e Comercio Ltda. (Brazil)

9) DeTrey do Brasil Industria e Comercio Ltda. (Brazil)

10) Dentsply Mexico S.A. de C.V. (Mexico)

11) Dentsply India Pvt. Ltd. (India)

12) Dentsply (Philippines) Inc. (Philippines)

13) Dentsply (Thailand) Ltd. (Thailand)

14) Dentsply Dental (Tianjin) Co. Ltd. (China)

15) Dentsply Tianjin International Trading Co. Ltd. (China)

16) Dentsply Korea Limited

17) Ceramco Europe Limited (Cayman Islands)
   a) Ceramco UK Limited (Dormant)

18) Dentsply LLC (Delaware)

19) DSHealthcare Inc. (Delaware)

20) TDP NT LLC (Delaware)

21) Raintree Essix Inc. (Delaware)

22) Glenroe Technologies, Inc. (Florida)

23) Dentsply Israel Ltd.

24) Ransom & Randolph Company (Delaware)

25) EndoAction Inc.

26) Osteointegration Materials LLC (Delaware)

27) Dentsply (Guangzhou) Refractories Ltd. (China)

28) Dentsply Friadent Turkey (Istanbul)

29) Tulsa Dental Products LLC (Delaware)
- a) Tulsa Finance Co. (Delaware)

30) Dentsply Australia Pty. Ltd. (Australia (Victoria))
- a) Dentsply (NZ) Limited (New Zealand)

31) Dentsply Canada Ltd. (Canada (Ontario))

32) PT Dentsply Indonesia (Indonesia)

33) The International Tooth Co. Limited (United Kingdom)

34) Dentsply Services (Switzerland) S.a.r.L. (Switzerland)

35) Prident International, Inc. (California)
- a) Prident (Shanghai) Dental Medical Devices Co., Ltd. (China)

36) DENTSPLY Holding Company

- a) Dentsply Espana SL (Spain)

- b) DENTSPLY-Sankin K.K. (Japan)
  - 1) Sankin Laboratories K.K. (Japan)

- c) DeguDent Industria e Comercio Ltda. (Brazil)
  - 1) DeguDent da Amazonia Industria e Comercio Ltda. (Brazil)
  - 2) Degpar Participacoes e Empreendimentos S.A. (Brazil)
    - (a) Probem Laboratorio de Produtos Farmaceuticos e Odontonlogicos S.A. (Brazil)

- d) Dentsply EU Holding S.a.r.L (Luxembourg)
  - 1) Dentsply Europe S.a.r.l. (Luxembourg)
    - (a) Dentsply Investments KG (Germany)

- e) Dentsply Switzerland Holdings SA (Switzerland)
  - 1) Maillefer Instruments Holding S.a.r.l. (Switzerland)
    - (a) Maillefer Instruments Trading S.a.r.l. (Switzerland)
    - (b) Maillefer Instruments Consulting S.a.r.l. (Switzerland)
    - (c) Maillefer Instruments Manufacturing S.a.r.l. (Switzerland)
    - (d) GAC, SA (Switzerland)
      - (i) GAC Gmbh (Germany)
      - (ii) GAC Norge Sa (Norway)
      - (iii) SOF SA (France)

B. <u>Subsidiaries of Dentsply Europe S.a.r.L.</u>

1) Dentsply Germany Holdings GmbH (Germany)
- a) VDW GmbH (Germany)
- b) Dentsply DeTrey GmbH (Germany)
- c) Friadent GmbH (Germany)
- d) DeguDent GmbH (Germany)

1) Ducera Dental Verwaltungs-ges.m.b.H. (Germany)
e) Elephant Dental GmbH (Germany)

2) Elephant Dental B.V. (Netherlands)
a) Cicero Dental Systems B.V. (Netherlands)
b) DeguDent Benelux B.V. (Netherlands)
c) Dental Trust B.V. (Netherlands)
d) Materialise Dental NV (40%) (Netherlands)

3) DeguDent Austria Handels GmbH (Austria)

4) Dentsply Limited (Cayman Islands)
a) Dentsply Holdings Unlimited (U.K.)
b) Dentsply Russia Limited (U.K.)
c) Amalco Holdings Ltd (U.K., Dormant)
d) Keith Wilson Limited (U.K., Dormant)
e) Oral Topics Limited (U.K., Dormant)
f) AD Engineering Company Limited (Dormant)

5) Dentsply Italia SrL (Italy)

6) Dentsply France S.A.S. (France)

7) Dentsply South Africa (Pty) Limited (South Africa)

8) Dentsply Benelux S.a.r.L. (Luxembourg)

9) Friadent Schweiz AG (Switzerland)

10) Dentsply Friadent Benelux N.V. (Belgium)

11) Friadent Scandinavia AB(Sweden)

12) Dentsply Friadent Scandinavia (Denmark)

13) Friadent Brasil Ltda. (Brazil)

14) Dentsply DeTrey Sarl (Switzerland)

15) Defradental, SpA (45%) (Italy)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-8 (No. 333-101548 and 333-56093) of DENTSPLY International Inc. of our report dated February 25, 2008 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 25, 2008

Exhibit 31.1

Section 302 Certifications Statement

I, Bret W. Wise, certify that:

1. I have reviewed this Form 10-K 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.

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

Date: February 25, 2008

Exhibit 31.2

Section 302 Certifications Statement

I, William R. Jellison, certify that:

1. I have reviewed this Form 10-K 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.

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

Date: February 25, 2008

Exhibit 32

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 Annual Report of DENTSPLY International Inc. (the "Company") on Form 10-K for the year ending December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), We, Bret W. Wise, Chairman of the Board of Directors, President, 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.

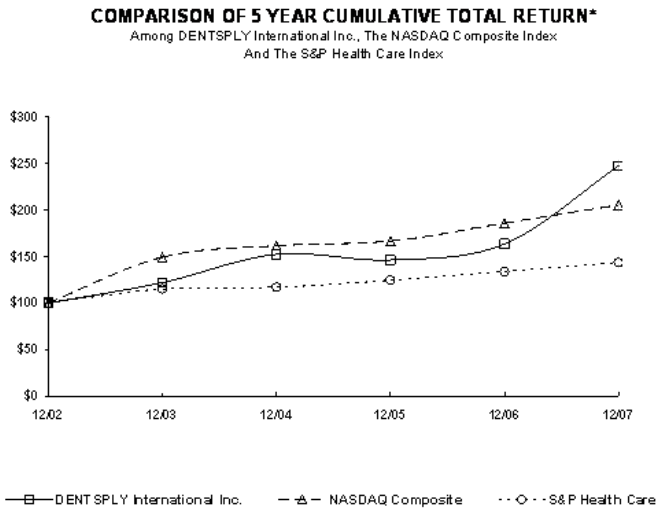
/s/ Bret W. Wise
Bret W. Wise
Chairman of the Board, President, and
Chief Executive Officer

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

Date: February 25, 2008

Performance Graph

The following graph compares the Company's cumulative total stockholder return (Common Stock price appreciation plus dividends, on a reinvested basis) over the last five fiscal years with the NASDAQ Composite Index and the Standard & Poor's Health Care Index.



* $100 invested on 12/31/02 in stock or index-including reinvestment of dividends.
Fiscal year ending December 31.

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www.researchdatagroup.com/S&P.htm

	12/02	12/03	12/04	12/05	12/06	12/07
DENTSPLY International Inc.	**100.00**	**122.01**	**152.46**	**146.33**	**163.50**	**247.63**
NASDAQ Composite	**100.00**	**149.34**	**161.86**	**166.64**	**186.18**	**205.48**
S&P Health Care	**100.00**	**115.06**	**116.99**	**124.54**	**133.92**	**143.50**