UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2011

OR

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

For the transition period from ______________ to _______________

Commission File Number 0-16211

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

Delaware (State or other jurisdiction of incorporation or organization)	39-1434669 (I.R.S. Employer Identification No.)
221 West Philadelphia Street, York, PA (Address of principal executive offices)	17405-0872 (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ☐

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

Yes x No ☐

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

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

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

Yes ☐ No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At April 25, 2011, DENTSPLY International Inc. had 140,775,468 shares of Common Stock outstanding, with a par value of $.01 per share.

DENTSPLY International Inc.

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PART I – FINANCIAL INFORMATION

Item 1 – Financial Statements

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Net sales	$ 570,503	$ 545,944
Cost of products sold	270,519	263,906
Gross profit	299,984	282,038
Selling, general and administrative expenses	200,767	188,034
Restructuring and other costs	633	4,680
Operating income	98,584	89,324
Other income and expenses:		
Interest expense	6,343	5,720
Interest income	(1,828)	(787)
Other expense (income), net	70	945
Income before income taxes	93,999	83,446
Provision for income taxes	23,712	21,255
Equity in net loss of unconsolidated affilated company	(824)	-
Net income	69,463	62,191
Less: Net income attributable to the noncontrolling interests	379	348
Net income attributable to DENTSPLY International	$ 69,084	$ 61,843
Earnings per common share:		
Basic	$ 0.49	$ 0.42
Diluted	$ 0.48	$ 0.41
Weighted average common shares outstanding:		
Basic	141,614	146,776
Diluted	144,044	149,294

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)
(unaudited)

	March 31, 2011	December 31, 2010
Assets		
Current Assets:		
Cash and cash equivalents	$ 575,264	$ 540,038
Accounts and notes receivables-trade, net	385,357	344,796
Inventories, net	332,282	308,738
Prepaid expenses and other current assets	119,165	121,473
Total Current Assets	1,412,068	1,315,045
Property, plant and equipment, net	432,716	423,105
Identifiable intangible assets, net	79,468	78,743
Goodwill, net	1,350,780	1,303,055
Other noncurrent assets, net	162,017	138,003
Total Assets	$ 3,437,049	$ 3,257,951
Liabilities and Equity		
Current Liabilities:		
Accounts payable	$ 111,943	$ 114,479
Accrued liabilities	214,972	224,745
Income taxes payable	23,643	13,113
Notes payable and current portion of long-term debt	11,453	7,754
Total Current Liabilities	362,011	360,091
Long-term debt	652,290	604,015
Deferred income taxes	79,963	72,489
Other noncurrent liabilities	360,286	311,444
Total Liabilities	1,454,550	1,348,039
Commitments and contingencies		
Equity:		
Preferred stock, $.01 par value; .25 million shares authorized; no shares issued	-	-
Common stock, $.01 par value; 200.0 million shares authorized; 162.8 million shares issued at March 31, 2011 and December 31, 2010	1,628	1,628
Capital in excess of par value	223,748	204,902
Retained earnings	2,382,336	2,320,350
Accumulated other comprehensive income	88,265	24,156
Treasury stock, at cost, 21.9 million shares at March 31, 2011 and 21.0 million shares at December 31, 2010	(750,639)	(711,650)
Total DENTSPLY International Equity	1,945,338	1,839,386
Noncontrolling interests	37,161	70,526
Total Equity	1,982,499	1,909,912
Total Liabilities and Equity	$ 3,437,049	$ 3,257,951

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Cash flows from operating activities:		
Net income	$ 69,463	$ 62,191
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	15,200	15,265
Amortization	2,379	2,524
Deferred income taxes	1,220	(3,745)
Share-based compensation expense	4,668	5,223
Restructuring and other costs - noncash	-	363
Excess tax benefits from share-based compensation	(4,371)	(1,898)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable-trade, net	(28,706)	(15,530)
Inventories, net	(14,727)	(14,472)
Prepaid expenses and other current assets	(5,745)	(5,729)
Accounts payable	5,569	9,195
Accrued liabilities	(15,861)	(12,519)
Income taxes payable	11,516	(6,801)
Other, net	3,401	2,477
Net cash provided by operating activities	44,006	36,544
Cash flows from investing activities:		
Capital expenditures	(11,774)	(8,030)
Cash paid for acquisitions of businesses, net of cash acquired	(21,127)	(7,687)
Expenditures for identifiable intangible assets	(254)	(107)
Proceeds from sale of property, plant and equipment, net	52	113
Net cash used in investing activities	(33,103)	(15,711)
Cash flows from financing activities:		
Net change in short-term borrowings	3,403	(2,124)
Cash paid for treasury stock	(73,679)	(41,423)
Cash dividends paid	(7,131)	(7,409)
Proceeds from long-term borrowings	51,100	311,834
Repayments of long-term borrowings	(1,951)	(299,215)
Proceeds from exercise of stock options	22,171	7,403
Excess tax benefits from share-based compensation	4,371	1,898
Net cash used in financing activities	(1,716)	(29,036)
Effect of exchange rate changes on cash and cash equivalents	26,039	(37,128)
Net increase(decrease) in cash and cash equivalents	35,226	(45,331)
Cash and cash equivalents at beginning of period	540,038	450,348
Cash and cash equivalents at end of period	$ 575,264	$ 405,017

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
(In thousands)
(unaudited)

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total DENTSPLY International Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2009	$ 1,628	$ 195,495	$ 2,083,459	$ 83,542	$ (532,019)	$ 1,832,105	$ 74,853	$ 1,906,958
Comprehensive Income:								
Net income	-	-	61,843	-	-	61,843	348	62,191
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustments	-	-	-	(73,422)	-	(73,422)	(3,771)	(77,193)
Net loss on derivative financial instruments	-	-	-	23,724	-	23,724	-	23,724
Pension liability adjustments	-	-	-	763	-	763	-	763
Comprehensive Income						12,908	(3,423)	9,485
Exercise of stock options	-	(4,372)	-	-	11,775	7,403	-	7,403
Tax benefit from stock options exercised	-	1,898	-	-	-	1,898	-	1,898
Share based compensation expense	-	5,223	-	-	-	5,223	-	5,223
Funding of Employee Stock Ownership Plan	-	206	-	-	1,132	1,338	-	1,338
Treasury shares purchased	-	-	-	-	(41,423)	(41,423)	-	(41,423)
RSU distributions	-	(3,678)	-	-	2,730	(948)	-	(948)
RSU dividends	-	34	(34)	-	-	-	-	-
Cash dividends ($0.05 per share)	-	-	(7,316)	-	-	(7,316)	-	(7,316)
Balance at March 31, 2010	$ 1,628	$ 194,806	$ 2,137,952	$ 34,607	$ (557,805)	$ 1,811,188	$ 71,430	$ 1,882,618

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total DENTSPLY International Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2010	$ 1,628	$ 204,902	$ 2,320,350	$ 24,156	$ (711,650)	$ 1,839,386	$ 70,526	$ 1,909,912
Comprehensive Income:								
Net income	-	-	69,084	-	-	69,084	379	69,463
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustments	-	-	-	87,452	-	87,452	3,264	90,716
Net loss on derivative financial instruments	-	-	-	(27,012)	-	(27,012)	-	(27,012)
Net unrealized holding gains on available-for-sale adjustments	-	-	-	4,202	-	4,202	-	4,202
Pension liability adjustments	-	-	-	(533)	-	(533)	-	(533)
Comprehensive Income						133,193	3,643	136,836
Acquistion of noncontrolling interest	-	21,463	-	-	-	21,463	(37,008)	(15,545)
Exercise of stock options	-	(6,450)	-	-	28,622	22,172	-	22,172
Tax benefit from stock options exercised	-	4,371	-	-	-	4,371	-	4,371
Share based compensation expense	-	4,668	-	-	-	4,668	-	4,668
Funding of Employee Stock Ownership Plan	-	379	-	-	2,595	2,974	-	2,974
Treasury shares purchased	-	-	-	-	(73,679)	(73,679)	-	(73,679)
RSU distributions	-	(5,630)	-	-	3,473	(2,157)	-	(2,157)
RSU dividends	-	45	(45)	-	-	-	-	-
Cash dividends ($0.05 per share)	-	-	(7,053)	-	-	(7,053)	-	(7,053)
Balance at March 31, 2011	$ 1,628	$ 223,748	$ 2,382,336	$ 88,265	$ (750,639)	$ 1,945,338	$ 37,161	$ 1,982,499

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and the rules of the United States Securities and Exchange Commission ("SEC"). The year-end consolidating balance sheet data was derived from audited financial statements, but does not include all disclosures required by US GAAP. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement of the results for interim periods have been included. Results for interim periods should not be considered indicative of results for a full year. These financial statements and related notes contain the accounts of DENTSPLY International Inc. and Subsidiaries ("DENTSPLY" or the "Company") on a consolidated basis and should be read in conjunction with the consolidated financial statements and notes included in the Company's most recent Form 10-K for the year ended December 31, 2010.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company, as applied in the interim consolidated financial statements presented herein are substantially the same as presented in the Company's Form 10-K for the year ended December 31, 2010, except as may be indicated below:

Accounts and Notes Receivable-Trade, Net

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 based on historical averages of aged receivable balances and the Company's experience in collecting those balances, customer specific circumstances, as well as changes in the economic and political environments. The Company records a provision for doubtful accounts, which is included in "Selling, general and administrative expenses."

Accounts and notes receivables – trade, net are stated net of allowances for doubtful accounts and trade discounts, which were $10.4 million and $9.6 million at March 31, 2011 and December 31, 2010, respectively.

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 typically in the form of ranges, and the Company records the liabilities at the low point of the ranges, when no other point within the ranges are a better estimate of the probable loss. The ranges established by management are based on analysis made by internal and external legal counsel who considers information known at the time. If the Company determines a liability to be only reasonably possible, it considers the same information to estimate the possible exposure and disclose any material potential liability. These loss contingencies are monitored regularly for a change in fact or circumstance that would require an accrual adjustment. The Company believes it has estimated liabilities for probable losses appropriately in the past; however, the unpredictability of litigation and court decisions could cause a liability to be incurred in excess of estimates. Legal costs related to these lawsuits are expensed as incurred.

Marketable Securities

The Company's marketable securities consist of debt instruments that are classified as available-for-sale in "Other noncurrent assets, net" on the consolidated balance sheets as the instruments mature in December 2015. The Company determined the appropriate classification at the time of purchase and will re-evaluate such designation as of each balance sheet date. In addition, the Company reviews the securities each quarter for indications of possible impairment. Once identified, the determination of whether the impairment is temporary or other-than-temporary requires significant judgment. The primary factors that the Company considers in classifying the impairment include the extent and time the fair value of each investment has been below cost and the existence of a credit loss. If a decline in fair value is judged other-than-temporary, the basis of the securities is written down to fair value and the amount of the write-down is included as a realized loss.

On December 9, 2010, the Company invested $49.7 million in the corporate convertible bonds of DIO Corporation ("DIO"), which may be converted into common shares after a one year period. The bonds are designated by the Company as available-for-sale securities which are reported in, "Other noncurrent assets, net," on the consolidated balance sheets and the changes in fair value are reported in accumulated other comprehensive income ("AOCI"). The convertible feature of the bond has not been bifurcated from the underlying bond as the feature does not contain a net-settlement feature, nor would the Company be able to achieve a hypothetical net-settlement that would substantially place the Company in a comparable cash settlement position. As such, the derivative is not accounted for separately from the bond. The cash paid by the Company is equal to the face value of the bonds issued by DIO, and therefore, the Company has not recorded any bond premium or discount on acquiring the bonds. The fair value of the DIO bond was $75.2 million and $66.0 million at March 31, 2011 and December 31, 2010, respectively. At March 31, 2011 and December 31, 2010, $15.2 million and $11.0 million, respectively, of unrealized holding gains on available-for-sale securities, net of tax, have been recorded in AOCI. The contractual maturity of the bond is in December 2015.

Revenue Recognition

Certain of the Company's customers are offered cash rebates based on targeted sales increases. Estimates of rebates are based on the forecasted performance of the customer and their expected level of achievement within the rebate programs. In accounting for these rebate programs, the Company records an accrual as a reduction of net sales as sales take place over the period the rebate is earned. The Company revises the accruals for these rebate programs as actual results and revised forecasts impact the estimated achievement for customers within the rebate programs.

Revisions in Classification

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

NOTE 2 – STOCK COMPENSATION

The following table represents total stock based compensation expense for stock options, restricted stock units ("RSU") and performance restricted stock units ("PRSU") and the tax related benefit for the three months ended March 31, 2011 and 2010:

(in millions)	Three Months Ended 2011	2010
Stock option expense	$ 2.3	$ 2.9
RSU and PRSU expense	2.1	2.0
Total stock based compensation expense	$ 4.4	$ 4.9
Total related tax benefit	$ 1.3	$ 1.4

The remaining unamortized compensation cost related to non-qualified stock options is $19.0 million, which will be expensed over the weighted average remaining vesting period of the options, or 2.0 years. The unamortized compensation cost related to RSU and PRSU is $15.6 million, which will be expensed over the remaining restricted period of the RSU and PRSU, or 1.8 years.

The following table reflects the non-qualified stock option transactions from December 31, 2010 through March 31, 2011:

	Outstanding			Exercisable		
(in thousands, except per share data)	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
December 31, 2010	10,636	$ 29.07	$ 66,722	8,815	$ 28.58	$ 61,450
Granted	1,371	36.61				
Exercised	(947)	23.41				
Cancelled	(9)	45.15				
Forfeited	(39)	31.51				
March 31, 2011	11,012	$ 30.47	$ 80,526	7,877	$ 29.18	$ 70,191

The weighted average remaining contractual term of all outstanding options is 6.2 years and the weighted average remaining contractual term of exercisable options is 5.1 years.

The following table summarizes the unvested RSU and PRSU transactions from December 31, 2010 through March 31, 2011:

(in thousands, except per share data)	Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2010	744	$ 32.43
Granted	338	36.61
Vested	(172)	41.13
Forfeited	(12)	29.80
Unvested at March 31, 2011	898	$ 32.37

NOTE 3 – COMPREHENSIVE INCOME

The changes to balances included in AOCI, net of tax, in the consolidated balance sheets for the three months ended March 31, 2011 and 2010 are as follows:

(in thousands)	Three Months Ended 2011	2010
Net income	$ 69,463	$ 62,191
Other comprehensive income:		
Foreign currency translation adjustments	90,716	(77,193)
Net (loss) gain on derivative financial instruments	(27,012)	23,724
Net unrealized holding gains on available-for-sale securities	4,202	-
Amortization of unrecognized losses and prior year service pension cost	(533)	763
Total other comprehensive income (loss)	67,373	(52,706)
Total comprehensive income	136,836	9,485
Comprehensive loss attributable to the noncontrolling interests	3,643	(3,423)
Comprehensive income attributable to DENTSPLY International	$ 133,193	$ 12,908

During the quarter ended March 31, 2011, foreign currency translation adjustments included currency translation gains of $89.7 million and gains of $1.0 million on the Company's loans designated as hedges of net investments. During the quarter ended March 31, 2010, foreign currency translation adjustments included currency translation losses of $81.2 million partially offset by gains of $4.0 million on the Company's loans designated as hedges of net investments. These foreign currency translation adjustments were offset by net gains on derivative financial instruments, which are discussed in Note 10, Financial Instruments and Derivatives.

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

(in thousands)	March 31, 2011	December 31, 2010
Foreign currency translation adjustments	$ 258,049	$ 170,597
Net loss on derivative financial instruments	(153,660)	(126,648)
Net unrealized holding gains on available-for-sale securities	15,231	11,029
Pension liability adjustments	(31,355)	(30,822)
	$ 88,265	$ 24,156

The cumulative foreign currency translation adjustments included translation gains of $381.0 million and $294.6 million as of March 31, 2011 and December 31, 2010, respectively, partially offset by losses of $123.0 million and $124.0 million, respectively, on loans designated as hedges of net investments. These foreign currency translation adjustments were offset by net losses on derivatives financial instruments, which are discussed in Note 10, Financial Instruments and Derivatives.

NOTE 4 - EARNINGS PER COMMON SHARE

The dilutive effect of outstanding options and restricted stock is reflected in diluted earnings per share by application of the treasury stock method. The following table sets forth the computation of basic and diluted earnings per common share for the three months ended March 31, 2011 and 2010:

	Three Months Ended	
Basic Earnings Per Common Share Computation (in thousands, except per share amounts)	2011	2010
Net income attributable to DENTSPLY International	$ 69,084	$ 61,843
Common shares outstanding	141,614	146,776
Earnings per common share - basic	$ 0.49	$ 0.42
Diluted Earnings Per Common Share Computation (in thousands, except per share amounts)		
Net income attributable to DENTSPLY International	$ 69,084	$ 61,843
Common shares outstanding	141,614	146,776
Incremental shares from assumed exercise of dilutive options from stock-based compensation awards	2,430	2,518
Total shares	144,044	149,294
Earnings per common share - diluted	$ 0.48	$ 0.41

Options to purchase 4.3 million shares of common stock that were outstanding during the three months ended March 31, 2011, were not included in the computation of diluted earnings per share since the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive. There were 3.0 million antidilutive shares of common stock outstanding during the three months ended March 31, 2010.

NOTE 5 – BUSINESS ACQUISITIONS

The acquisition related activity for the three months ended March 31, 2011 was $21.1 million, net of cash acquired, of which $20.2 million was related to an acquisition and the purchase of the remaining shares of a consolidated variable interest entity ("VIE") in 2011. Additionally, an earn-out payment was made on an acquisition that was completed prior to 2009. The purchase agreement for the acquisition provides for additional payments to be made based upon the operating performance of the respective business; however, the Company does not expect the additional payments to be material to the financial statements. The results of operations for these businesses have been included in the accompanying financial statements since the effective date of the respective transactions. The purchase prices have been allocated on the basis of preliminary estimates of the fair values of assets acquired and liabilities assumed. As of March 31, 2011, the Company has recorded a total of $4.4 million in goodwill related to the unallocated portions of the respective purchase price, and the goodwill is associated with the Canada/Latin America/Endodontics/Orthodontics segment.

NOTE 6 - SEGMENT INFORMATION

The Company has numerous operating businesses covering a wide range of products and geographic regions, primarily serving the professional dental market. Professional dental products represented approximately 97% of sales for both three month periods ended March 31, 2011 and 2010.

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

United States, Germany and Certain Other European Regions Consumable Businesses

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

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

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

Canada/Latin America/Endodontics/Orthodontics

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

Dental Laboratory Business/Implants/Non-Dental

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

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

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

The following tables set forth information about the Company's operating groups for the three months ended March 31, 2011 and 2010:

Third Party Net Sales

(in thousands)	2011	2010
U.S., Germany and Certain Other European Regions Consumable Businesses	$ 141,067	$ 134,974
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	124,689	110,285
Canada/Latin America/Endodontics/ Orthodontics	166,859	156,620
Dental Laboratory Business/ Implants/Non-Dental	138,931	145,110
All Other (a)	(1,043)	(1,045)
Total	$ 570,503	$ 545,944

(a) Includes amounts recorded at Corporate headquarters

Third Party Net Sales, Excluding Precious Metal Content

(in thousands)	2011	2010
U.S., Germany and Certain Other European Regions Consumable Businesses	$ 141,067	$ 134,974
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	114,523	102,070
Canada/Latin America/Endodontics/ Orthodontics	166,115	156,030
Dental Laboratory Business/ Implants/Non-Dental	106,343	105,318
All Other (a)	(1,043)	(1,045)
Total excluding precious metal content	527,005	497,347
Precious mental content	43,498	48,597
Total including precious metal content	$ 570,503	$ 545,944

(a) Includes amounts recorded at Corporate headquarters

Inter-segment Net Sales

(in thousands)	2011	2010
U.S., Germany and Certain Other European Regions Consumable Businesses	$ 27,758	$ 26,217
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	4,469	3,619
Canada/Latin America/Endodontics/ Orthodontics	31,474	25,320
Dental Laboratory Business/ Implants/Non-Dental	27,787	26,680
All Other (a)	51,377	44,003
Eliminations	(142,865)	(125,839)
Total	$ -	$ -

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

Segment Operating Income

(in thousands)	2011	2010
U.S., Germany and Certain Other European Regions Consumable Businesses	$ 46,345	$ 44,861
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	(569)	(129)
Canada/Latin America/Endodontics/ Orthodontics	49,817	48,022
Dental Laboratory Business/ Implants/Non-Dental	23,950	22,463
All Other (a)	(20,326)	(21,213)
Segment operating income	99,217	94,004
Reconciling Items:		
Restructuring and other costs	(633)	(4,680)
Interest expense	(6,343)	(5,720)
Interest income	1,828	787
Other expense (income), net	(70)	(945)
Income before income taxes	$ 93,999	$ 83,446

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

Assets

(in thousands)	March 31, 2011	December 31, 2010
U.S., Germany and Certain Other European Regions Consumable Businesses	$ 611,306	$ 578,770
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	400,292	390,572
Canada/Latin America/Endodontics/ Orthodontics	1,001,345	932,126
Dental Laboratory Business/ Implants/Non-Dental	1,058,476	995,090
All Other (a)	365,630	361,393
Total	$ 3,437,049	$ 3,257,951

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

NOTE 7 - INVENTORIES

Inventories are stated at the lower of cost or market. At March 31, 2011 and December 31, 2010, the cost of $8.3 million, or 2.5%, and $6.9 million, or 2.2%, 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 in order to present the net realizable value. The inventory valuation reserves were $37.1 million and $35.5 million as of March 31, 2011 and December 31, 2010, respectively.

If the FIFO method had been used to determine the cost of LIFO inventories, the amounts at which net inventories are stated would be higher than reported at March 31, 2011 and December 31, 2010 by $4.7 million and $4.9 million, respectively.

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

(in thousands)	March 31, 2011	December 31, 2010
Finished goods	$ 204,340	$ 189,343
Work-in-process	60,160	57,272
Raw materials and supplies	67,782	62,123
	$ 332,282	$ 308,738

NOTE 8 - BENEFIT PLANS

The following sets forth the components of net periodic benefit cost of the Company's defined benefit plans and for the Company's other postretirement employee benefit plans for the three months ended March 31, 2011 and 2010, respectively:

Defined Benefit Plans

(in thousands)	2011	2010
Service cost	$ 2,434	$ 2,015
Interest cost	2,187	2,143
Expected return on plan assets	(1,216)	(1,152)
Amortization of transition obligation	-	31
Amortization of prior service cost	20	20
Amortization of net loss	383	241
Net periodic benefit cost	$ 3,808	$ 3,298

Other Postretirement Plans

(in thousands)	2011	2010
Service cost	$ 16	$ 14
Interest cost	138	153
Amortization of net loss	49	69
Net periodic benefit cost	$ 203	$ 236

The following sets forth the information related to the contributions to the Company's benefit plans for 2011:

(in thousands)	Pension Benefits	Other Postretirement Benefits
Actual at March 31, 2011	$ 2,929	$ 12
Projected for the remainder of the year	6,921	1,087
Total for year	$ 9,850	$ 1,099

NOTE 9 – RESTRUCTURING AND OTHER COSTS

Other Costs

During the three months ended March 31, 2011 and 2010, the Company recorded other costs of $0.6 million and $3.9 million, respectively, primarily related to several legal matters and acquisition related costs. These other costs are reflected in "Restructuring and other costs" in the consolidated statements of operations.

Restructuring Costs

During the three months ended March 31, 2011, the Company recorded less than $0.1 million of restructuring costs, compared to $0.8 million during the three months ended March 31, 2010. These costs are recorded in "Restructuring and other costs" in the consolidated statements of operations and the associated liabilities are recorded in accrued liabilities in the consolidated balance sheets. These costs primarily consist of employee severance costs.

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

As of March 31, 2011, the Company's restructuring accruals were as follows:

(in thousands)	Severance 2009 and Prior Plans	 2010 Plans	 Total
Balance at December 31, 2010	$ 2,878	$ 5,260	$ 8,138
Provisions and adjustments	-	(45)	(45)
Amounts applied	(455)	(925)	(1,380)
Balance at March 31, 2011	$ 2,423	$ 4,290	$ 6,713

(in thousands)	Lease/Contract Terminations 2009 and Prior Plans	 2010 Plans	 Total
Balance at December 31, 2010	$ 996	-	$ 996
Provisions and adjustments	-	(112)	(112)
Amounts applied	-	112	112
Balance at March 31, 2011	$ 996	-	$ 996

(in thousands)	Other Restructuring Costs 2009 and Prior Plans	 2010 Plans	 Total
Balance at December 31, 2010	$ 57	$ -	$ 57
Provisions and adjustments	105	77	182
Amounts applied	(105)	(77)	(182)
Balance at March 31, 2011	$ 57	$ -	$ 57

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

(in thousands)	December 31, 2010	Provisions and Adjustments	Amounts Applied	March 31, 2011
United States, Germany and Certain Other European Regions Consumable Businesses	$ 1,031	$ -	$ -	$ 1,031
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	193	(45)	(148)	-
Canada/Latin America/ Endodontics/Orthodontics	400	-	-	400
Dental Laboratory Business/ Implants/Non-Dental	7,567	70	(1,302)	6,335
	$ 9,191	$ 25	$ (1,450)	$ 7,766

NOTE 10 – FINANCIAL INSTRUMENTS AND DERIVATIVES

Derivative Instruments and Hedging Activities

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

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

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

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

Cash Flow Hedges

The Company uses interest rate swaps to convert a portion of its variable interest rate debt to fixed interest rate debt. As of March 31, 2011, the Company has two groups of significant variable interest 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 interest 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 interest rate of 4.2% for a term of seven years, ending in March 2012. The Company enters into interest rate swap contracts infrequently as they are only used to manage interest rate risk on long-term debt instruments and not for speculative purposes.

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

The Company selectively enters into commodity swaps to effectively fix certain variable raw material costs. At March 31, 2011, the Company had swaps in place to purchase 472 troy ounces of platinum bullion for use in the production of its impression material products. The average fixed rate of this agreement is $1,723 per troy ounce.

The following tables summarize the fair value of the Company's cash flow hedges at March 31, 2011:

Foreign Exchange Forward Contracts (in thousands)	Notional Amounts Maturing in the Year 2011	Notional Amounts Maturing in the Year 2012	Fair Value Net Asset (Liability) March 31, 2011
Forward sale, 10.7 million Australian dollars	$ 9,732	$ 1,319	$ (536)
Forward purchase, 6.0 million British pounds	(8,920)	(795)	(126)
Forward sale, 29.2 million Canadian dollars	26,640	3,514	(1,248)
Forward sale, 5.2 million Danish krone	990	-	9
Forward sale, 2.0 million euros	2,907	-	1,022
Forward sale, 1.1 billion Japanese yen	12,712	-	594
Forward sale, 125.8 million Mexican pesos	10,571	-	(109)
Forward purchase, 2.0 million Norwegian krone	(369)	-	(1)
Forward sale, 2.2 million Singapore dollars	1,785	-	10
Forward sale, 6.1 billion South Korean won	5,524	-	(29)
Forward purchase, 12.0 million Swiss francs	(13,105)	-	93
Forward purchase, 26.4 million Taiwanese dollars	(899)	-	(26)
Total foreign exchange forward contracts	$ 47,568	$ 4,038	$ (347)

Interest Rate Swaps (in thousands)	Notional Amounts Maturing in the Year 2011	2012	2013	2014	2015 and Beyond	Fair Value Net Asset (Liability) March 31, 2011
Euro	$ 1,005	$ 1,340	$ 1,340	$ 1,025	$ 3,331	$ (686)
Japanese yen	-	151,554	-	-	-	(1,567)
Swiss francs	-	70,980	-	-	-	(2,452)
Total interest rate swaps	$ 1,005	$ 223,874	$ 1,340	$ 1,025	$ 3,331	$ (4,705)

Commodity Contracts (in thousands)	Notional Amounts Maturing in the Year 2011	2012	Fair Value Net Asset (Liability) March 31, 2011
Platinum swap - U.S. dollar	$ (720)	$ (119)	$ 26
Total commodity contracts	$ (720)	$ (119)	$ 26

Hedges of Net Investments in Foreign Operations

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

During 2010, the Company entered into new cross currency basis swaps of 100.0 million and 55.5 million Swiss francs (collectively the "Swiss Swaps"). The Swiss Swaps mature in February 2013, and the Company pays three month Swiss franc London Inter-Bank Offered Rate ("LIBOR") and receives three month U.S. dollar LIBOR. The new contracts were entered into to replace maturing contracts. Also during 2010, the Company entered into new cross currency basis swaps of 108.0 million euro ("Euro Swaps"). The Euro Swaps mature in December 2013, and the Company pays three month Euro Inter-Bank Offered Rate ("EURIBOR") and receives three month U.S. dollar LIBOR. The new contracts were entered into to replace maturing contracts. The Swiss franc and euro cross currency interest rate swaps are designated as net investment hedges of the Swiss franc and euro denominated net assets. The interest rate differential is recognized in income as interest income or interest expense as it is accrued, the foreign currency translation is recorded in AOCI, net of tax.

The fair value of these cross currency interest rate swap agreements is the estimated amount the Company would either pay or receive at the reporting date, taking into consideration the effective interest rates and foreign exchange rates. As of March 31, 2011 and December 31, 2010, the estimated net fair values of the swap agreements were negative $211.8 million and negative $169.1 million, respectively, which are recorded in AOCI, net of tax, and as "Other noncurrent liabilities" and "Other noncurrent assets, net" in the consolidated balance sheets.

The following tables summarize the fair value of the Company's cross currency basis swaps that are designated as hedges of net investments in foreign operations at March 31, 2011:

Cross Currency Basis Swaps	Notional Amounts Maturing in the Year 2011	2012	2013	Fair Value Net Asset (Liability) March 31, 2011
(in thousands)				
Swiss franc 592.5 million @ 1.17 pay CHF 3 mth. LIBOR receive USD 3 mth. LIBOR	$ 87,797	$ 61,807	$ 497,406	$ (139,987)
Euro 358.0 million @ $1.22 pay EUR 3 mth. EURIBOR receive USD 3 mth. LIBOR	-	-	508,092	(71,796)
Total cross currency basis swaps	$ 87,797	$ 61,807	$ 1,005,498	$ (211,783)

At March 31, 2011, the Company had Swiss franc-denominated and Japanese yen-denominated debt and cross currency basis swaps denominated in euro and Swiss franc to hedge the currency exposure related to a designated portion of the net assets of its European, Swiss and Japanese subsidiaries. At March 31, 2011 and December 31, 2010, the accumulated translation gains on investments in foreign subsidiaries, primarily denominated in euro, Swiss franc and Japanese yen, net of these net investment hedges, were $106.7 million and $45.4 million, respectively, which are included in AOCI, net of tax.

Fair Value Hedges

Effective April 4, 2011, the Company entered into a group of U.S. dollar denominated interest rate swaps with an initial total notional value of $150.0 million to effectively convert the underlying fixed interest rate of 4.1% on the Company's $250.0 million Private Placement Note ("Note") to variable rate for a term of five years, ending February 2016. The notional value of the swaps will decline proportionately as portions of the Note come due. These interest rate swaps are designated as fair value hedges of the interest rate risk associated with the hedged portion of the fixed rate Note. Accordingly, the Company will carry the portion of the hedged debt at fair value, with the change in debt and swap offsetting each other in the income statement.

As of March 31, 2011, deferred net losses on derivative instruments of $2.3 million, which were recorded in AOCI, are expected to be reclassified to current earnings during the next twelve months. This reclassification is primarily due to the sale of inventory that includes previously hedged purchases and interest rate swaps. The maximum term over which the Company is hedging exposures to variability of cash flows (for all forecasted transactions, excluding interest payments on variable interest rate debt) is eighteen months. Overall, the derivatives designated as cash flow hedges are highly effective. Any cash flows associated with these instruments are included in cash from operations in accordance with the Company's policy of classifying the cash flows from these instruments in the same category as the cash flows from the items being hedged.

The following tables summarize the fair value and consolidated balance sheet location of the Company's derivatives at March 31, 2011 and December 31, 2010:

(in thousands)	March 31, 2011			
Designated as Hedges	Prepaid Expenses and Other Current Assets	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts	$ 1,175	$ 1	$ 1,617	$ 168
Commodity contracts	26	-	-	-
Interest rate swaps	-	-	4,019	-
Cross currency basis swaps	-	-	23,283	188,500
Total	$ 1,201	$ 1	$ 28,919	$ 188,668
Not Designated as Hedges				
Foreign exchange forward contracts	$ 623	$ -	$ 361	$ -
Interest rate swaps	-	-	95	591
Total	$ 623	$ -	$ 456	$ 591

(in thousands)	December 31, 2010			
Designated as Hedges	Prepaid Expenses and Other Current Assets	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts	$ 2,455	$ 21	$ 1,139	$ 135
Commodity contracts	88	-	-	-
Interest rate swaps	-	-	4,213	871
Cross currency basis swaps	-	-	21,516	147,589
Total	$ 2,543	$ 21	$ 26,868	$ 148,595
Not Designated as Hedges				
Foreign exchange forward contracts	$ 821	$ -	$ 600	$ -
Interest rate swaps	-	-	104	556
Total	$ 821	$ -	$ 704	$ 556

The following table summarizes the consolidated statement of operations impact of the Company's cash flow hedges for the three months ended March 31, 2011 and 2010:

Three Months Ended March 31, 2011

Derivatives in Cash Flow Hedging (in thousands)	Gain (Loss) in AOCI	Classification of Gains (Losses)	Effective Portion Reclassified from AOCI into Income
Interest rate contracts	$ (281)	Interest expense	$ (1,251)
Foreign exchange forward contracts	(932)	Cost of products sold	467
Foreign exchange forward contracts	(266)	SG&A expenses	105
Commodity contracts	27	Cost of products sold	105
Total	$ (1,452)		$ (574)

Derivatives in Cash Flow Hedging (in thousands)	Classification of Gains (Losses)	Ineffective portion Recognized in Income
Interest rate contracts	Other expense, net	$ 102
Foreign exchange forward contracts	Interest expense	(227)
Foreign exchange forward contracts	Interest expense	11
Commodity contracts	Interest expense	(3)
Total		$ (117)

Three Months Ended March 31, 2010

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

Derivatives in Cash Flow Hedging (in thousands)	Classification of Gains (Losses)	Ineffective portion Recognized in Income
Interest rate swaps	Other expense, net	$ 297
Foreign exchange forward contracts	Interest expense	(89)
Foreign exchange forward contracts	Interest expense	(3)
Commodity contracts	Interest expense	(7)
Total		$ 198

The following tables summarize the consolidated statement of operations impact of the Company's hedges of net investment for the three months ended March 31, 2011 and 2010:

Three Months Ended March 31, 2011

Derivatives in Net Investment Hedging (in thousands)	Gain (Loss) in AOCI	Classification of Gains (Losses)	Gain (Loss) Recognized in Income
Cross currency interest rate swaps	$ (12,948)	Interest income	$ 199
		Interest expense	(25)
Cross currency interest rate swaps	(29,732)	Interest expense	(957)
Total	$ (42,680)		$ (783)

Three Months Ended March 31, 2010

Derivatives in Net Investment Hedging (in thousands)	Gain (Loss) in AOCI	Classification of Gains (Losses)	Gain (Loss) Recognized in Income
Cross currency interest rate swaps	$ 9,210	Interest income	$ 47
		Interest expense	(58)
Cross currency interest rate swaps	28,758	Interest expense	(657)
Total	$ 37,968		$ (668)

The following tables summarize the consolidated statement of operations impact of the Company's derivatives not designated as hedges for the three months ended March 31, 2011 and 2010:

Derivatives Not Designated as Hedging

(in thousands)	Classification of Gains (Losses)	Three Months Ended March 31, 2011
Foreign exchange forward contracts	Other expense, net	$ 1,704
Interest rate swaps	Interest expense	(55)
Total		$ 1,649

Derivatives Not Designated as Hedging

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

Amounts recorded in AOCI, net of tax, related to cash flow hedging instruments for the three months ended March 31, 2011 and 2010:

(in thousands, net of tax)	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Beginning balance	$ (1,468)	$ (4,799)
Changes in fair value of derivatives	(1,036)	(661)
Reclassifications to earnings from equity	229	1,073
Total activity	(807)	412
Ending balance	$ (2,275)	$ (4,387)

Amounts recorded in AOCI, net of tax, related to hedges of net investments in foreign operations for the three months ended March 31, 2011 and 2010:

(in thousands, net of tax)	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Beginning balance	$ 45,417	$ 111,115
Foreign currency translation adjustment	86,438	(74,319)
Changes in fair value of:		
Foreign currency debt	1,014	898
Derivative hedge instruments	(26,205)	23,312
Total activity	61,247	(50,109)
Ending balance	$ 106,664	$ 61,006

NOTE 11 – FAIR VALUE MEASUREMENT

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

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

The following tables set forth by level within the fair value hierarchy the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of March 31, 2011 and December 31, 2010, which are classified as "Cash and cash equivalents," "Prepaid expenses and other current assets," "Other noncurrent assets, net," "Accrued liabilities," and "Other noncurrent liabilities" on the consolidated balance sheets. Financial assets and liabilities that are recorded at fair value as of the balance sheet date are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(in thousands)	March 31, 2011 Total	Level 1	Level 2	Level 3
Assets				
Money market funds	$ 392,459	$ 392,459	$ -	$ -
Commodity forward purchase contracts	26	-	26	-
Foreign exchange forward contracts	1,799	-	1,799	-
Corporate convertible bonds	75,170	-	-	75,170
Total assets	$ 469,454	$ 392,459	$ 1,825	$ 75,170
Liabilities				
Interest rate swaps	$ 4,705	$ -	$ 4,705	$ -
Cross currency interest rate swaps	211,783	-	211,783	-
Foreign exchange forward contracts	2,146	-	2,146	-
Total liabilities	$ 218,634	$ -	$ 218,634	$ -

(in thousands)	December 31, 2010 Total	Level 1	Level 2	Level 3
Assets				
Money market funds	$ 380,593	$ 380,593	$ -	$ -
Commodity forward purchase contracts	88	-	88	-
Foreign exchange forward contracts	3,297	-	3,297	-
Corporate convertible bonds	66,024	-	-	66,024
Total assets	$ 450,002	$ 380,593	$ 3,385	$ 66,024
Liabilities				
Interest rate swaps	$ 5,744	$ -	$ 5,744	$ -
Cross currency interest rate swaps	169,105	-	169,105	-
Foreign exchange forward contracts	1,874	-	1,874	-
Total liabilities	$ 176,723	$ -	$ 176,723	$ -

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

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

The Company's investment in corporate convertible bonds relates specifically to convertible bonds issued by DIO Corporation and is reported in "Other noncurrent assets, net," on the consolidated balance sheets. The Company has designated the corporate bond investment as an available-for-sale security and therefore records the changes in fair value of the investment through AOCI. The income method valuation technique is used by the Company to estimate the fair value of the corporate bonds. The significant unobservable inputs for valuing the corporate bonds are DIO Corporation's stock volatility factor and corporate bond rating. Significant other observable inputs used to value the corporate bonds include foreign exchange rates and DIO Corporation's period-ending market stock price.

The following table presents a reconciliation of the Company's assets measured at fair value on a recurring basis using unobservable inputs (Level 3):

(in thousands)

	Level 3
Balance at December 31, 2010	$ 66,024
Purchases, gross	-
Sales, gross	-
Unrealized gains (losses):	
Reported in AOCI - corporate convertible bonds	9,146
Balance at March 31, 2011	$ 75,170

NOTE 12 – UNCERTAINTIES IN INCOME TAXES

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

It is reasonably possible that certain amounts of unrecognized tax benefits will significantly increase or decrease within twelve months of the reporting date of the Company's consolidated financial statements. Final settlement and resolution of outstanding tax matters in various jurisdictions during the next twelve months could include unrecognized tax benefits of approximately $3.3 million. In addition, expiration of statutes of limitation in various jurisdictions during the next twelve months could include unrecognized tax benefits of approximately $0.3 million.

NOTE 13 - FINANCING ARRANGEMENTS

The Company estimates the fair value and the carrying value of its total long-term debt, including the current portion, was $654.6 million and $657.0 million, respectively, as of March 31, 2011. As of December 31, 2010, the fair value and the carrying value of its total long-term debt, including the current portion, were $611.2 million and $606.5 million, respectively. The terms on existing variable rate debt, including commercial paper, approximate current market conditions; therefore, the fair values of these instruments approximates their carrying values.

Effective April 4, 2011, the Company entered into a group of U.S. dollar denominated interest rate swaps with an initial total notional value of $150.0 million to effectively convert the underlying fixed interest rate of 4.1% on the Company's $250.0 million Private Placement Note ("Note") to variable rate based upon three month LIBOR for a term of five years, ending February 2016. The notional value of the swaps will decline proportionately as portions of the Note come due. These interest rate swaps are designated as fair value hedges of the interest rate risk associated with the hedged portion of the fixed rate Note. Accordingly, the Company will carry the portion of the hedged debt at fair value, with the change in debt and swap offsetting each other in the income statement.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Litigation

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

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

On November 21, 2008, Guidance Endodontics LLC filed a complaint in the U.S. District Court of New Mexico asserting claims against DENTSPLY arising principally out of a breach of a manufacturing and supply contract between the parties. Prior to trial, Guidance had claimed its damages were $1.2 million. The case went to trial in late September and early October 2009. On October 9, 2009, a jury returned a verdict against DENTSPLY, in the amount of approximately $4.0 million for past and future compensatory damages and $40.0 million in punitive damages. In April 2010, the District Court Judge formally entered the verdict that was reached in October 2009. The Company believes that this decision is not supported by the facts in the case or the applicable law and intends to vigorously pursue all available options to challenge it. The Company has filed a number of separate post-trial motions with the District Court to overturn various aspects of the verdict, including the punitive and future damages, or in the alternative to be granted a new trial, because of the inappropriateness of such verdicts. The Court has denied the Company's post-trial motions on which it has ruled. The Court has not yet ruled on the Company's last remaining post-trial motion, which is a motion for remittitur of the punitive damages award or a new trial.

As of March 31, 2011, a reasonable estimate of a possible range of losses related to the above litigation cannot be made except as reflected in the above disclosure in the preceding paragraph regarding the Guidance complaint. DENTSPLY does not believe the outcome of any of these matters will have a material adverse effect on its financial position. In the event that one or more of these matters is unfavorably resolved, it is possible the Company's results from operations could be materially impacted.

Purchase Commitments

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

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

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

Investors are cautioned that forward-looking statements should be read in conjunction with the risk factors and uncertainties discussed within Item 1A, Part I of the Company's Form 10-K for the year ended December 31, 2010. Investors are further cautioned that the risk factors in Item 1A, Part I of the Company's Form 10-K may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty and has no obligation to update forward-looking statements.

OVERVIEW

DENTSPLY International Inc. believes it is the world's largest designer, developer, manufacturer and marketer 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.

Principal Products

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

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

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

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

Principal Measurements

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

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

Management believes that an average internal growth rate of 4% to 6% is a long-term targeted rate for the Company. The internal growth rate may vary outside of this range based on weaker or stronger economic conditions. Management expects the Company to operate below this range for the remainder of 2011 primarily due to the impact of Japan’s natural disaster on the Company, as discussed in further detail below. Historical trends show that growth in the dental industry generally performs better than the overall economy; however, it typically lags the economic trend going into and coming out of slower growth or recessionary periods. There can be no assurance that the Company’s assumptions concerning the growth rates in its markets or the general dental market will continue in the future. If such rates are less than expected, the Company’s projected growth rates and results of operations may be adversely affected.

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

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

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

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

Impact of the Natural Disaster in Japan

On March 11, 2011, the country of Japan experienced an unprecedented natural disaster. The Company’s employees are safe and its facilities and offices located throughout Japan experienced only minor damage. However, logistics, energy availability, and other physical and emotional factors are impacting many areas in Japan even outside of the evacuation zone.

The Company’s net sales in Japan represent approximately 4% of the Company’s consolidated 2010 net sales, excluding precious metal content, and are reported as part of the “France, United Kingdom, Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses” operating segment. The near-term economic conditions in Japan are being negatively impacted by the physical and economic complications of the disaster. These factors may lead to lower demands for dental products over the next few quarters, especially for esthetic or deferrable dental treatments.

With the exception of one key supplier noted below, the Company’s product suppliers within Japan, who were damaged or were otherwise impacted by the disaster, are not expected to have a significant negative impact on the Company’s sales or operations as most have instituted alternative production and supply plans. One of the Company’s key suppliers, which is the source of certain orthodontic products comprising approximately 9% of the Company’s consolidated annual net sales, excluding precious metal content, is located within the evacuation zone in Japan. While there appears to be only minor damage to the supplier’s facility, the Company does not expect them to renew production within that facility and is unable to ascertain when a resumption of normal supply will occur. The orthodontic products impacted by this situation are primarily sold and reported as part of the “Canada/Latin America/Endodontics/Orthodontics” operating segment. Given that the Company does not manufacture these products, generally, the operating margins are lower than the Company’s overall margins.

The Company estimates that the natural disaster had a minimal impact on operating results for the first quarter of 2011, due in part to the timing of the event late in the quarter. The Company expects the negative impact to increase in the second quarter and reach its full impact during the latter half of 2011, potentially negatively impacting full year earnings by $0.12 to $0.17 per diluted share. The Company's estimate of the potential negative impact is based on assumptions regarding the timing and source of alternative supply, the timing and success of the key supplier's resumption of operations at an alternative site, the ability to successfully reduce the cost structure of the business in the near term, customer acceptance of alternatively supplied products, and the Company's ability to achieve subsequent success in its full sales and marketing strategies once supply resumes. Subsequent to March 31, 2011, the Company has made preliminary arrangements for some alternative product supply and has approved and initiated certain restructuring plans to manage the orthodontic business' cost structure as product from the key supplier is depleted during the next few quarters. The Company expects that these restructuring plans, along with alternative supply arrangements may help mitigate some of the expected negative impacts from the shortage of supply; however, there can be no assurance as to the extent of such mitigation.

Based on current estimates, the Company does not believe that an impairment of intangible assets or goodwill has occurred. However, due to the fluid nature of the situation in Japan and the multitude of options currently being assessed, the Company will continue to closely monitor this situation, and if facts and circumstances change, the Company will evaluate the need to record an impairment charge. The Company is making every effort to respond to this situation with a focus on minimizing the loss of customers and operating margins, and positioning the Company for continued leadership within the orthodontic market.

Impact of Foreign Currencies

Due to the international nature of DENTSPLY's business, movements in foreign exchange rates may impact the consolidated statements of operations. With over 60% of the Company's sales located in regions outside the U.S., the Company's consolidated net sales are impacted negatively by the strengthening or positively by the weakening of the U.S. dollar. Additionally, movements in certain foreign exchange rates may unfavorably or favorably impact the Company's gross profit, certain operating expenses, interest expense, interest income, other expense and other income, as well as the assets and liabilities.

Reclassification of Prior Year Amounts

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

RESULTS OF OPERATIONS, QUARTER ENDED MARCH 31, 2011 COMPARED TO QUARTER ENDED MARCH 31, 2010

Net Sales

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

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

(in millions)	Three Months Ended March 31, 2011	2010	$ Change	% Change
Net sales	$ 570.5	$ 545.9	$ 24.6	4.5%
Less: precious metal content of sales	43.5	48.6	(5.1)	(10.5)%
Net sales, excluding precious metal content	$ 527.0	$ 497.3	$ 29.7	6.0%

Net sales, excluding precious metal content, for the three months ended March 31, 2011 was $527.0 million, an increase of 6.0% over the first quarter of 2010. The change in net sales, excluding precious metal content, was primarily a result of constant currency growth of 4.6%, and positively impacted by currency translation of 1.4%. The constant currency sales growth included internal growth of 3.8%.

Constant Currency and Internal Sales Growth

The following table includes growth rates for net sales, excluding precious metal content.

	Three Months Ended March 31, 2011			
	United States	Europe	All Other Regions	Worldwide
Internal sales growth	1.1%	4.1%	8.4%	3.8%
Acquisition sales growth	-	0.9%	1.9%	0.8%
Constant currency sales growth	1.1%	5.0%	10.3%	4.6%

United States

Net sales, excluding precious metal content, increased by 1.1% for the first quarter of 2011 compared to the first quarter of 2010 on both a constant currency and internal sales growth rate basis. Growth was primarily in dental consumable, implant, and non-dental products, offset partially by decreased orthodontic product sales and customer inventory reductions of dental laboratory products.

Europe

Net sales, excluding precious metal content, increased by 5.0% in the first quarter of 2011 on a constant currency basis, including 4.1% of internal growth. Internal growth was primarily driven by growth in the dental specialty products, along with growth in the dental consumable products and continued growth in the CIS markets. The increases in sales were partially offset by lower sales of dental laboratory products primarily due to reduced precious metal alloy sales.

All Other Regions

Net sales, excluding precious metal content, in the other regions of the world increased by 10.3% on a constant currency basis, which includes 8.4% of internal growth. Internal growth was driven primarily by growth in implant, endodontic, and dental consumable products, offset partially by lower sales in the dental laboratory and orthodontic products.

Gross Profit

(in millions)	Three Months Ended March 31, 2011	2010	$ Change	% Change
Gross profit	$ 300.0	$ 282.0	$ 18.0	6.4%
Gross profit as a percentage of net sales, including precious metal content	52.6%	51.7%		
Gross profit as a percentage of net sales, excluding precious metal content	56.9%	56.7%		

Gross profit as a percentage of net sales, excluding precious metal content, increased by 0.2 percentage points for the three months ended March 31, 2011 compared to 2010. The increase was primarily the result of product price increases partially offset by product mix, manufacturing cost increases and foreign currency movements.

Operating Expenses

(in millions)	Three Months Ended March 31, 2011	2010	$ Change	% Change
Selling, general and administrative expenses ("SG&A")	$ 200.8	$ 188.0	$ 12.7	6.8%
Restructuring and other costs	$ 0.6	$ 4.7	$ (4.1)	NM
SG&A as a percentage of net sales, including precious metal content	35.2%	34.4%		
SG&A as a percentage of net sales, excluding precious metal content	38.1%	37.8%		

NM – Not meaningful

<u>SG&A Expenses</u>

SG&A expenses as a percentage of net sales, excluding precious metal content, increased in the first quarter of 2011 by 0.3 percentage points when compared to the first quarter of 2010. Increased expenses over prior year were primarily the result of expenses related to the International Dental Show held biennially in Cologne, Germany and costs supporting new product launches.

<u>Restructuring and Other Costs</u>

During the three months ended March 31, 2011, the Company recorded restructuring and other costs of $0.6 million. In the same period of 2010, the Company incurred costs of $4.7 million primarily related to legal matters, new and ongoing restructuring plans to reduce operational costs through consolidation of facilities and business re-organizations. (See also Note 9, Restructuring and Other Costs, of the Notes to Unaudited Interim Consolidated Financial Statements).

Other Income and Expenses

(in millions)	Three Months Ended March 31, 2011	2010	Change
Net interest expense	$ 4.5	$ 4.9	$ (0.4)
Other expense (income), net	0.1	0.9	(0.8)
Net interest and other expense	$ 4.6	$ 5.8	$ (1.2)

<u>Net Interest Expense</u>

Net interest expense for the three months ended March 31, 2011 was $0.4 million lower compared to the three months ended March 31, 2010. Interest expense increased by $0.6 million due to higher average debt balances offset by slightly lower average interest rates and a slightly lower average negative interest differential spread on the Company's cross currency swaps. Interest income increased $1.0 million as the Company had higher average investment balances, and earned slightly higher average interest rates.

<u>Other Expense (Income), Net</u>

Other expense in the three months ended March 31, 2011 was $0.1 million. Other expense for the same period of 2010 included $0.5 million of currency transaction losses and $0.4 million of other non-operating income.

Income Taxes and Net Income

(in millions, except per share data)	Three Months Ended March 31, 2011	2010	$ Change
Effective income tax rates	25.2%	25.5%	
Equity in net loss of unconsolidated affiliated company	$ (0.8)	$ -	$ (0.8)
Net income attributable to noncontrolling interests	$ 0.4	$ 0.3	$ 0.1
Net income attributable to DENTSPLY International	$ 69.1	$ 61.8	$ 7.3
Earnings per common share - diluted	$ 0.48	$ 0.41	

Provision for Income Taxes

The Company's effective income tax rates for the first quarter of 2011 and 2010 were 25.2% and 25.5%, respectively. In 2011, the Company's effective income tax rate included the impact of restructuring and other costs, acquisition related activity and various income tax adjustments, which impacted income before income taxes and the provision for income taxes by $0.6 million and $0.1 million, respectively. In 2010, the Company's effective income tax rate included the impact of restructuring and other costs, acquisition related activity and various income tax adjustments, which impacted income before income taxes and the provision for income taxes by $5.2 million and $1.4 million, respectively.

Equity in net loss of unconsolidated affiliated company

The Company's 16% ownership investment of DIO Corporation resulted in a net loss of $0.8 million on an after-tax basis for the three months ended March 31, 2011. The net loss of DIO was the result of mark-to-market charges related to the convertible bonds issued by DIO to DENTSPLY. The Company's portion of the mark-to-market net loss incurred by DIO was approximately $0.8 million.

Net Income attributable to DENTSPLY International

In addition to the results reported in accordance with US GAAP, the Company provides adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted common share. These adjusted amounts consist of US GAAP amounts excluding (1) certain mark-to-market charges at an unconsolidated affiliated company, (2) acquisition related costs, (3) income tax related adjustments, and (4) restructuring and other costs. Adjusted earnings per diluted common share is calculated by dividing adjusted net income attributable to DENTSPLY International by diluted weighted-average common shares outstanding. Adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted common share are considered measures not calculated in accordance with US GAAP, and therefore are non-US GAAP measures. These non-US GAAP measures may differ from other companies.

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

(in thousands)	Three Months Ended March 31, 2011 Income (Expense)		Per Diluted Common Share	
Net income attributable to DENTSPLY International	$	69,084	$	0.48
Loss on mark-to-market adjustments at an unconsolidated affilated company		921		0.01
Acquisition related activities, net of tax and noncontrolling interests		245		-
Income tax related adjustments		196		-
Restructuring and other costs, net of tax and noncontrolling interests		114		-
Adjusted non-US GAAP earnings	$	70,560	$	0.49

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

Operating Segment Results

Third Party Net Sales, Excluding Precious Metal Content

(in millions)	Three Months Ended March 31, 2011	2010	$ Change	% Change
U.S., Germany and Certain Other European Regions Consumable Businesses	$ 141.1	$ 135.0	$ 6.1	4.5%
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	$ 114.5	$ 102.1	$ 12.4	12.1%
Canada/Latin America/Endodontics/Orthodontics	$ 166.1	$ 156.0	$ 10.1	6.5%
Dental Laboratory Business/Implants/Non-Dental	$ 106.3	$ 105.3	$ 1.0	0.9%

Segment Operating Income

(in millions)	Three Months Ended March 31, 2011	2010	$ Change	% Change
U.S., Germany and Certain Other European Regions Consumable Businesses	$ 46.3	$ 44.9	$ 1.4	3.1%
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	$ (0.6)	$ (0.1)	$ (0.5)	N/M
Canada/Latin America/Endodontics/Orthodontics	$ 49.8	$ 48.0	$ 1.8	3.7%
Dental Laboratory Business/Implants/Non-Dental	$ 24.0	$ 22.5	$ 1.5	6.7%

N/M - Not meaningful

United States, Germany and Certain Other European Regions Consumable Businesses

Net sales, excluding precious metal content, increased $6.1 million, or 4.5%, during the three months ended March 31, 2011 compared to 2010. On a constant currency basis, net sales, excluding precious metal content, increased 4.7% which was primarily driven by increased demand in most geographies.

Operating income increased $1.4 million during the three months ended March 31, 2011 compared to 2010. The increase was primarily attributable to an increase in gross profit, which was the result of increased sales, offset partially by an increase in the selling, general and administrative expenses within the segment of $1.2 million.

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

Net sales, excluding precious metal content, increased $12.4 million, or 12.1%, during the three months ended March 31, 2011 compared to 2010. On a constant currency basis, net sales, excluding precious metal content, increased 9.1% when compared to the same period in 2010. The majority of this growth was in the CIS, Middle East, Africa and Pacific Rim businesses.

Operating income decreased $0.5 million during the three months ended March 31, 2011 compared to 2010, primarily related to a $2.8 million increase in SG&A expenses, which included an unfavorable impact from currency translation, partially offset by a $2.3 million increase in gross profit due to higher sales.

Canada/Latin America/Endodontics/Orthodontics

Net sales, excluding precious metal content, increased $10.1 million, or 6.5%, during the three months ended March 31, 2011 compared to 2010. On a constant currency basis, net sales, excluding precious metal content, increased 3.7% when compared to the same period in 2010. Net sales, excluding precious metal content, were positively impacted by growth in Canada, Latin America, non-dental product sales, as well as endodontic product launches and $1.8 million from acquisitions. Offsetting the growth in these areas was the decrease in orthodontic product sales as discussed in more detail above.

Operating income increased $1.8 million during the three months ended March 31, 2011 compared to 2010. The increase was attributable to an increase in gross profit of $7.1 million, which was primarily the result of increased sales volumes. Partially offsetting the gross profit increase were increased expenses of $5.3 million, which included costs related to product launches.

Dental Laboratory Business/Implants/Non-Dental

Net sales, excluding precious metal content, increased $1.0 million, or 0.9%, during the three months ended March 31, 2011 compared to 2010. On a constant currency basis, net sales, excluding precious metal content, increased 1.2% when compared to the same period in 2010 due to increased demand in the dental implant, non-dental products and $1.9 million contributed by acquisitions, partially offset by a decrease in dental laboratory products.

Operating income for the three months ended March 31, 2011 increased $1.5 million compared to 2010 attributable to $3.0 million increase in gross profit, primarily due to increased sales in the dental implant business. Partially offsetting this increase in gross profit was an increase in expenses in 2011 due to higher R&D expenses and a reduction in bad debt expense in the prior year due to favorable collection efforts.

CRITICAL ACCOUNTING POLICIES

Except as updated below, there have been no other significant material changes to the critical accounting policies as disclosed in the Company's Form 10-K for the year ended December 31, 2010.

Accounts Receivable

The Company sells dental products both through a worldwide network of distributors and directly to end users. For customers on credit terms, the Company performs an 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 based on historical averages of aged receivable balances and the Company's experience in collecting those balances, customer specific circumstances, as well as changes in the economical and political environments. If the financial condition of the Company's customers were to improve or deteriorate, their ability to make required payments may become less or more impaired and decreases or increases in these allowances may be required. In addition, a negative impact on sales to those customers may occur.

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 typically in the form of ranges, and the Company records the liabilities at the low point of the ranges, when no other point within the ranges are a better estimate of the probable loss. The ranges established by management are based on analysis made by internal and external legal counsel who considers information known at the time. If the Company determines a liability to be only reasonably possible, it considers the same information to estimate the possible exposure and disclose any material potential liability. These loss contingencies are monitored regularly for a change in fact or circumstance that would require an accrual adjustment. The Company believes it has estimated liabilities for probable losses well in the past; however, the unpredictability of litigation and 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

Three months ended March 31, 2011

Cash flow from operating activities during the three months ended March 31, 2011 was $44.0 million compared to $36.5 million during the three months ended March 31, 2010. Net income increased by $7.3 million to $69.5 million. Additionally, working capital uses offset improvements in non-cash items thereby providing no significant impact to the modest year-over-year improvement in cash from operations of $7.5 million. On a constant currency basis, increases in accrued taxes were offset by higher accounts receivable, inventory and lower accounts payable. On a constant currency basis, as of March 31, 2011, reported days for inventory increased by 6 days to 106 days and accounts receivable increased by 4 days to 60 days, respectively, as compared to December 31, 2010.

Investing activities during the first three months of 2011 include capital expenditures of $11.8 million. The Company expects that capital expenditures will be approximately $70.0 million for the full year of 2011. The acquisition related activity for the three months ended March 31, 2011 of $21.1 million was related to an acquisition, an earn-out payment made on an acquisition that was completed prior to 2009 and the purchase of the remaining shares of a consolidated VIE.

At March 31, 2011, the Company had authorization to maintain up to 34.0 million shares of treasury stock under the stock repurchase program as approved by the Board of Directors. Under this program, the Company purchased 2.0 million shares for $73.7 million during the first three months of 2011 at an average price of $36.30. As of March 31, 2011, the Company held 21.9 million shares of treasury stock. The Company also received proceeds of $22.2 million as a result of the exercise of 0.9 million of stock options during the three months ended March 31, 2011. The Company's first priority for the use of its strong balance sheet is acquisitions; however, it may also from time to time repurchase its own shares in the open market.

The Company's long-term borrowings increased by a net of $48.1 million during the three months ended March 31, 2011. This change included net borrowings of $49.8 million during the first three months and a decrease of $1.7 million due to exchange rate fluctuations on debt denominated in foreign currencies. At March 31, 2011, the Company's ratio of long-term debt to total capitalization increased to 24.8% compared to 24.1% at December 31, 2010. Also in that same period, the Company's cash and cash equivalents and short-term investments have increased from $540.1 million to $575.3 million.

Under its multi-currency revolving credit agreement, the Company is able to borrow up to $200.0 million through May 7, 2013. This facility is unsecured and contains certain affirmative and negative covenants relating to the operations and financial condition of the Company. The most restrictive of these covenants pertain to asset dispositions and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. At March 31, 2011, the Company was in compliance with these covenants. The Company also has available an aggregate $200.0 million under a U.S. dollar commercial paper facility. The multi-currency revolving credit facility serves as a back-up to the commercial paper facility, thus the total available credit under the commercial paper facility and the multi-currency revolving credit facility in the aggregate is $200.0 million. At March 31, 2011 outstanding borrowings were $173.6 million under the multi-currency revolving facility.

The Company also has access to $80.4 million in uncommitted short-term financing under lines of credit from various financial institutions. The lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institutions. At March 31, 2011, the Company had $9.2 million outstanding under these short-term lines of credit. At March 31, 2011, the Company had total unused lines of credit related to the revolving credit agreement and the uncommitted short-term lines of credit of $97.6 million.

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

Effective April 4, 2011, the Company entered into a group of U.S. dollar denominated interest rate swaps with an initial total notional value of $150.0 million to effectively convert the underlying fixed interest rate of 4.1% associated with the Company's U.S. dollar denominated Note to variable rate based upon three month LIBOR for a term of five years, ending February 2016. The notional value of the swaps will decline proportionately as portions of the Note come due. These interest rate swaps are designated as fair value hedges of the interest rate risk associated with the hedged portion of the fixed rate Note. Accordingly, the Company will carry the portion of the hedged debt at fair value, with the change in debt and swap offsetting each other in the income statement.

At March 31, 2011, the Company held $128.4 million of precious metals on consignment from several financial institutions. The consignment agreements allow the Company to acquire the precious metal at market rates at a point in time which is approximately the same time and for the same price as alloys are sold to the Company's customers. In the event that the financial institutions would discontinue offering these consignment arrangements, and if the Company could not obtain other comparable arrangements, the Company may be required to obtain third party financing to fund an ownership position in the required precious metal inventory levels.

Except for the new interest rate swaps discussed above and in Note 10, Financial Instruments and Derivatives, of the Notes to Unaudited Interim Consolidated Financial Statements, there have been no other material changes to the Company's scheduled contractual cash obligations disclosed in its Form 10-K for the year ended December 31, 2010.

As of March 31, 2011, the majority of the Company's cash and cash equivalents were held outside of the United States. Most of these balances could be repatriated to the United States, however, under current law, would potentially be subject to United States federal income tax, less applicable foreign tax credits. Historically, the Company has generated more than sufficient operating cash flows in the United States to fund domestic operations. Further, the Company expects on an ongoing basis, to be able to finance domestic and international cash requirements, including capital expenditures, stock repurchases, debt service, operating leases and potential future acquisitions, from the funds generated from operations and amounts available under its existing credit facilities.

NEW ACCOUNTING PRONOUNCEMENTS

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

Item 3 - Quantitative and Qualitative Disclosures about Market Risk

There have been no significant material changes to the market risks as disclosed in the Company's Form 10-K for the year ended December 31, 2010.

Item 4 - Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

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

Changes in Internal Control Over Financial Reporting

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

PART II – OTHER INFORMATION

Item 1 - Legal Proceedings

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

Item 1A – Risk Factors

Except as noted below, there have been no other significant material changes to the risk factors as disclosed in the Company’s Form 10-K for the year ended December 31, 2010.

The Company may lose customers of its Orthodontics operating segment due to the disruption in its ability to source certain orthodontic products from its key supplier located in Japan’s evacuation area.

One of the Company’s key suppliers, which is the source of certain orthodontic products comprising approximately 9% of the Company’s consolidated net sales, excluding precious metal content, is located in the evacuation zone in Japan. While there appears to be only minor damage to the supplier’s facility, we are unable to ascertain when a resumption of normal supply will occur. Although the Company is actively seeking alternative sources of supply there is no assurance that the Company’s customers will convert to such alternate products or sources; nor is there any assurance that customers who turn to other sources of products during the Company’s period of product shortages will return to the Company’s products once the Company’s key supplier has resumed production and/or the Company has secured an acceptable alternative source of supply.

Item 2 - Unregistered Sales of Securities and Use of Proceeds

At March 31, 2011, the Company had authorization to maintain up to 34.0 million shares of treasury stock under the stock repurchase program as approved by the Board of Directors. During the quarter ended March 31, 2011, the Company had the following activity with respect to this repurchase program:

(in thousands, except per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Cost of Shares Purchased	Number of Shares that May be Purchased Under the Share Repurchase Program
January 1-31, 2011	-	$ -	$ -	13,103.0
February 1-28, 2011	620.0	36.31	22,510.2	12,877.3
March 1-31, 2011	1,409.5	36.30	51,168.6	12,093.1
	2,029.5	$ 36.30	$ 73,678.8	

Item 4 - Submission of Matters to Vote of Security Holders

Reserved.

Item 6 - Exhibits

Exhibit Number	Description
10.16	Incentive Compensation Plan Amended and Restated
10.20	2010 Equity Incentive Plan Amended and Restated
10.21	Employment Agreement entered February 2011 between the Company and Deborah M. Rasin
30	Section 302 Certification Statements.
32	Section 906 Certification Statement.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DENTSPLY International Inc.

/s/ *Bret W. Wise* April 28, 2011
Bret W. Wise Date
Chairman of the Board and
Chief Executive Officer

/s/ *William R. Jellison* April 28, 2011
William R. Jellison Date
Senior Vice President and
Chief Financial Officer

DENTSPLY
INTERNATIONAL

Annual Incentive Compensation Plan

DENTSPLY INTERNATIONAL INC.
AMENDED AND RESTATED INCENTIVE COMPENSATION PLAN

I. PURPOSE

To provide greater incentive for key employees to continually exert their best efforts on behalf of the Company by rewarding them for achieving predetermined operating objectives.

To attract and retain in the employ of the Company outstanding results oriented individuals.

To align the interests of such employees with those of the Company's stockholders.

To create a management team effort within the various Profit Centers and operating units of the Company.

II. ADMINISTRATION

The Plan will be administered by, and any question of interpretation under the Plan determined by, the Human Resources Committee ("Human Resources Committee") of the Dentsply International Inc. Board of Directors (the "Board"). The Board or the Human Resources Committee may appoint an Incentive Compensation Plan Committee ("ICP Committee") consisting of management employees to assist in the administration of the Plan.

III. AWARDS

Awards will be determined by the Human Resources Committee, based on criteria determined by such Committee and described in Section VIII hereof, for each applicable year (a "Bonus Year"). Cash payments will be made to participants immediately after the close of corporate books for the applicable Bonus Year but in no case later than March 1st of the year succeeding the applicable Bonus Year. Payments will be rounded up or down to the nearest $100 equivalent.

IV. PARTICIPANT ELIGIBILITY

A. Profit Centers

1. General Managers

2. Individuals who normally report directly to the General Manager.

3. Individuals' work assignment must have a direct bearing on the profit-ability of the Profit Center.

4. Individual must be recommended for participation by both the General Manager of the Profit Center and the Corporate Officer responsible for the Profit Center and approved by the ICP Committee.

B. Corporate Staff

1. Individuals whose work assignment must have direct bearing on the profitability of the corporation.

2. Officers

3. Individuals who normally report directly to a Corporate Officer.

4. Individual must be recommended for participation by the responsible Corporate Officer and the President and approved by the ICP Committee.

V. ENROLLMENT

The Board will designate the officers who will be participants. General Managers will send their recommendations for participation to the Corporate Officer responsible for the Profit Center or Corporate Staff Department.

Corporate Officers will send recommendations to the ICP Committee and Corporate Human Resources Office who will be charged with monitoring participants in conjunction with the ICP Committee.

VI. VESTING OF BONUS RIGHTS

A. Those participants who leave the employ of the Company before the end of the Bonus Year for any reason other than qualified normal or early retirement or a bona fide physical or mental disability (as determined by the Human Resources Committee) will receive no bonus payment for the Bonus Year.

B. Those participants who die or who take normal or early retirement or resign due to a bona fide disability (as determined by the Human Resources Committee) before the end of the Bonus Year will receive a bonus award based upon the pro-rata base pay received while actually working during the Bonus Year.

VII. PARTICIPANT ADDITIONS OR DELETIONS

Profit Center General Managers or Corporate Officers may remove participants from the Plan at any time during the Bonus Year by following the same procedure outlined in Enrollment. Any participants who are removed from the Plan during a Bonus Year shall have no right to receive payments under the Plan for any portion of such Bonus Year.

Participants may be added during the Bonus Year if they are a direct replacement for someone already enrolled in the Plan or, if they are hired to fill a new position eligible for the Plan, and will be in the qualifying position for at least six months. In this instance the new person will only receive his or her bonus award based on the pro-rata base pay received while enrolled in the Plan.

VIII. PLAN CRITERIA

The Plan centers on each Profit Center's performance as measured against the relevant budget, submitted by Profit Center Management and approved by Corporate Management. For corporate level employees, bonuses will be based on corporate performance measured against the corporate budget.

The actual operating results will be adjusted for major sales or dispositions of assets not in the ordinary course of business and changes in the business or segments of the business which are directed to be carried out by Corporate Management to the extent they were not included in the target. In addition, the Human Resources Committee has approved certain principals for measuring earnings related to restructurings, impairments, stock repurchases, legal settlements, acquisitions, the effects of non-cash gains or losses resulting from the application of the provisions of SFAS No. 157, and other unbudgeted items.

In addition to budget based objectives, the Human Resources Committee can establish non-financial objectives as it deems appropriate, including qualitative or strategic objectives.

Base salary is defined as the total of 12 times year-end actual monthly salary received during the Bonus Year or a base salary established by the ICP Committee. It does not include any other compensation that might be received.

Separate bonus calculations will be made for Officers, General Managers, Key Employees and Corporate Staff.

IX. HUMAN RESOURCE COMMITTEE

The Human Resource Committee may adjust the mathematical calculation of the ICP bonus in their sole discretion ~~by + 2.5% (+ 15% in terms of payout)~~, based on their evaluation of business performance.

X. AMENDMENTS TO THE PLAN

The Board has the right to modify or repeal this Plan entirely at its discretion. However, any bonus payments that have been earned in accordance with, but not yet paid under, this Plan cannot be canceled without consent of the participant.

DENTSPLY International Inc.
2010 Equity Incentive Plan

SECTION 1 PURPOSE

The purpose of the DENTSPLY International Inc. 2010 Equity Incentive 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").

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 be eligible to participate in the Plan in the same manner as Key Employees (as defined below) and other participants in the Plan. 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 Governance Committee, which is responsible for Director compensation, makes such determinations with respect to Outside Directors.

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 ("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 thirteen million (13,000,000) shares of common stock of DENTSPLY (the "Common Stock") (plus any shares of Common Stock covered by any remaining authorizations under the DENTSPLY International Inc. 2002 Equity Incentive Plan, as amended), may be granted under the Plan (the "Maximum Number"). The Maximum Number shall be increased, if at all, on January 1 of each calendar year during the term of the Plan (as set forth in Section 15) by the excess of the amount by which seven percent (7%) of the outstanding shares of Common Stock on such date exceeds the thirteen million (13,000,000) shares authorized at the time of adoption of this Plan. 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 five hundred thousand (2,500,000) 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, 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 GRANTS OF OPTIONS TO EMPLOYEES, OUTSIDE DIRECTORS, CONSULTANTS AND ADVISERS

5.1 Grants

Subject to the terms of the Plan, the Committee (the Governance Committee with respect to Outside Directors) may from time to time grant Options which are ISOs to Key Employees and Options which are NSOs to Outside Directors, 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.

5.2 Expiration

Except to the extent otherwise provided in or pursuant to Sections 10 and 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 Vesting

Except to the extent otherwise provided in or pursuant to Sections 10 and 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.

5.4 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 5.4(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. 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)."

(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 $100,000.

(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.

5.5 Required Terms and Conditions of NSOs

Each NSO granted to Outside Directors, Key Employees, 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 6 EXERCISE OF OPTIONS

6.1 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 6.2. All notices, documents or requests provided for herein shall be delivered to the Secretary of the Company.

6.2 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 7 STOCK APPRECIATION RIGHTS

The Committee (the Governance Committee with respect to Outside Directors) 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:

7.1 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 and the conditions and limitations applicable to the exercise thereof subject to 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 Stock Appreciation Right shall be not less than the Fair Market Value of a share of Common Stock on the date the Stock Appreciation Right is granted.

7.2 Expiration.

Except to the extent otherwise provided in or pursuant to Sections 10 and 11, each Stock Appreciation Right Award shall expire, and all rights to purchase shares of Common Stock shall expire, on the tenth anniversary of the date on which the Stock Appreciation Right Award was granted.

7.3 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 7.2 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.

7.4 Exercise.

(a) Except to the extent otherwise provided in Sections 10 or 11, 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 8 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 9 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.

9.1 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 which are intended to satisfy the qualified performance-based compensation exception from the tax deductibility limitations of Section 162(m) of the Code) 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."

9.2 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.

9.3 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.

9.4 *Right to Dividends*.

During the Restricted Period, except as otherwise set forth in the applicable written agreement or grant certificate, 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 9.5.

9.5 *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.

9.6 Performance-Based Criteria

At the Committee's discretion, awards of Restricted Stock and Restricted Stock Units may be made subject to the attainment of performance goals which are intended to satisfy the qualified performance-based compensation exception from the tax deductibility limitations of Section 162(m) of the Code. The performance criteria shall consist of one or more or any combination of the following measures: net sales (with or without precious metal content); sales growth; operating income; earnings before or after tax; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; cash flow; gross or net margin; earnings per share (whether on a pre-tax, after-tax, operational or other basis); ratio of debt to debt plus equity; credit quality or debt ratings; capital expenditures; expenses or expense levels; ratio of operating earnings to revenues or any other operating ratios; the extent to which business goals are met; the accomplishment of mergers, acquisitions, dispositions, or similar extraordinary business transactions; price of the Company’s Common Stock; market share criteria; management of costs; return on assets, net assets, invested capital, equity, or stockholders’ equity; market share; inventory levels, inventory turn or shrinkage; regulatory compliance; total return to stockholders (“Performance Criteria”). The Performance Criteria may be applied to the performance of the Company as a whole or any business unit of the Company and may be measured relative to a peer group or index selected by the Committee, provided that, the Performance Criteria shall be calculated consistently with the Company’s financial statements, under generally accepted accounting principles, or under a methodology established by the Committee in connection with the granting of an Award which is consistently applied with respect to that Award. To the extent the Committee deems appropriate, Performance Criteria may exclude or otherwise be adjusted for (i) extraordinary, unusual and/or non-recurring items of gain or loss, (ii) gains or losses on the disposition of a business, (iii) the effect of changes in tax and/or accounting regulations, laws or principles and the interpretation thereof, or (iv) the effects of mergers, acquisitions and/or dispositions. This Section 9.6 shall not limit the discretion of the Committee to grant Awards that do not satisfy the requirements of the qualified performance-based compensation exception from the tax deductibility limitations of Section 162(m) of the Code.

SECTION 10 EFFECT OF TERMINATION OF EMPLOYMENT

10.1 Termination Generally

(a) Except as provided in Section 10.2, 10.3 or 11, 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 and/or relationship 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, relationship or service on the Board, as the case may be (“Exercise Period”). 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 and/or relationship with the Company is terminated for "Cause" shall terminate on the date of termination of employment and/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 for Key Employees and consultants ceases immediately upon the date of termination of employment and/or the relationship with the Company and any portion of an Option and/or Stock Appreciation Right Award that has not vested on or before such date 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.

10.2 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.

10.3 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.~~(collectively a "Qualified Retirement"), Awards with only a time qualification for vesting will fully vest if a Qualified Retirement occurs no earlier than the one year anniversary of the grant date of the Award. With respect to Awards having any Performance Criteria, such Awards shall fully vest only upon and when both of the following have occurred: (i) if the Qualified Retirement occurs no earlier than the one year anniversary of the grant date of the Award, and (ii) all of the Performance Criteria associated with the Award are met. Each of the Options and Stock Appreciation Right Awards held by such a Key Employee that vests shall expire on the earlier of (i) the fifth anniversary of the date of the Employee retirement, or (ii) the date that such Option or Award 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 a 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~~ any Awards under this Plan 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 ("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. For purposes of this provision, Outside Director Retirement shall mean a Director resignation from the Board after nine years of service on the Board or retirement in accordance with the Company's mandatory retirement policy for Directors.

(c) Key Employees Who Are Employee Directors. Section 10.3(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 10.3(b) shall be applicable to Options, Stock Appreciation Rights Restricted Stock and/or Restricted Stock Units granted after such date.

SECTION 11 CHANGE IN CONTROL

11.1 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 11.2), 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 11.1) 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, with such payment to take place as of the date of the Change in Control or such other date as the Committee may prescribe.

11.2 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) Less than a majority of the Board (rounded down to the nearest whole number) is comprised of individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board"), 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 12 RIGHTS AS STOCKHOLDER

An Optionee or Grantee (or a transferee of any such person pursuant to Section 8) 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 or distributions in cash or other property 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 13 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 14 TAXES

14.1 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. Notwithstanding the above, the Company shall automatically withhold any such taxes, as applicable, in the form of shares of stock or any payment under an Award, for and upon the vesting of any Restricted Stock or Restricted Stock Units Award. Notwithstanding the above, the Company shall automatically withhold any such taxes, as applicable, in the form of shares of stock or any payment under an Award, for and upon the vesting of any Restricted Stock or Restricted Stock Units Award.

14.2 Payment of Taxes

A participant, with the approval of the Committee, may satisfy the obligation set forth in Section 14.1, 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 14.2.

SECTION 15 TERMINATION, AMENDMENT AND TERM OF PLAN

15.1 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. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding awards may not be amended to reduce the exercise price of outstanding Options of Stock Appreciation Rights or cancel, exchange, substitute, buyout or surrender outstanding Options or Stock Appreciation Rights with an exercise price that is less than the exercise price of the original Options or Stock Appreciation Rights without stockholder approval.

15.2 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 recipient, 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.

15.3 The Plan was adopted and authorized on March 24, 2010 by the Board of Directors for submission to the stockholders of the Company for their approval. If the Plan is approved by the stockholders of the Company, it shall be deemed to have become effective as of March 24, 2010. Unless earlier terminated in accordance herewith, the Plan shall terminate on March 24, 2020. Termination of the Plan shall not affect Awards previously granted under the Plan.

SECTION 16 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 17 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 18 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 19 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 20 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 21 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 22 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.

EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

DEBORAH M. RASIN

THIS EMPLOYMENT AGREEMENT is entered into February 11, 2011, by and between DENTSPLY International Inc., a Delaware corporation (the "Company") and Deborah M. Rasin, ("Employee").

WHEREAS, the Company and the Employee wish to enter into an Employment Agreement setting forth the terms and conditions of the Employee's employment with the Company;

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. <u>Services</u>

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, responsible for the business activities and operations assigned by the Chief Executive Officer and/or the Board of Directors effective as of (the first date of employment), 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. <u>Period of Employment</u>. Employment as Vice President, Secretary and General Counsel shall continue under this Agreement from (the first date of employment), and terminate on the happening of any of the following events:

2.1 <u>Death</u>. 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 $350,000 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:	Deborah M. Rasin High Trees Hook Heath Road Woking Surrey GU22 0QF UK
For Company:	DENTSPLY International Inc. 221 West Philadelphia Street York, PA 17404 Attention: Chairman and Chief Executive Officer

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 do 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: ______________________________
	______________________________ DEBORAH M. RASIN

Exhibit 31.1

Section 302 Certifications Statement

I, Bret W. Wise, certify that:

1. I have reviewed this Form 10-Q of DENTSPLY International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our 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 (the registrant's fourth quarter in the case of an annual report) 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 control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2011

/s/ *Bret W. Wise*

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

Exhibit 31.2

<u>Section 302 Certifications Statement</u>

I, William R. Jellison, certify that:

1. I have reviewed this Form 10-Q of DENTSPLY International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2011

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

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 Quarterly Report of DENTSPLY International Inc. (the "Company") on Form 10-Q for the period ending March 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), We, Bret W. Wise, Chairman of the Board of Directors and Chief Executive Officer of the Company and William R. Jellison, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge and belief:

(1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company as of the date of the Report.

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

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

April 28, 2011