

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

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS PURSUANT
TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [FEE REQUIRED] For the fiscal year ended December
31, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED] For the transition period from
_____ to _____

Commission file number 0-16211

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

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

570 West College Avenue, York, Pennsylvania 17405-0872
(Address of principal executive offices) (Zip code)

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

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

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

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

Common Stock, par value \$.01 per share
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers

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

As of March 1, 1996, the aggregate market value of voting common stock held
by non-affiliates of the registrant, based upon the last reported sale price for
the registrant's Common Stock on the Nasdaq National Market on such date, as
reported in The Wall Street Journal, was \$1,003,713,275 (calculated by excluding
shares owned beneficially by directors and executive officers as a group from
total outstanding shares solely for the purpose of this response).

The number of shares of the registrant's common stock outstanding as of the
close of business on March 1, 1996 was 26,953,269.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the definitive Proxy Statement of DENTSPLY
International Inc. to be used in connection with the 1996 Annual Meeting of
Stockholders (the "Proxy Statement") are incorporated by reference into Part III
of this Annual Report on Form 10-K to the extent provided herein. Except as
specifically incorporated by reference herein, the Proxy Statement is not to be
deemed filed as part of this Annual Report on Form 10-K.

PART I

Item 1. Business

General

DENTSPLY International Inc. ("DENTSPLY" or the "Company"), a Delaware corporation, designs, develops, manufactures and markets products in two principal categories: dental consumable and laboratory products, and dental equipment. Dental consumable and laboratory products include artificial teeth, endodontic instruments and materials, impression materials, restorative materials, crown and bridge materials, prophylaxis paste, dental sealants and dental implants. Dental equipment includes dental x-ray systems, handpieces, cutting instruments, and ultrasonic scalers and polishers.

The Company is the surviving corporation of the merger (the "Merger") of a company formerly known as "Dentsply International Inc." ("Old Dentsply") with and into the Company effective June 11, 1993. In connection with the Merger, the Company changed its name to "DENTSPLY International Inc." Prior to the Merger, the Company's name was GENDEX Corporation ("Gendex").

On October 13, 1994, the Company announced its strategic decision to discontinue the operations comprising its medical business. The divestiture was part of the Company's strategy to focus its resources on the expansion of its core dental business. The medical operations include the Eureka X-Ray Tube ("Eureka"), GENDEX Medical and CMW business units which manufacture medical x-ray tubes, medical x-ray systems and orthopedic bone cement, respectively. The net assets of CMW were sold on November 22, 1994, and substantially all of the net assets of Eureka were sold in two transactions on November 23 and December 16, 1994. Substantially all of the net assets of GENDEX Medical were sold on March 6, 1996.

On January 10, 1996, the Company completed the acquisition of the dental manufacturing and distribution operations of Tulsa Dental Products LLC ("Tulsa"). Tulsa manufactures and distributes endodontic instruments and materials. The operations of Tulsa are included in the discussion of the Company, its business, properties and employees.

Market Overview

Professional Dental Products

General. The worldwide professional dental industry encompasses the diagnosis, treatment and prevention of disease and ailments of the teeth, gums and supporting bone. DENTSPLY

believes that demand in a given geographic market for dental procedures and products varies according to the stage of social, economic and technical development that the market has attained. Geographic markets for DENTSPLY's dental products can be categorized into the three stages of development described below.

The United States, Canada, Western Europe, the United Kingdom and Japan are highly developed markets that demand the most advanced dental procedures and products and have the highest level of expenditure on dental care. In these markets, the focus of dental care is increasingly upon preventive care and specialized dentistry. In addition to basic procedures such as the excavation and filling of cavities and tooth extraction and denture replacement, dental professionals perform an increasing volume of preventive and cosmetic procedures, including periodontia (the treatment of the structure supporting the teeth), endodontia (the revitalization of teeth that would otherwise require extraction), orthodontia (the movement and realignment of teeth for improved function and aesthetics), gnathology (the treatment of temporomandibular joint (TMJ) dysfunction and occlusive modification), implantology (the insertion of prosthetic devices to provide support for partial or full dentures) and cosmetic dentistry. These markets require varied and complex dental products, such as advanced cleaning and scaling equipment and related solutions, light-cured bonding and restorative compounds, precision-molded and customized crowns, bridges, implants and other prosthodontic devices, materials and instruments used in endodontic procedures, and aesthetically accurate stains and tints. These markets also utilize sophisticated diagnostic and imaging equipment, and demand high levels of attention to protection against infection and patient cross-contamination.

In certain countries in Central America, South America and the Pacific Rim, dental care is often limited to the excavation and filling of cavities and other restorative techniques, reflecting more modest per capita expenditures for dental care. These markets demand diverse products such as high and low speed handpieces, restorative compounds, finishing devices and custom restorative devices.

In the People's Republic of China, India, Eastern Europe, the Commonwealth of Independent States, and other developing countries, dental ailments are treated primarily through tooth extraction and denture replacement. These procedures require basic surgical instruments, artificial teeth for dentures and bridgework, and anchoring devices such as posts.

The Company offers products and equipment for use in markets at each of these stages of development. The Company believes that as each of these markets develops, demand for more technically advanced products will increase. The Company also believes that

its recognized brand names, high quality and innovative products, technical support services and strong international distribution capabilities position it well to take advantage of continued growth in all of the markets that it serves.

United States. The market for professional dental products in the United States has experienced significant growth in recent years. Statistics published by the U.S. Department of Health and Human Services indicate that annual United States spending on dental products and services increased from \$25.3 billion to \$40.0 billion from 1987 to 1994, or 6.8% per annum.

The Company believes that the United States market will continue to be influenced by favorable demographic trends, increasing coverage of dental care by private insurance and government programs, and an intensifying focus on preventive dental care. The percentage of the United States population over age 65 is expected to nearly double by the year 2030, to 22%, and this segment of the population commands a relatively high level of discretionary income. The Company believes that as the number of older, more affluent Americans increases, the demand for restorative and cosmetic dental procedures will increase as these individuals seek to retain their natural teeth and improve their appearance.

The Company also believes that the United States market will increasingly demand products which reduce the risks of infection and patient cross-contamination. This growing demand reflects increasing government regulation, professional practice guidelines and public attention focused on preventing the transmission in the dental office of infectious diseases such as hepatitis-B and the virus that causes acquired immune deficiency syndrome. The Company offers products to address the growing market for infection control products, such as sterilizable dental handpieces and cutting instruments, single-use prophylaxis pastes, disposable prophy angles and infection control barriers, and intends to continue to develop and acquire products to address this market.

DENTSPLY expects insurance coverage of dental care to play an important role in the United States market. According to the National Center for Health Statistics, approximately 45% of the United States population is covered by some form of dental insurance, up from 35% in 1980. While insurance coverage has been increasing, the Health Care Finance Review indicates that, in 1993, approximately 50% of dental expenditures were paid for directly by the consumer. Products

DENTSPLY's two principal dental product lines are consumable and laboratory products, and equipment. These products are

produced by the Company in the United States and internationally and are distributed throughout the world under some of the most well-established brand names and tradenames in the industry, including ASH(Registered Trademark), CAULK(Registered Trademark), CAVITRON(Registered Trademark), CERAMCO(Registered Trademark), DENTSPLY(Registered Trademark), DETREY(Trademark), GENDEX(Registered Trademark), MIDWEST(Registered Trademark), R&R(Registered Trademark), RINN(Registered Trademark), TRUBYTE(Registered Trademark), MAILLEFER(Trademark), PROFILE(Registered Trademark) and THERMAFIL(Registered Trademark). Sales of the Company's professional dental products from continuing operations accounted for approximately 95%, 96% and 97% of DENTSPLY's consolidated sales for 1995, 1994 and 1993, respectively.

Consumable and Laboratory Products. Consumable and laboratory products consist of dental sundries used in dental offices in the treatment of patients and in dental laboratories in the preparation of dental appliances, such as crowns and bridges. The Company manufactures approximately 1,200 different consumable and laboratory products marketed under more than 70 brand names. Consumable and laboratory products include:

Resin-Based and Porcelain Artificial Teeth: Artificial teeth replace natural teeth lost through deterioration, disease or injury. The Company's artificial teeth are marketed under the TRUBYTE(Registered Trademark) and PORTRAIT(Trademark) IPN(Registered Trademark) trade names, among others, and are produced by the Company in York, Pennsylvania, Brazil and Germany in some 15,000 combinations of shapes, sizes and shades.

Impression Materials: Impression materials are used to make molds of teeth for fitting crowns, bridges and dentures. DENTSPLY's JELTRATE(Registered Trademark), BLUEPRINT(Trademark), REPOSIL(Registered Trademark) and AQUASIL(Trademark) impression materials are designed to increase the rate of successful impressions without retakes and to set quickly to minimize patient discomfort.

Restorative Materials: Restorative materials are used in sealing, lining and filling excavated tooth cavities and repairing broken or damaged teeth, and include amalgams, bonding agents, light-cured composites and glass ionomer filling materials for more aesthetic restorations. The Company's DYRACT(Trademark) product is a revolutionary, patented, single component restorative material featuring simplicity in delivery combined with excellence in restorative results. The Company's PRISMA(Trademark) AP.H(Registered Trademark), PRISMA(Trademark) TP.H(Trademark) and TP.H(Trademark) SPECTRUM(Trademark) universal composite materials permit restorations to be performed on either the anterior or posterior teeth using the same material, and are rapidly replacing older, single-purpose composite materials. The Company's recently introduced ADVANCE(Trademark) Hybrid Ionomer Cement is a resin modified, fluoride-releasing glass ionomer cement with superior adhesion to metal for crown and bridge work while helping to prevent secondary caries and extending the life of a restoration. PRIME & BOND(Trademark) 2.0 is a unique, one-bottle dental adhesive system which combines the functions of a

primer and an adhesive in a simple-to-use single component formula. PRIME & BOND(Trademark) 2.0's proprietary resin formulation has significantly improved the mechanical properties of the cured primer/adhesive, thus greatly enhancing the long-term marginal integrity of stress-bearing restorations at both dentin and enamel margins. DENTSPLY also markets the DISPERSALLOY(Registered Trademark), UNISON(Registered Trademark) and MEGALLOY(Trademark) lines of restorative amalgams; DELTON(Registered Trademark) and DENTON(Registered Trademark) PLUS (with fluoride release) brand dental sealants; and ADAPTIC(Registered Trademark) self-cured composite.

Crown and Bridge Porcelains and Ceramics: These porcelain and ceramic products are used by dental laboratories in making crowns, bridges, inlays and onlays for restorative dental procedures, where aesthetics are particularly important, and to provide functional biting and chewing surfaces that appear and feel natural. The Company produces specialty crown and bridge porcelain materials and fully automatic programmable porcelain furnaces, as well as castable ceramic materials, used by dental laboratories. Product offerings include the CERAMCO(Registered Trademark) line, and in Europe, the DETREY(Trademark) CARAT(Trademark) line of specialty crown and bridge porcelain products for use as fixed prosthetics.

Endodontic Instruments and Materials: These products are used in root canal treatment of severely damaged or decayed teeth. With the recent acquisition of Maillefer Instruments S.A. ("Maillefer") and Tulsa, the Company has an extensive endodontic product offering including broaches, files, and other endodontic materials and instruments. The SUREFLEX(Trademark) NICKEL TITANIUM FILE features superior flexibility and shape memory which allows the instrument to follow the path of the root canal. The Company's PROFILE(Registered Trademark) SERIES 29(Registered Trademark) line of endodontic files offer a standard 29 percent increase between the tip diameters of each size instrument for a smooth, progressive enlargement from one file to the next. PROFILE(Registered Trademark) .04 TAPERS(Registered Trademark) feature non-standard tapers constructed from super-flexible nickel titanium for use in a controlled, slow-speed, high-torque rotary dental handpiece. The THERMAFIL(Registered Trademark) product line offers a method of root canal obturation (filling) that provides a three-dimensional seal allowing ease of placement and precise apical control.

Dental Implant Systems: Under the CORE-VENT(Trademark) brand name, DENTSPLY offers a line of endosseous root form dental implants and abutments which are designed to accommodate each of the four anatomical zones found in human jaws. These products include Screw-Vent(Registered Trademark) (threaded screw), Core-Vent(Registered Trademark) (hollow basket), Bio-Vent(Registered Trademark) (press-fit cylinders) and Micro-Vent(Registered Trademark) (press-fit threaded), that are retained in the bone of the oral cavity and provide fixation points for dental restorations. Under an agreement with Core-Vent(Registered Trademark)

Corporation, DENTSPLY holds exclusive worldwide marketing and distribution rights to these dental implants for up to 10 years.

Protective Supplies: These products are designed to ameliorate possible sources of patient cross-contamination of infectious disease, and include RITE-ANGLE(Registered Trademark) and NUPRO(Registered Trademark) Disposable Prophylaxis Angles (disposable mechanical devices used by dentists and hygienists to clean and polish teeth), hand cleansers, disposable barriers, enzymatic cleansers and needle stick prevention devices.

Other Consumable and Laboratory Products: Other products produced by the Company for use in dental offices and laboratories include NUPRO(Registered Trademark) prophylaxis paste that is used in cleaning and polishing teeth and the VERTEX(Registered Trademark) disposable articulator used in dental laboratories to simulate the dynamic movement of teeth against one another.

Dental Equipment. DENTSPLY's dental equipment product lines include high and low speed handpieces, intraoral lighting systems, dental cutting instruments, ultrasonic scalers and polishers, and x-ray systems and related support equipment and accessories.

Handpieces: Under the MIDWEST(Trademark) brand name, DENTSPLY manufactures and distributes a line of high-speed and low-speed air-driven handpieces and intraoral lighting systems and distributes carbide and specialty burs. High-speed handpieces are the primary instruments utilized by dentists for restorative, prosthodontic and aesthetic procedures. Low-speed handpieces may also be used in these procedures and in procedures which require more control and higher torque, such as removal of soft decay, tooth cleaning and polishing, and chairside adjustment of dentures. Handpiece intraoral lighting systems supply light to the fiber optic bundles in the handpieces through tubes that also provide air and water to the handpiece.

Dental Cutting Instruments: The Company distributes MIDWEST(Trademark) carbide and specialty burs. Regular carbide burs are the most commonly used dental cutting instruments in the North American market. Carbide burs mounted in handpieces are used as milling tools. While these burs are primarily used for cavity excavation, the variety of available shapes allows for alternative uses such as limited trimming and finishing techniques. Specialty burs are designed to cut and remove metal alloy dental restorations, to produce smooth surfaces on composite materials, amalgams, gold, enamel and dentin, and for gross reduction of tooth anatomy in preparation for fitting crowns and normal cavity excavations.

Ultrasonic Scalers and Polishers: DENTSPLY manufactures and distributes the CAVITRON(Registered Trademark) ultrasonic scaler (which uses ultrasonic waves to remove hardened tooth calculus which results from the interaction of plaque, saliva and food particles), the PROPHY-JET(Registered Trademark) 30 Air Polishing Prophylaxis Unit (which cleans, polishes and buffs the tooth surface after scaling is completed) and the CAVITRON(Trademark) JET (which combines both ultrasonic scaling and air polishing prophylaxis in one multi-function unit). The Company also produces the CAVITRON(Trademark) MED (which delivers medicaments directly to pockets below the gum surface in periodontic treatments). DENTSPLY manufactures a variety of inserts for use with its ultrasonic prophylaxis units. The FOCUSED SPRAY(Trademark) INSERT brings water directly to the instrument tip and focuses water where it is most needed. The SLIMLINE(Trademark) Ultrasonic Insert is 40 percent thinner than standard ultrasonic inserts and allows subgingival ultrasonic instrumentation at depths up to 7 mm.

Dental X-Ray Systems: The Company offers a full line of dental x-ray equipment for intraoral, panoramic and cephalometric procedures, all marketed under the GENDEX(Registered Trademark) brand name. Intraoral films provide a view of a particular area of tooth and jaw structure. Panoramic x-rays utilize a moving x-ray tube and provide an image of the entire oral cavity, an image that is particularly valuable to oral surgeons and orthodontists. Cephalometric systems permit precise, repeatable positioning of the patient's skull so that images taken at different times can be compared.

The Company markets VISUALIX(Trademark), a real time, digital video x-ray system. Through its solid state, intraoral x-ray sensor and associated computer, the VISUALIX(Trademark) system allows the dentist to produce radiographic images without using film. X-rays generated by a standard system strike the sensor. The image is then displayed on a computer screen, where it can be enlarged, enhanced and manipulated. The image may also be stored for future retrieval. The extremely sensitive sensor provides excellent image quality with a significantly lower x-ray dosage compared to film.

X-Ray Support Equipment: Under the RINN(Trademark) brand name, DENTSPLY manufactures and distributes x-ray film mounts, film holders and related equipment and accessories. X-ray film mounts are used as organizing, storage and retrieval holders for dental x-ray films. Film holders are film positioning devices used in taking dental x-ray films which ensure the alignment of the x-ray beam to the intraoral film. Equipment and accessories include film viewers, film duplicators, chair-side darkrooms, patient aprons, developing chemicals and x-ray collimating devices.

The GXP(Trademark) Processor, which develops intraoral, panoramic, and cephalometric x-ray film, features a closed chemical recirculation system so that potentially environmentally hazardous solutions may be disposed of properly. Film enters and exits in the front of the processor, thereby allowing placement of the unit flush against a wall to conserve space.

DENTSPLY also supplies specialty chemical binders, refractory particles, investment mold materials and related products to the precision investment casting industry, which produces metal parts of complex geometry and "near net" shapes requiring little or no subsequent machining or finishing.

Marketing, Sales and Distribution

The market for DENTSPLY's dental products is primarily comprised of dentists, dental hygienists, dental assistants, dental laboratories and dental schools. DENTSPLY focuses its marketing efforts on both the dental professionals who are the end users of its products and the dealers who distribute certain of those products. DENTSPLY employs highly trained, product-specific sales and technical staffs to provide comprehensive marketing and service tailored to the particular sales and technical support requirements of its customers. DENTSPLY's marketing efforts seek to capitalize on the strength of the Company's brand names and international infrastructure to expand sales of new and existing products throughout the world, including emerging dental markets in the Pacific Rim, Central and South America and Eastern Europe.

DENTSPLY's product-specific sales force is divided into domestic and foreign field selling organizations, each of which is responsible for maintaining contact with both dealers and dental professionals. The dental sales force includes approximately 300 domestic representatives, approximately 325 international representatives and approximately 30 telemarketers who support the domestic representatives. This sales force is further divided into product-based teams. Each specialized sales force tailors its sales strategy to the particular sales and technical support requirements of its customers. Sales personnel attend over 100 dental trade shows each year where the Company's products are exhibited to dental professionals and dealers. Sales personnel also routinely participate with dealers to disseminate product information and conduct product demonstrations, seminars, study groups and lectures for dental professionals. In addition, DENTSPLY invests significant amounts in advertising in national and international dental publications.

DENTSPLY distributes its dental products primarily through approximately 350 domestic and over 800 foreign dealers and importers. While the overwhelming majority of DENTSPLY's

products are distributed through dental dealers, certain highly technical products such as the Company's CERAMCO(Registered Trademark) line of crown and bridge porcelain products and dental implants are sold directly to the dental laboratory or dentist.

DENTSPLY also maintains seven educational facilities. The Company's facilities in York, Pennsylvania; Burlington, New Jersey; Dreieich, Germany; and Weybridge, England are used for training, product demonstrations and seminars and to promote interest in and understanding of the use of DENTSPLY's dental laboratory products. The DENTSPLY Educational Center in York provides personalized training in both fixed and removable prosthodontic specialties. Additional teaching facilities are maintained in Milford, Delaware; Konstanz, Germany; and Hong Kong for training dental professionals in the use of consumable dental products. The Company also offers many seminars throughout the world in such areas as endodontics, crown and bridge porcelain and ceramics, restoratives and dental implant systems.

Product Development

During 1995, 1994 and 1993, approximately \$12.3 million, \$10.9 million and \$10.3 million, respectively, was invested by the Company in connection with the development of new products and in the improvement of existing products. DENTSPLY employs approximately 175 scientists, engineers and technicians dedicated to product development. The Company believes that its product development programs are critical in meeting market demands and achieving future growth. The Company also sponsors independent clinical research projects aimed at developing, adapting and testing new technologies for use in DENTSPLY products. From time to time, the Company contracts with independent consultants and engineers to augment efforts to develop new products.

Manufacturing and Technical Expertise

DENTSPLY believes that its manufacturing capabilities are critical to its success. The Company continues to automate its global manufacturing operations in order to remain a low cost producer.

The manufacture of the Company's products requires substantial and varied technical expertise. Complex materials technology and processes are necessary to manufacture the Company's products.

The manufacture of artificial teeth and dental composites involves expertise in polymer chemistry. A polymer is a compound of high molecular weight derived through the combination of many smaller molecules or by the condensation of many smaller molecules through the elimination of water or alcohol. DENTSPLY manufactures certain lines of artificial teeth by a process that

disperses the polymeric molecules found within cross-linked polymers, thereby improving the tooth's resistance to blushing, whitening, crazing and disintegration. Another line of artificial teeth utilizes an ultra-high viscosity polypropylene that significantly increases wear resistance.

Visible light-cured composites utilize a single paste that immediately polymerizes when exposed to a light source. DENTSPLY's PRISMA(Trademark) TP.H(Trademark)light-cured composites contain non- radiopaque fillers of approximately .02-.08 microns in size. The small size of this filler increases the bonding power of the composite. It also permits the material to be polished in order to more accurately replicate the color of a natural tooth. Basic, self-cured (self-hardened) composites are formed by combining two pastes that trigger polymerization when reacted.

The Company manufactures extremely high quality endodontic instruments using production equipment designed and manufactured in-house. In general, the equipment used is not available on the external market.

Dental handpiece manufacturing technology requires precision machining of component parts to extremely tight tolerances in order to accommodate the operating speed of the air-driven turbine, which exceeds 350,000 r.p.m. in high speed handpieces, and the wide range of applications for which the unit is used. These tolerances require dimensional machining to as little as 15 millionths of an inch to produce the delicate balance necessary for a quiet, smooth-running turbine with minimal vibration. The Company utilizes "computer numerically controlled" (CNC) machines and computer-assisted design software in its handpiece manufacturing processes.

Production of the Company's x-ray products involves a variety of manufacturing disciplines. For example, the manufacture of x-ray tubes requires expertise in high-temperature metallurgy, sophisticated glass blowing techniques, and the ability to evacuate molecular impurities from the x-ray tube through degasification. The Company also designs and fabricates printed circuit boards, assembles electrical harnesses, fabricates sheet metal, and engages in precision machining, painting and high-tension coil winding in connection with the manufacturing of its x-ray products.

Foreign Operations

The Company conducts its business in over 100 foreign countries, principally through its foreign subsidiaries which operate 35 foreign facilities (including thirteen manufacturing operations). DENTSPLY has a long-established presence in Canada and in the European market, particularly in Germany, Switzerland and England. The Company also has a significant market presence

in Central and South America, Australia, Hong Kong, Thailand, India, Philippines and Japan. DENTSPLY has established joint ventures and marketing activities in the People's Republic of China and the Commonwealth of Independent States. In 1996, a 100 percent-owned subsidiary, including a manufacturing facility, will be established in the People's Republic of China. Manufacturing operations in India will also commence in 1996.

For 1995, 1994 and 1993, the Company's sales outside the United States, including export sales, accounted for approximately 48%, 45% and 42%, respectively, of consolidated net sales from continuing operations. As a result of the Company's significant international presence, DENTSPLY is subject to fluctuations in exchange rates of various foreign currencies and other risks associated with foreign trade. The Company actively manages its currency risk exposures. Fluctuations in exchange rates have not had a material adverse impact upon the Company's financial position.

Competition

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

The size and number of the Company's competitors vary by product line and from region to region. There are many companies which produce some, but not all, of the same types of products as those produced by the Company. Certain of DENTSPLY's competitors may have greater resources than does the Company in certain of its product offerings.

Regulation

The Company's products are subject to regulation by, among other governmental entities, the United States Food and Drug Administration (the "FDA"). In general, if a dental "device" is subject to FDA regulation, compliance with the FDA's requirements constitutes compliance with corresponding state requirements. In order to ensure that dental products distributed for human use in the United States are safe and effective, the FDA regulates the introduction, manufacture, advertising, labeling, packaging, marketing and distribution of, and record-keeping for, such products.

Dental devices of the types sold by the Company are

generally classified by the FDA into a category that renders them subject only to general controls that apply to all medical devices, including regulations regarding alteration, misbranding, notification, record-keeping and good manufacturing practices. The Company believes that it is in compliance with FDA regulations applicable to its products and manufacturing operations.

All dental amalgam filling materials, including those manufactured and sold by the Company, contain mercury. Various groups have alleged that dental amalgam containing mercury is harmful to human health and have actively lobbied state and federal lawmakers and regulators to pass laws or adopt regulatory changes restricting the use, or requiring a warning against alleged potential risks, of dental amalgams. The FDA's Dental Devices Classification Panel, the National Institutes of Health and the United States Public Health Service have each indicated that no direct hazard to humans from exposure to dental amalgams has been demonstrated to them. If the FDA were to reclassify dental mercury and amalgam filling materials as classes of products requiring FDA premarket approval, there can be no assurance that the required approval would be obtained or that the FDA would permit the continued sale of amalgam filling materials pending its determination.

The introduction and sale of dental products of the types produced by the Company are also subject to government regulation in the various foreign countries in which they are produced or sold. Some of these regulatory requirements are more stringent than those applicable in the United States. DENTSPLY believes that it is in substantial compliance with the foreign regulatory requirements that are applicable to its products and manufacturing operations.

Sources and Supply of Raw Materials

All of the raw materials used by the Company in the manufacture of its products are purchased from various suppliers and are available from numerous sources. No single supplier accounts for a significant percentage of DENTSPLY's raw material requirements.

Trademarks and Patents

The Company's trademark properties are important and contribute to the Company's marketing position. To safeguard these properties, the Company maintains trademark registrations in the United States and in significant international markets for its products, and carefully monitors trademark use worldwide. DENTSPLY also owns and maintains several hundred foreign and domestic patents. Although the protection afforded to the Company by these patents is advantageous to its business, the

Company does not consider that its business is materially dependent on its patents.

Employees

As of March 15, 1996, the Company and its subsidiaries had approximately 5,070 employees, of whom approximately 3,070 were engaged in manufacturing operations, approximately 1,335 were engaged in sales and distribution, approximately 490 were engaged in finance and administration, and approximately 175 were engaged in research and product development activities. Hourly workers at the Company's Ransom & Randolph facility in Maumee, Ohio are represented by Local No. 12 of the International Union, United Automobile, Aerospace and Agriculture Implement Workers of America under a collective bargaining agreement that expires on January 31, 2000; hourly workers at the Company's Cavitron Products facility in Long Island City, New York are represented by Local No. 431 of the International Union of Electronic, Electrical, Technical, Salaried and Machine Workers, AFL-CIO, under a collective bargaining agreement that expires on November 3, 1998; and hourly workers at the Company's Midwest Dental Products facility in Des Plaines, Illinois are represented by Tool & Die Makers Local 113 of the International Association of Machinists and Aerospace Workers under a collective bargaining agreement that expires on May 31, 1997. The Company believes that its relationship with its employees is good.

Item 2. Properties

As of March 15, 1996, DENTSPLY maintains manufacturing facilities at the following locations:

Location	Function	Leased or Owned
York, Pennsylvania	Manufacture and distribution of artificial teeth and other dental laboratory products; export of dental products; marketing and sales of dental equipment; manufacture and distribution of preventive dental products; corporate headquarters	Owned
Des Plaines, Illinois	Manufacture and assembly of dental handpieces and components and dental x-ray equipment	Leased
Milford, Delaware	Manufacture and distribution of consumable dental products	Owned
Long Island City, New York	Manufacture and distribution of dental equipment	Leased
Las Piedras, Puerto Rico	Manufacture of crown and bridge materials	Owned
Chicago, Illinois	Manufacture of dental x-ray equipment	Owned
Elgin, Illinois	Manufacture of dental x-ray film holders, film mounts and accessories	Owned
Maumee, Ohio	Manufacture and distribution of investment casting products	Owned
Commerce, California	Manufacture and distribution of investment casting products	Leased
Johnson City, Tennessee	Manufacture and distribution of endodontic instruments and materials	Leased
Petropolis, Brazil	Manufacture and distribution of artificial teeth and consumable dental products	Owned
Paraiba Do Sol, Brazil	Manufacture and distribution of gutta percha	Leased

Dreieich, Germany	Manufacture and distribution of artificial teeth and other dental laboratory products	Owned
Konstanz, Germany	Manufacture and distribution of consumable dental products; distribution of dental equipment	Owned
Milan, Italy	Manufacture and distribution of dental x-ray equipment	Leased
Mexico City, Mexico	Manufacture and distribution of dental products	Owned
Weybridge, England	Manufacture and distribution of dental products	Owned
Plymouth, England	Manufacture and distribution of dental hand instruments	Leased
Ballaigues, Switzerland	Manufacture and distribution of endodontic instruments	Owned
Ballaigues, Switzerland	Manufacture and distribution of plastic components and packaging material	Owned
Le Creux, Switzerland	Manufacture and distribution of endodontic instruments	Owned
Moscow, Russia	Manufacture and distribution of consumable dental products	Leased
New Dehli, India	Manufacture and distribution of dental products	Leased

In addition, the Company maintains sales and distribution offices at certain of its foreign and domestic manufacturing facilities, as well as at three other United States locations and at 13 international locations in nine foreign countries. Of the 16 United States and international sites used exclusively for sales and distribution, one is owned by the Company and the remaining 15 are leased. The Company also maintains sales offices in various countries throughout the world.

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

Item 3. Legal Proceedings

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

In May 1994, Core-Vent Corporation and Dr. Gerald Niznick filed an equity action against DENTSPLY in Common Pleas Court in York County, Pennsylvania, arising out of the terms of an April 1991 Exclusive Distribution Agreement ("Agreement"). The action sought to enjoin DENTSPLY from publishing certain marketing materials for dental implant products. DENTSPLY countersued alleging that the Agreement, or in the alternative an amendment to the Agreement, should be terminated because of the misconduct of Dr. Niznick. The case has been referred to arbitration pursuant to the terms of the Agreement and both parties have amended their pleadings to allege monetary damages. Core-Vent and Dr. Niznick are alleging damages of up to \$25,478,000 for loss of market share. DENTSPLY is vigorously contesting these claims in the arbitration hearing and believes these claims to be without merit.

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

Not applicable.

Executive Officers of the Registrant

The following table sets forth certain information regarding the executive officers of the Company as of March 15, 1996.

Name	Age	Position
----	---	-----
Burton C. Borgelt	63	Chairman of the Board
John C. Miles, II	54	President and Chief Executive Officer
W. William Weston	48	Senior Vice President, European Group
Michael R. Crane	55	Senior Vice President, North American Group
Edward D. Yates	52	Senior Vice President and Chief Financial Officer
Thomas L. Whiting	53	Senior Vice President, Pacific Rim, Latin America, Gendex, and Tulsa Dental
J. Patrick Clark	54	Vice President, Secretary and General Counsel

Burton C. Borgelt assumed the position of Chairman of the Board effective January 1, 1996. Prior to that Mr. Borgelt was named Chairman of the Board and Chief Executive Officer of the Company upon the resignation of John J. McDonough as Chief Executive Officer on February 8, 1995. Prior to Mr. McDonough's resignation, Mr. Borgelt served as Chairman of the Board and a director of the Company following the Merger. Prior thereto, Mr. Borgelt served as Chairman of the Board and Chief Executive Officer of Old Dentsply commencing in March 1989 and as the Chief Executive Officer and a director of Old Dentsply commencing in February 1981.

John C. Miles was named President and Chief Executive Officer effective January 1, 1996. Prior to that he was President and Chief Operating Officer and a director of the Company since the Merger. Prior to that time he served as President and Chief Operating Officer and a Director of Old Dentsply commencing in January 1990. From January 1988 until December 1989, Mr. Miles served as Senior Vice President/International Operations of Old Dentsply. He was Director of European Operations of Old Dentsply from May 1986 to December 1987, and from June 1985 to April 1986 he was General Manager of Old Dentsply's York Laboratory Products Division (presently known as the Trubyte Division). From 1978 to June 1985, Mr. Miles was employed in various capacities with Rhone-Poulenc, most recently as Senior Vice President--General Manager of its Systems Division.

Michael R. Crane was named Senior Vice President, North American Group effective January 1, 1996. Prior to that he

was Senior Vice President, Europe, Mideast, Africa and Commonwealth of Independent States of the Company effective in early 1995 and prior thereto he served as Senior Vice President, International Operations of the Company since the Merger, and in a similar capacity with Old Dentsply commencing in November 1989. Prior to that time, he served as Vice President Sales/Marketing for Whaledent International, a division of IPCO Corporation.

W. William Weston was named Senior Vice President, European Group of the Company effective January 1, 1996. Prior to that Mr. Weston served as the Vice President and General Manager of DENTSPLY's DeDent Operations in Europe from October 1, 1990 to January 1, 1996. Prior to that time he was Pharmaceutical Director for Pfizer in Germany.

Edward D. Yates has been Senior Vice President and Chief Financial Officer of the Company since the Merger and prior thereto served in a similar capacity with Old Dentsply commencing in March 1991. From January 1990 until March 1991, he served as Old Dentsply's Contoller. Prior to that time, he was the Treasurer of Old Dentsply. Mr. Yates is a Certified Public Accountant.

Thomas L. Whiting was named Senior Vice President, Pacific Rim, Latin America, Gendex, and Tulsa Dental of the Company in July 1994, to be effective in early 1995. Prior to this appointment, Mr. Whiting was Vice President and General Manager of the Company's L.D. Caulk Division since the Merger, and prior thereto served in the same capacity with Old Dentsply since joining Old Dentsply in 1987. Prior to that time, Mr. Whiting held management positions with Deseret Medical and the Parker-Davis Company.

J. Patrick Clark has been Vice President, Secretary and General Counsel of the Company since the Merger and prior thereto served as General Counsel and Secretary of Old Dentsply since 1986.

PART II

Item 5. Market for Registrant's Common Equity and Related

Stockholder Matters

The information set forth under the caption "Supplemental Stock Information" in Part IV of this Annual Report on Form 10-K is incorporated herein by reference in response to this Item 5.

Item 6. Selected Financial Data

The information set forth under the caption "Selected Financial Data" in Part IV of this Annual Report on Form 10-K is incorporated herein by reference in response to this Item 6.

Item 7. Management's Discussion and Analysis of Financial

Condition and Results of Operations

The information set forth under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part IV of this Annual Report on Form 10-K is incorporated herein by reference in response to this Item 7.

Item 8. Financial Statements and Supplementary Data

The information set forth under the captions "Consolidated Statements of Income," "Consolidated Balance Sheets," "Consolidated Statements of Stockholders' Equity," "Consolidated Statements of Cash Flows," "Notes to Consolidated Financial Statements," "Management's Financial Responsibility" and "Independent Auditors' Report" of KPMG Peat Marwick LLP in Part IV of this Annual Report on Form 10-K is incorporated herein by reference in response to this Item 8.

Item 9. Changes in and Disagreements with Accountants on

Accounting and Financial Disclosure

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information set forth under the caption "Executive Officers of the Registrant" in Part I of this Annual Report on Form 10-K and the information set forth under the captions "Election of Directors" and "Other Matters" in the Proxy Statement is incorporated herein by reference in response to this Item 10.

Item 11. Executive Compensation

The information set forth under the caption "Executive Compensation" in the Proxy Statement is incorporated herein by reference in response to this Item 11.

Item 12. Security Ownership of Certain Beneficial Owners and

Management

The information set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement is incorporated herein by reference in response to this Item 12.

Item 13. Certain Relationships and Related Transactions

The information set forth under the subcaption "Executive Compensation--Compensation Committee Interlocks and Insider Participation" in the Proxy Statement is incorporated herein by reference to this Item 13.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on

Form 8-K

(a) Documents filed as part of this Report	Sequential Page No.
1. Supplemental Stock Information	33
2. Selected Financial Data	34
3. Management's Discussion and Analysis of Financial Condition and Results of Operations	36
4. Financial Statements and Supplementary Data	

The following consolidated financial statements of the Company are filed as part of this Annual Report on Form 10-K:	
Management's Financial Responsibility	40
Independent Auditors' Report of KPMG Peat Marwick LLP	41
Consolidated Statements of Income for the years ended December 31, 1995, 1994 and 1993	42
Consolidated Balance Sheets as of December 31, 1995 and 1994	44
Consolidated Statements of Stockholders' Equity for the years ended December 31, 1995, 1994 and 1993	45
Consolidated Statements of Cash Flows for the years ended December 31, 1995, 1994 and 1993	47
Notes to Consolidated Financial Statements	51

5. Financial Statement Schedules	Sequential Page No.
----------------------------------	------------------------

The following financial statement schedule is filed as part of
this Annual Report on Form 10-K:

Schedule II - Valuation and qualifying accounts	74
--	----

Financial statement schedules not listed above have been omitted because they are inapplicable, are not required under applicable provisions of Regulation S-X, or the information that would otherwise be included in such schedules is contained in the registrant's consolidated financial statements or accompanying notes.

3. Exhibits. The Exhibits listed below are filed or incorporated by reference as part of this Annual Report on Form 10-K.

Exhibit Number -----	Description -----
3.1	Certificate of Incorporation (1)
3.2	By-Laws, as amended (1)
4.1	Stock Purchase Agreement dated March 27, 1991 by and among the Company, John J. McDonough and Robert Fleming Nominees (2)*
4.2	Form of Stock Purchase Agreement dated as of September 30, 1991 and effective as of March 27, 1991 by and between the Company and [Strong Stock Funds] (3)
4.3	Stock Purchase Agreement dated as of September 30, 1991 and effective as of March 27, 1991 by and between the Company and Harbor Investments Ltd. (3)
4.4 (a)	Competitive Advance, Revolving Credit and Guaranty Agreement, dated as of November 15, 1993, among the Company, the guarantors named therein, the banks named therein, and Chemical Bank, as agent (Note: All attachments have been omitted. Copies of such attachments will be furnished supplementally to the Securities and Exchange Commission upon request.) (11)
(b)	First Amendment, dated as of December 23, 1994, to Competitive Advance, Revolving Credit and Guaranty Agreement (12)
10.1 (a)	1987 Employee Stock Option Plan (4)*
(b)	Amendment No. 1 to the Company's 1987 Employee Stock Option Plan (5)*
10.2 (a)	Investment Agreement, dated as of August 8, 1987, by and among the Company, John J. McDonough, the John J. McDonough Children's Trust and M&I Ventures Corporation (4)*
(b)	Amendment to Investment Agreement, dated as of October 26, 1989, by and among the Company, John

- J. McDonough, the John J. McDonough Children's trust and M&I Ventures Corporation (4)*
- 10.3 Amended and Restated to Split Dollar Insurance Agreement between The McDonough Insurance Trust and the Company dated as of October 25, 1995.
- 10.4 Guaranty Agreement dated May 3, 1989 among Edwin J. McDonough, Allison McDonough, John J. McDonough, Jr., Joseph F. McDonough, and Dana L. McDonough and the Company (6)*
- 10.5 Guarantee and Collateral Pledge Agreement dated May 3, 1989 by and among Edwin J. McDonough, Allison McDonough, John J. McDonough, Jr., Joseph F. McDonough and Dana L. McDonough and the Company (6)*
- 10.6 (a) Letter Agreement dated June 29, 1990 by and between Cravey, Green & Wahlen Incorporated and the Company (3)*
- (b) Stock Purchase Warrant dated August 28, 1990 issued to Cravey, Green & Wahlen Incorporated by the Company (2)*
- (c) Stock Purchase Warrant Plan adopted February 25, 1993 (7)
- 10.7 1992 Stock Option Plan adopted May 26, 1992 (8)*
- 10.8 Employee Stock Ownership Plan as amended effective as of December 1, 1982, restated as of January 1, 1991 (12)*
- 10.9 (a) Retainer Agreement dated December 29, 1992 between the Company and State Street Bank and Trust Company ("State Street") (9)
- (b) Trust Agreement between the Company and State Street Bank and Trust Company dated as of August 11, 1993 (11)
- (c) Amendment to Trust Agreement between the Company and State Street Bank and Trust Company effective August 11, 1993 (11)
- 10.10 DENTSPLY Stock Option Conversion Plan approved June 23, 1993 (9)*
- 10.11 Employment Agreement dated January 1, 1996 between the Company and

- Burton C. Borgelt *
- 10.12 (a) Employment Agreement dated as of December 31, 1987 between the Company and John C. Miles, II (9)*
- (b) Amendment to Employment Agreement between the Company and John C. Miles, II dated February 16, 1996, effective January 1, 1996 *
- 10.13 Employment Agreement dated as of December 31, 1987, as amended as of February 8, 1990, between the Company and Leslie A. Jones (9)*
- 10.14 Employment Agreement dated as of December 10, 1992 between the Company and Michael R. Crane (9)*
- 10.15 Employment Agreement dated as of December 10, 1992 between the Company and Edward D. Yates (9)*
- 10.16 Employment Agreement dated as of December 10, 1992 between the Company and J. Patrick Clark (9)*
- 10.17 Employment Agreement dated January 1, 1996 between the Company and William Weston *
- 10.18 Employment Agreement dated January 1, 1996 between the Company and Thomas L. Whiting *
- 10.19 (a) Merger Agreement and Schedules thereto (the "Kestrel Merger Agreement") dated August 9, 1990 by and among the Company, Kestrel Merging Corp. ("Merging Corp."), Kestrel Dental Corporation ("Kestrel"), Midwest, Rinn Corporation ("Rinn") and the holders (the "Kestrel Shareholders") of all of the issued and outstanding capital stock of Kestrel (10)
- (b) Amendment to the Kestrel Merger Agreement and Settlement Agreement dated March 6, 1991 by and among the Company, Merging Corp., Kestrel, Midwest, Rinn and the Kestrel Shareholders (2)
- 10.20 (a) Amended and Restated Real Estate Sale and Leaseback Agreement dated August 1, 1991, between Midwest and McDonough Partners I, relating to the sale and leaseback of 901 West Oakton Street, Des Plaines, Illinois (3)*

- (b) Lease dated September 4, 1991 by and between the Company and McDonough Partners I (3)*
- 10.21 Environmental Indemnity Agreement dated September 4, 1991 by and among the Company, McDonough Partners I and The Penn Insurance Annuity Company (3)*
- 10.22 Subordination, Non Disturbance and Attornment Agreement, dated September 4, 1991 by and among the Company, McDonough Partners I and The Penn Insurance and Annuity Company (3)*
- 10.23 Purchase of Assets Agreement dated as of April 27, 1992, as amended through September 28, 1992, between the Company and Johnson & Johnson. (Note: All attachments except the Toll Manufacturing Agreements have been omitted. Copies of such attachments will be furnished to the Securities and Exchange Commission supplementally upon request.) (9)
- 10.24 (a) Exclusive Distribution Agreement dated April 19, 1991, between Core-Vent Corporation ("Core-Vent"), Dr. Gerald Niznick and the Company (9)
 - (b) First Amendment to Exclusive Distribution Agreement dated April 30, 1991 (9)
 - (c) Second Amendment to Exclusive Distribution Agreement dated April 21, 1993 (Note: Exhibits 2.3.1B (Notice of New Products), 2.3.1A (Price List) and 16 (Mutual Release) have been omitted. Copies of such exhibits will be furnished to the Securities and Exchange Commission supplementally upon request.) (9)
- 10.25 1993 Stock Option Plan (1)*
- 10.26 Revolving Credit Agreement among DENTSPLY International Inc., each of the guarantors named therein, and ABN AMRO Bank N.V., dated as of September 9, 1994 (12)
- 10.27 DENTSPLY International Inc. 401(k) Savings Plan Summary Plan Description, as amended effective

	January 1, 1994 (12)*
10.28	Midwest Dental Products Corporation Pension Plan, as amended and restated effective January 1, 1989 (12)*
10.29	Revised Ransom & Randolph Pension Plan, as amended effective as of September 1, 1985, restated as of January 1, 1989 (12)*
10.30	DENTSPLY International Inc. Directors' Deferred Compensation Plan (12)*
10.31 (a)	Letter Agreement, dated February 8, 1995, between the Company and John J. McDonough (12)*
(b)	Amendment to Letter Agreement between the Company and John J. McDonough dated July 6, 1995
10.32	Letter Agreement, dated October 13, 1994, between Dentsply Limited and DePuy International Limited (12)
10.33	Sales-Purchase Agreement, dated May 30, 1995, between certain stockholders of Maillefer Instruments, S.A., Dentsply Ltd., and DENTSPLY International Inc. as guarantor (13)
10.34	Asset Purchase and Sale Agreement, dated January 10, 1996, between Tulsa Dental Products, L.L.C. and DENTSPLY International Inc. (14)
10.35	Multi-Currency Term Loan Agreement among Dentsply Ltd., the banks named therein, and ABN AMRO Bank N.V., dated as of May 12, 1995 (Note: All attachments have been omitted. Copies of such attachments will be furnished supplementally to the Securities and Exchange Commission upon request.)
11	Computation of earnings per share
21.1	Subsidiaries of the Company
23.1	Consent of KPMG Peat Marwick LLP
27	Financial Data Schedule

 * Management contract or compensatory plan.

- (1) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-71792).
- (2) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1991, File No. 0-16211.
- (3) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-2 filed on October 7, 1991 (No. 33-43079).
- (4) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-18 (No. 33-15355C).
- (5) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1992, File No. 0-16211.
- (6) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1989, File No. 0-16211.
- (7) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-61780).
- (8) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-52616).
- (9) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1993, File No. 0-16211.
- (10) Incorporated by reference to exhibit included in the Company's Current Report on Form 8-K dated August 28, 1990, File No. 0-16211.
- (11) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, File No. 0-16211.
- (12) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year December 31, 1994, File No. 0-16211.
- (13) Incorporated by reference to exhibit included in the Company's Current Report on Form 8-K dated June 30, 1995, File No. 0-16211.

- (14) Incorporated by reference to exhibit included in the Company's Current Report on Form 8-K dated January 10, 1996, File No. 0-16211.

Loan Documents

The Company and certain of its subsidiaries have entered into various loan and credit agreements and issued various promissory notes and guaranties of such notes, listed below, the aggregate principal amount of which is less than 10% of its assets on a consolidated basis. The Company has not filed copies of such documents but undertakes to provide copies thereof to the Securities and Exchange Commission supplementally upon request.

- (1) Master Note dated September 18, 1990 executed in favor of Chemical Bank in connection with a line of credit up to \$2,000,000 between the Company and Chemical Bank.
- (2) Agreement dated December 27, 1991 between National Westminster Bank PLC and Dentsply Limited for (pound)2,500,000.
- (3) Promissory Note dated May 1, 1992 in the principal amount of \$3,000,000 of the Company in favor of Philadelphia National Bank.
- (4) Credit Agreement dated September 14, 1990 between Dentsply Canada Limited ("DCL") and Mellon Bank Canada.
- (5) Promissory Note dated April 17, 1995 in connection with a line of credit up to \$15,000,000 between the Company and Mellon Bank.
- (6) Loan Agreement between Chemical Bank AG and Dentsply GmbH dated March 14, 1983.
- (7) Guaranty of the Company dated March 14, 1983.
- (8) Form of "comfort letters" to various foreign commercial lending institutions having a lending relationship with one or more of the Company's international subsidiaries.
- (9) Unsecured Note dated July 8, 1993 between the Company and Harris Trust and Savings Bank in the principal amount of \$1,750,000.

(b) Reports on Form 8-K

The Company did not file any Reports on Form 8-K during the quarter ended December 31, 1995.

* * * * *

DENTSPLY International Inc. and Subsidiaries

SUPPLEMENTAL STOCK INFORMATION

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

	Market Range of Common Stock		Cash Dividend Declared
	High	Low	
1995			
-----	-----	-----	-----
First Quarter	\$36-1/4	\$31	\$.075
Second Quarter	36-7/8	34-1/4	.075
Third Quarter	40-1/4	32-3/4	.075
Fourth Quarter	40-1/4	33-7/8	.0825
1994			

First Quarter	\$47	\$36	\$ ---
Second Quarter	39-1/2	34	---
Third Quarter	37-3/4	31-1/4	.075
Fourth Quarter	35-3/4	28-1/4	.075
1993			

First Quarter	\$55	\$37	---
Second Quarter	44-1/2	31-1/2	---
Third Quarter	42	32-3/4	---
Fourth Quarter	45-1/4	36	---

The Company estimates there are approximately 12,200 holders of common stock, including 602 holders of record.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
SELECTED FINANCIAL DATA

	Year Ended December 31,				
	1995	1994	1993	1992	1991(2)
(In thousands, except per share amounts)					
Statement of Income Data:					
Net sales	\$ 572,028	\$ 524,758	\$ 503,820	\$ 476,335	\$ 387,439
Cost of products sold	291,176	267,034	257,707	246,126	205,798
Gross profit	280,852	257,724	246,113	230,209	181,641
Selling, general and administrative expenses	180,117	160,324	172,147	148,264	121,226
Operating income from continuing operations before discretionary ESOP contributions	100,735	97,400	73,966	81,945	60,415
Discretionary ESOP contributions	---	---	4,361	6,568	5,241
Interest expense	9,144	7,999	20,752	22,099	25,425
Interest income	(1,265)	(1,527)	(370)	(628)	(641)
Other (income) expense, net	2,839	(734)	(2,119)	(1,797)	1,800
Income from continuing operations before income taxes	90,017	91,662	51,342	55,703	28,590
Provision for income taxes	36,054	37,518	26,197	24,416	13,658
Income from continuing operations	53,963	54,144	25,145	31,287	14,932
Discontinued operations:					
Income from the operation of discontinued Medical business (net of income taxes of \$0.6 million in 1994; \$1.6 million in 1993; \$1.7 million in 1992; and \$1.8 million in 1991)	---	1,311	2,925	2,988	3,300
Gain on disposal of Medical business, including provision of \$0.5 million for operating losses during phase-out period (net of income taxes of \$5.5 million)	---	6,543	---	---	---
Income from discontinued operations	---	7,854	2,925	2,988	3,300
Income before extraordinary item	53,963(1)	61,998	28,070(1)	34,275	18,232
Extraordinary loss related to early extinguishment of debt (net of income tax benefit of \$6.3 million)	---	---	14,018	---	---
Net income	\$ 53,963(1)	\$ 61,998	\$ 14,052(1)	\$ 34,275	\$ 18,232

Year Ended December 31,

	1995	1994	1993	1992	1991(2)
(In thousands, except per share amounts)					
Earnings per Common Share:					
Income from continuing operations	\$ 2.00	\$ 1.95	\$ 1.02	\$ 1.29	\$.65
Income from the operation of discontinued Medical business	---	.05	.12	.13	.14
Gain on disposal of Medical business	---	.23	---	---	---
Income before extraordinary item	2.00	2.23	1.14	1.42	.79
Extraordinary item	---	---	(.57)	---	---
Net income	\$ 2.00	\$ 2.23	\$.57	\$ 1.42	\$.79
Dividends per Common Share	\$.3075	\$.15	\$ ---	\$ ---	\$ ---
Weighted average common shares outstanding	27,012	27,776	24,598	24,220	23,099
Balance Sheet Data (at end of period):					
Working capital (3)	\$ 122,706	\$ 92,206	\$ 82,779	\$ 38,185	\$ 46,256
Total assets (3)	591,855	466,930	466,787	450,641	374,434
Total long-term debt	68,675	12,789	95,356	192,082	162,364
Stockholders' equity	315,922	299,337	236,397	100,285	72,894
Other Data:					
Depreciation and amortization (4)	21,488	18,133	17,951	15,333	14,145
Capital expenditures (4)	17,421	12,504	9,212	14,626	5,881

(1) Includes certain unusual or non-recurring charges of approximately \$3.1 million (approximately \$1.8 million after tax) in 1995 and \$21.8 million (approximately \$16.5 million after tax) in 1993. The effect of these unusual or non-recurring charges on operating income from continuing operations before discretionary ESOP contributions was approximately \$17.9 million during the year ended December 31, 1993. See Note 15 of the Notes to Consolidated Financial Statements.

(2) The results of operations for the year ended December 31, 1991 include the results of operations of GENDEX for the year ended March 31, 1992.

(3) Excludes net assets of discontinued operations.

(4) Excludes discontinued operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On October 13, 1994, the Company announced its strategic decision to discontinue the operations comprising its medical business which includes the Eureka X-Ray Tube Corp. ("Eureka"), GENDEX Medical and CMW business units. Accordingly, the Company's financial statements have been restated to reflect the accounting treatment for discontinued operations. Management's discussion for the results of operations covers continuing operations and discontinued operations, separately.

Results of Operations, 1995 Compared to 1994

Net sales increased \$47.3 million, or 9.0%, from \$524.8 million in 1994 to \$572.0 million in 1995. The increase was primarily in Europe, with a significant portion of the increase coming from the acquisition of Maillefer Instruments S.A. ("Maillefer"). The sales increase in the United States was adversely impacted by discontinuing certain dealer incentives in the third quarter of 1995 which previously had the effect of encouraging dealers to place large stocking orders.

Gross profit increased \$23.1 million, or 9.0%, due primarily to higher net sales. Gross profit as a percentage of net sales was 49.1%, equal to 1994. Improvements in the gross profit percentage in 1995 were offset by the adverse impact of acquisition accounting for Maillefer.

Selling, general and administrative expenses increased \$19.8 million, or 12.3%. As a percentage of net sales, expenses increased from 30.6% in 1994 to 31.5% in 1995. This increase was mainly due to incremental expenses incurred in 1995 to establish and operate new offices in the Pacific Rim, expenses associated with the implementation of management information systems in Europe, and severance payments due to cost cutting and realignment in the United States and Europe.

The \$1.4 million increase in net interest expense was primarily due to acquisition debt and the repurchase of common shares under the share repurchase program. Other expense of \$2.8 million in 1995 compares to \$0.7 million of other income in 1994 due to the one-time charge of \$3.1 million to cover the costs of closing the Company's executive offices in Illinois and consolidating its executive offices in York, Pennsylvania.

Income from continuing operations before income taxes decreased \$1.7 million, from \$91.7 million in 1994 to \$90.0 million in 1995. Without the one-time charge of \$3.1 million to cover the costs of closing the Company's executive offices in Illinois, income from continuing operations before income taxes increased \$1.4 million, or 1.5%.

Income from continuing operations was \$54.0 million in 1995 compared to \$54.1 million in 1994. Without the one-time after-tax charge of \$1.8 million to cover the costs of closing the Company's executive offices in Illinois, income from continuing operations was \$55.8 million, an increase of 3.1% over 1994.

During 1995, the Company repurchased 1.3 million common shares under its share repurchase program. These repurchases are reflected in the reduction of weighted average common shares outstanding from 27.8 million common shares in 1994 to 27.0 million common shares in 1995.

Earnings per common share from continuing operations of \$2.00 for 1995

increased \$.05, or 2.6%, from \$1.95 in 1994. Without the one-time after-tax charge of \$1.8 million to cover the costs of closing the Company's executive offices in Illinois, earnings per common share from continuing operations were \$2.07, a 6.2% increase over 1994.

The net assets of CMW and Eureka were sold during November and December 1994. The sale of the GENDEX Medical business, the last remaining unit of the discontinued medical segment, occurred in the first quarter of 1996. Net sales of this business were \$18.9 million in 1995.

Results of Operations, 1994 Compared to 1993

Net sales increased \$21.0 million, or 4.2%, from \$503.8 million in 1993 to \$524.8 million in 1994. The increase was primarily in Europe and certain other international markets. Sales in the United States were flat mainly due to lower shipments of dental handpieces than in 1993 when shipments reflected the reduction of extraordinarily large backorders. Sales in 1994 were also adversely affected by the disposition of the Valiant(Registered Trademark) product line, removal of certain products which were distributed but not manufactured by the Company and currency translation adjustments on foreign subsidiary sales in Brazil.

Gross profit increased \$11.6 million, or 4.7%, due primarily to higher net sales. For the year, gross profit as a percentage of net sales increased slightly from 48.8% in 1993 to 49.1% in 1994.

Selling, general and administrative expenses decreased \$11.8 million, or 6.9%, (from 34.2% to 30.6% of net sales) largely due to the 1993 expenses related to the Merger, the write-off of uncollectible receivables from Healthco International, a major dental supply dealer which filed for protection from creditors under Chapter 11 of the Federal Bankruptcy laws in June 1993, costs associated with certain litigation and severance costs incurred for 94 supervisory and administrative personnel (the "unusual or non-recurring charges"). As a percentage of net sales, selling, general and administrative expenses (excluding the unusual or non-recurring charges) remained at 30.6%.

Discretionary ESOP contributions were \$4.4 million for 1993. The Company has not made discretionary ESOP contributions since May 31, 1993 and has no plans to make such contributions in the future.

The decrease in net interest expense of \$13.9 million was primarily due to the prepayment in January 1994 of the Company's Secured Notes with principal amount of \$85.0 million from the proceeds of a public offering of the Company's common stock completed in December 1993. Other income of \$.7 million in 1994 compares to \$2.1 million of other income in 1993 primarily due to the gain on the sale of the Valiant(Registered Trademark) product line in 1993 partially offset by significantly reduced exchange losses during 1994 in Brazil.

Income from continuing operations before income taxes increased \$40.3 million, or 78.4%, to \$91.7 million in 1994. Excluding the 1993 unusual or non-recurring charges and final discretionary contributions to the ESOP, income from continuing operations before income taxes increased \$18.5 million, or 25.3%, primarily due to increased sales and lower interest expense.

The Company's effective tax rate on income from continuing operations before income taxes decreased from 50.1% in 1993 to 40.9% in 1994 due mainly to non-deductible 1993 Merger expenses and higher taxes, net of U.S.

tax credits, on foreign earnings repatriated in 1993.

For 1994, income from continuing operations increased \$29.0 million. If the unusual or non-recurring charges and final discretionary contributions to the ESOP are excluded, income from continuing operations increased \$12.5 million, or 30.0%. Earnings per common share from continuing operations increased \$.93 from 1993. If the unusual or non-recurring charges and final discretionary contributions to the ESOP are excluded, earnings per common share from continuing operations increased \$.26, or 15.4%.

In 1994, the Company recorded a gain of \$6.5 million (net of income taxes of \$5.5 million), or \$.23 per common share, for the disposal of the medical business. Net sales from the discontinued medical business for 1994 were \$48.6 million, a decrease of \$.2 million, or .4%, from net sales of \$48.8 million in 1993. Income from the operation of the discontinued medical business was \$1.3 million for 1994, a decrease of \$1.6 million from 1993. The decrease was primarily due to an unfavorable sales mix of medical x-ray tubes and less than a full year's sales and income in 1994 for the businesses sold. Earnings per common share from operation of the discontinued medical business was \$.05 for 1994 compared to \$.12 for 1993.

In 1993, the Company recorded an extraordinary loss of \$14.0 million (\$20.3 million before income tax benefit of \$6.3 million), or \$.57 per common share, related to the early retirement of high interest rate debt.

Earnings per common share increased \$1.66 from \$.57 in 1993 to \$2.23 in 1994 as a result of the items discussed previously. Weighted average common shares outstanding increased by 3.2 million, or 13.0%, from 24.6 million in 1993 to 27.8 million in 1994 mainly due to a public offering of the Company's common stock completed in December 1993.

Foreign Currency - - - - -

Since approximately 44% of the Company's revenues have been generated in currencies other than the U.S. dollar, the value of the U.S. dollar in relation to those currencies affects the results of operations of the Company. The impact of currency fluctuations in any given period can be favorable or unfavorable. The impact of foreign currency fluctuations of European currencies on operating income is offset to a significant extent by sales in the U.S. of products sourced from plants and third party suppliers located overseas, principally in Germany and Switzerland. The Company carefully considers the impact of currency fluctuations in its business decisions.

Liquidity and Capital Resources - - - - -

In March 1995, the Company purchased the outstanding capital stock of KV33 Corporation ("KV33") in a cash transaction for \$11.5 million. KV33 designs, develops, manufactures, and markets disposable articulators for the dental laboratory market, and is the leading manufacturer and distributor of disposable articulators in the United States.

In June 1995, the Company acquired approximately 96% of the outstanding capital stock of Maillefer in a cash transaction for \$65.8 million. Maillefer is the world's leading manufacturer and distributor of endodontic instruments. Based in Ballaigues, Switzerland, Maillefer's product offerings include endodontic broaches, files, burs, pins and post

systems, and a variety of other instruments and accessory products. Maillefer products have achieved a world class reputation for high quality through continuous new, innovative research and development and state-of-the-art manufacturing processes.

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

Under its Bank Revolving Loan Facility, the Company is able to borrow up to \$175.0 million on an unsecured basis through December 23, 1999. The Revolving Credit Agreement contains various financial and other covenants. Under its Bank Multicurrency Revolving Credit Facility, the Company is able to borrow up to \$25.0 million for foreign working capital purposes on an unsecured basis through August 31, 1997. In addition, the Company had unused lines of credit for short-term financing of \$63.0 million at December 31, 1995.

Investment activities for 1995 included capital expenditures of \$17.6 million.

During 1995, the Company repurchased 1.3 million shares of its common stock for \$42.7 million, in accordance with the share repurchase program authorized by the Board of Directors in December 1994. This authorization to repurchase shares expired on December 31, 1995. In December 1995, the Board of Directors authorized the repurchase of up to 2.8 million additional shares of common stock on the open market or in negotiated transactions. The timing and amounts of any additional purchases will depend upon many factors, including market conditions and the Company's business and financial condition.

Excluding the net assets of discontinued operations, at December 31, 1995, the Company's current ratio was 2.0 with working capital of \$122.7 million. This compares with a current ratio of 2.0 and working capital of \$92.2 million at December 31, 1994.

The Company expects to be able to finance its cash requirements, including capital expenditures, stock repurchases, debt service and the acquisition of the dental manufacturing and distribution operations of Tulsa Dental Instruments L.L.C., from funds generated from operations and amounts available under its Bank Revolving Loan Facility.

Cash flows from operating activities were \$67.5 million for 1995 compared to \$63.8 million for 1994.

Impact of Inflation -----

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

Management's Financial Responsibility

The management of DENTSPLY International Inc. is responsible for the contents of the consolidated financial statements. The consolidated financial statements were prepared in conformity with generally accepted accounting principles applied on a consistent basis and were based in part on reasonable estimates, giving due consideration to materiality. Financial information appearing elsewhere in this Annual Report is consistent with that in the consolidated financial statements.

The Company maintains a system of internal accounting controls which, in the opinion of management, provides reasonable assurance as to the integrity and reliability of the financial records and the protection of assets. The internal accounting control system is supported by written policies and procedures and its effectiveness is monitored. Management operates the Company in compliance with its written Code of Business Conduct.

The Audit Committee of the Board of Directors is composed entirely of outside directors who meet periodically with management and our independent auditors, KPMG Peat Marwick LLP. The Audit Committee reviews the financial controls and reporting practices and generally monitors the accounting affairs of the Company. Also, the Audit Committee recommends to the stockholders the appointment of the independent auditors.

John C. Miles II
President and Chief
Executive Officer

Edward D. Yates
Senior Vice President and
Chief Financial Officer

Independent Auditors' Report

The Board of Directors and Stockholders
DENTSPLY International Inc.

We have audited the consolidated financial statements of DENTSPLY International Inc. and subsidiaries as listed in the accompanying index on page 23. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule as listed in the accompanying index on page 24. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DENTSPLY International Inc. and subsidiaries as of December 31, 1995 and 1994, and the results of their operations and cash flows for each of the years in the three-year period ended December 31, 1995, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedule when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

KPMG PEAT MARWICK LLP

Philadelphia, Pennsylvania
January 26, 1996

DENTSPLY International Inc.
and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	1995	1994	1993

	(in thousands, except per share amounts)		
Net sales	\$572,028	\$524,758	\$503,820
Cost of products sold	291,176	267,034	257,707

Gross profit	280,852	257,724	246,113

Selling, general and administrative expenses	180,117	160,324	172,147

Operating income from continuing operations before discretionary ESOP contributions	100,735	97,400	73,966

Other costs and expenses:			
Discretionary ESOP contributions	---	---	4,361
Interest expense	9,144	7,999	20,752
Interest income	(1,265)	(1,527)	(370)
Other (income) expense, net	2,839	(734)	(2,119)

Income from continuing operations before income taxes	90,017	91,662	51,342

Provision for income taxes	36,054	37,518	26,197

Income from continuing operations	53,963	54,144	25,145

Discontinued operations:			
Income from the operation of discontinued Medical business (net of income taxes of \$.6 million in 1994 and \$1.6 million in 1993)	---	1,311	2,925

Gain on disposal of Medical business, including provision of \$.5 million for operating losses during phase-out period (net of income taxes of \$5.5 million)	---	6,543	---

Income from discontinued operations	---	7,854	2,925

Income before extraordinary item	53,963	61,998	28,070

Extraordinary loss related to early extinguishment of debt (net of income tax benefit of \$6.3 million)	---	---	14,018

Net income	\$ 53,963	\$ 61,998	\$ 14,052
	=====		

The accompanying Notes are an integral part of these Financial Statements.

DENTSPLY International Inc.
and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	1995	1994	1993

	(in thousands, except per share amounts)		
Earnings per common share:			
Income from continuing operations	\$ 2.00	\$ 1.95	\$ 1.02
Income from the operation of discontinued Medical business	--	.05	.12
Gain on disposal of Medical business	--	.23	--
	-----	-----	-----
Income before extraordinary item	2.00	2.23	1.14
Extraordinary item	--	--	(.57)
	-----	-----	-----
Net income	\$ 2.00	\$ 2.23	\$.57
	=====	=====	=====
Dividends per common share	\$.3075	\$.15	\$ ---
Weighted average common shares outstanding	27,012	27,776	24,598

The accompanying Notes are an integral part of these Financial Statements.

DENTSPLY International Inc.
and Subsidiaries

CONSOLIDATED BALANCE SHEETS
December 31,

	----- 1995	1994 -----
Assets		
Current assets:		
	(in thousands)	
Cash and cash equivalents	\$ 3,974	\$ 7,278
Accounts and notes receivable - trade, net	93,315	78,771
Inventories	125,704	88,899
Deferred income taxes	12,836	5,710
Prepaid expenses and other current assets	10,527	8,410
Net assets of discontinued operations	5,870	7,632
	-----	-----
Total Current Assets	252,226	196,700
Property, plant and equipment, net	140,101	91,140
Other noncurrent assets, net	16,989	10,214
Identifiable intangible assets, net	39,282	35,532
Costs in excess of fair value of net assets acquired, net	149,127	140,976
	-----	-----
Total Assets	\$597,725	\$474,562
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable and current portion of long-term debt	\$ 7,616	\$ 9,150
Accounts payable	31,785	25,488
Accrued liabilities	46,571	34,647
Income taxes payable	26,477	27,482
Current portion of deferred income taxes	11,201	95
	-----	-----
Total Current Liabilities	123,650	96,862
Long-term debt	68,675	12,789
Other liabilities	47,104	40,854
Deferred income taxes	38,942	24,720
	-----	-----
Total Liabilities	278,371	175,225
	-----	-----
Minority interests in consolidated subsidiary	3,432	---
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value; .25 million shares authorized; no shares issued	---	---
Common stock, \$.01 par value; 100 million shares authorized; 27.1 million and 27.8 million shares issued at December 31, 1995 and 1994, respectively	271	278
Capital in excess of par value	149,999	182,087
Retained earnings	179,231	133,531
Cumulative translation adjustment	3,234	198
Employee stock ownership plan reserve	(12,536)	(14,055)
Treasury stock, at cost, .1 million shares at December 31, 1995 and 1994	(4,277)	(2,702)
	-----	-----
Total Stockholders' Equity	315,922	299,337
	-----	-----
Total Liabilities and Stockholders' Equity	\$597,725	\$474,562
	=====	=====

The accompanying Notes are an integral part of these Financial Statements.

DENTSPLY International Inc.
and Subsidiaries
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Cumulative Translation Adjustment	ESOP Reserve	Treasury Stock	Total Stockholders' Equity
	(in thousands)						
Balance at December 31, 1992	\$ 245	\$ 58,226	\$ 61,650	\$ (399)	\$(19,414)	\$ (23)	\$100,285
Issuance of 3.1 million shares of common stock, net of issuance costs	31	115,030	---	---	---	---	115,061
Stock held in escrow for a former employee	---	2,840	---	---	---	---	2,840
Cash paid for fractional shares	---	(3)	---	---	---	---	(3)
Transactions of pooled company prior to merger (A)	---	(713)	---	---	---	---	(713)
Exercise of stock options	1	1,896	---	---	---	---	1,897
Tax benefit related to stock options exercised	---	1,732	---	---	---	---	1,732
Amortization of compensatory stock options	---	394	---	---	---	---	394
Translation adjustment	---	---	---	(2,839)	---	---	(2,839)
Net change in ESOP reserve	---	---	---	---	3,691	---	3,691
Net income	---	---	14,052	---	---	---	14,052
Balance at December 31, 1993	277	179,402	75,702	(3,238)	(15,723)	(23)	236,397
Exercise of stock options	1	749	---	---	---	---	750
Tax benefit related to stock options exercised	---	1,858	---	---	---	---	1,858
Repurchase of .1 million shares of common stock	---	---	---	---	---	(2,679)	(2,679)
Cash dividends declared, \$.15 per common share	---	---	(4,169)	---	---	---	(4,169)
Compensatory stock options granted	---	78	---	---	---	---	78
Translation adjustment	---	---	---	3,436	---	---	3,436
Net change in ESOP reserve	---	---	---	---	1,668	---	1,668
Net income	---	---	61,998	---	---	---	61,998
Balance at December 31, 1994	278	182,087	133,531	198	(14,055)	(2,702)	299,337

The accompanying Notes are an integral part of these Financial Statements.

DENTSPLY International Inc.
and Subsidiaries
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Cumulative Translation Adjustment	ESOP Reserve	Treasury Stock	Total Stockholders' Equity
	(in thousands)						
Balance at December 31, 1994	278	182,087	133,531	198	(14,055)	(2,702)	299,337
Exercise of stock options and warrants	2	(4,850)	---	---	---	9,100	4,252
Tax benefit related to stock options and warrants exercised	---	4,781	---	---	---	---	4,781
Repurchase of 1.3 million shares of common stock	---	---	---	---	---	(42,703)	(42,703)
Cash dividends declared, \$.3075 per common share	---	---	(8,263)	---	---	---	(8,263)
Cancellation of .9 million shares of treasury stock	(9)	(32,019)	---	---	---	32,028	---
Translation adjustment	---	---	---	3,036	---	---	3,036
Net change in ESOP reserve	---	---	---	---	1,519	---	1,519
Net income	---	---	53,963	---	---	---	53,963
Balance at December 31, 1995	\$ 271	\$149,999	\$179,231	\$ 3,234	\$(12,536)	\$ (4,277)	\$315,922
	=====	=====	=====	=====	=====	=====	=====
Transactions of pooled company prior to merger:	(A)						
	1993						

Proceeds from sale of common stock	\$ 591						
Repurchases of common stock	(1,271)						
Compensatory stock options cancelled	(33)						

	\$ (713)						
	=====						

The accompanying Notes are an integral part of these Financial Statements.

DENTSPLY International Inc.
and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	1995	1994	1993
Cash flows from operating activities:	----- (in thousands) -----		
Net income	\$ 53,963	\$ 61,998	\$ 14,052
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on disposal of Medical business, before income taxes	---	(12,061)	---
Extraordinary loss related to early extinguishment of debt, before income tax benefit	---	---	20,347
Depreciation and amortization	21,488	20,027	19,753
Deferred income taxes associated with continuing operations	(1,211)	9,404	(3,821)
Deferred income taxes associated with discontinued operations	(481)	(5,181)	---
Other non-cash transactions	668	(27)	2,037
Gain on sale of product line	---	---	(2,953)
Loss on disposal of property, plant and equipment	1,027	23	297
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures of businesses and effects of exchange:			
Accounts and notes receivable-trade, net	(1,893)	(13,308)	(2,856)
Inventories	(8,233)	(7,020)	(232)
Prepaid expenses and other current assets	(775)	4,555	(433)
Other noncurrent assets	225	(580)	(741)
Accounts payable	2,372	(4,514)	(8,222)
Accrued liabilities	(51)	638	(3,909)
Income taxes payable	(2,971)	8,971	(2,911)
Other liabilities	3,388	882	(1,439)
Net cash provided by operating activities	----- 67,516 -----	----- 63,807 -----	----- 28,969 -----

The accompanying Notes are an integral part of these Financial Statements.

DENTSPLY International Inc.
and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	1995	1994	1993
Cash flows from investing activities:	(in thousands)		
Proceeds from disposal of Medical business	3,260	44,244	---
Proceeds from sale of product line, net	---	---	3,104
Proceeds from sale of property, plant and equipment, net	2,443	192	46
Capital expenditures	(17,633)	(13,766)	(10,844)
Expenditures for identifiable intangible assets	(60)	(20)	(3,751)
Acquisitions of businesses	(73,407)	---	(1,350)
Other direct costs of acquisition and divestiture activities	(512)	(561)	(41)
Deferred start-up costs	---	(81)	(859)
Net cash provided by (used in) investing activities	(85,909)	30,008	(13,695)

The accompanying Notes are an integral part of these Financial Statements.

DENTSPLY International Inc.
and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	1995	1994	1993
Cash flows from financing activities:	(in thousands)		
Proceeds from sale of common stock, including tax benefit of stock options exercised	9,034	2,608	119,282
Cash paid for treasury stock	(42,703)	(2,679)	(1,274)
Dividends paid	(8,123)	(2,085)	---
Increase (decrease) in bank overdrafts	1,580	(1,738)	3,270
Proceeds from long-term borrowings, net of deferred financing costs	123,635	89,272	25,543
Payments on long-term borrowings	(70,915)	(195,568)	(144,587)
Increase (decrease) in short-term borrowings	(28)	5,456	(4,660)
Decrease in employee stock ownership plan reserve, excluding accrued contributions	1,519	1,668	3,692
Net cash provided by (used in) financing activities	13,999	(103,066)	1,266
Effect of exchange rate changes on cash and cash equivalents	1,090	(1,455)	(2,077)
Net increase (decrease) in cash and cash equivalents	(3,304)	(10,706)	14,463
Cash and cash equivalents at beginning of period	7,278	17,984	3,521
Cash and cash equivalents at end of period	\$ 3,974	\$ 7,278	\$ 17,984

The accompanying Notes are an integral part of these Financial Statements.

DENTSPLY International Inc.
and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	1995	1994	1993

Supplemental disclosures of cash flow information:	(in thousands)		
Interest paid	\$ 6,243	\$ 6,766	\$ 18,807
Income taxes paid	35,573	26,136	28,255
Non-cash transaction:			
Accrued prepayment penalty	---	---	18,456

In March 1995, the Company purchased all of the capital stock of KV33 Corporation ("KV33") for \$11.5 million. In June 1995, the Company purchased approximately 96% of the capital stock of Maillefer Instruments, S.A. ("Maillefer") for \$65.8 million. In August 1995, the Company purchased the assets of Dunvale Corporation ("Dunvale") for \$1.8 million. In conjunction with the acquisitions, liabilities were assumed as follows:

	KV33	Maillefer	Dunvale
	-----	-----	-----
	(in thousands)		
Fair value of assets acquired	\$ 14,329	\$ 97,188	\$ 1,982
Cash paid for assets or capital stock	(11,450)	(65,798)	(1,839)
	-----	-----	-----
Liabilities assumed	\$ 2,879	\$ 31,390	\$ 143
	=====	=====	=====

The accompanying Notes are an integral part of these Financial Statements.

DENTSPLY International Inc.
and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Description of Business

DENTSPLY (the "Company") designs, develops, manufactures and markets a broad range of products for the dental market. The Company believes that it is the world's leading manufacturer and distributor of artificial teeth, endodontic instruments and materials, impression materials, prophylaxis paste, dental sealants, ultrasonic scalers, and crown and bridge materials; the leading United States manufacturer and distributor of dental x-ray equipment, dental handpieces, dental x-ray film holders and film mounts, and a leading United States distributor of dental cutting instruments and dental implants. The Company distributes its dental products in over 100 countries under some of the most well-established brand names in the industry and is committed to the development of innovative, high quality, cost-effective new products for the dental market.

Basis of Presentation

During 1994, the Company adopted a formal plan to dispose of its Medical segment. Accordingly, the results of discontinued operations and the gain on disposal thereof have been reported separately from the continuing operations of the Company (See Note 3 - Discontinued Operations).

On June 11, 1993, Dentsply International Inc. ("Old Dentsply") merged (the "Merger") with and into GENDEX Corporation ("GENDEX"), which was the surviving corporation in the Merger, pursuant to an Agreement and Plan of Merger dated February 8, 1993, by and between Old Dentsply and GENDEX (See Note 4 - Merger). The transaction was accounted for as a pooling-of-interests for financial reporting purposes. Upon effectiveness of the Merger, GENDEX changed its name to DENTSPLY International Inc.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all significant subsidiaries. Intercompany accounts and transactions are eliminated. Minority interests in net income of a consolidated subsidiary is not material and is included in other (income) expense, net.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts and Notes Receivable-Trade

The Company sells dental equipment and supplies primarily through a worldwide network of distributors, although certain product lines are sold directly to the end user. Revenue is recognized when products are shipped. For customers on credit terms, the Company performs ongoing credit evaluation of those customers' financial condition and generally does not require collateral from them. Accounts and notes receivable-trade are stated net of an allowance for doubtful accounts of \$2.3 million and \$1.7 million at December 31, 1995 and 1994, respectively.

Inventories

Inventories are stated at the lower of cost or market. At December 31, 1995 and 1994, the cost of \$10.6 million, or 8%, and \$10.2 million, or 11%, 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 method.

Property, Plant and Equipment

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

Identifiable Intangible Assets

Identifiable intangible assets include patents, trademarks and non-compete covenants, licensing agreements, distributor networks and product manufacturing rights which are amortized on a straight-line basis over their estimated useful lives, ranging from 5 to 40 years. Identifiable intangible assets are stated net of accumulated amortization of \$22.5 million and \$17.8 million at December 31, 1995 and 1994, respectively. Identifiable intangible assets are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable. Impairment is determined by using identifiable undiscounted cash flows.

Costs in Excess of Fair Value of Net Assets Acquired

The excess of costs of acquired companies and product lines over the fair value of net assets acquired (goodwill) is being amortized on a straight-line basis over 25 to 40 years. Costs in excess of the fair value of net assets acquired are stated net of accumulated amortization of \$20.0 million and \$15.3

million at December 31, 1995 and 1994, respectively. Costs in excess of fair value of net assets acquired are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable. Impairment is determined by using identifiable undiscounted cash flows.

Accounting for Long-Lived Assets

In June 1995, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets for Long-Lived Assets to Be Disposed Of ("Statement 121"), which requires companies to review long-lived assets and certain identifiable intangibles to be held, used or disposed of for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. The Company is required to adopt Statement 121 for 1996. The Company believes the adoption of Statement 121 will not have a significant effect on its financial statements.

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. The fair values of financial instruments approximate their recorded values.

Derivatives

The Company's only involvement with derivative financial instruments is forward contracts to hedge assets and liabilities denominated in foreign currencies.

Foreign Exchange Risk Management

The Company routinely enters into forward foreign exchange contracts to selectively hedge assets and liabilities denominated in foreign currencies. Market value gains and losses are recognized in income currently and the resulting gains or losses offset foreign exchange gains or losses recognized on the foreign currency assets and liabilities hedged. Determination of hedge activity is based upon market conditions, the magnitude of the foreign currency assets and liabilities and perceived risks. As of December 31, 1995, the Company had contracts outstanding for the purchase of approximately \$4.4 million of Swiss francs. At December 31, 1994, the Company had contracts outstanding for the purchase of approximately \$8.1 million of pounds sterling. These foreign exchange contracts generally have maturities of less than six months and counterparties to the transactions are typically large international financial institutions.

Foreign Currency Translation

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

Assets and liabilities of foreign subsidiaries are translated at exchange rates on the balance sheet date; revenue and expenses are translated at the average year-to-date rates of exchange. The effects of these translation adjustments are reported in a separate component of stockholders' equity. Exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved and translation adjustments in countries with highly inflationary economies are included in income.

Exchange gains of \$.2 million in 1995, and losses of \$.5 million in 1994 and \$1.6 million in 1993 are included in other (income) expense, net. The exchange losses in 1994 and 1993 resulted primarily from currency translation adjustments in Brazil.

Research and Development Costs

Research and development costs are charged to expense as incurred and are included in selling, general and administrative expenses. Research and development costs amounted to approximately \$12.3 million, \$10.9 million and \$10.3 million for 1995, 1994 and 1993, respectively.

Stock Based Compensation

In October 1995, the FASB issued Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("Statement 123"). Statement 123 presents companies with the alternative of retaining the current accounting for stock based compensation or adopting a new accounting method based on the estimated fair value of equity instruments granted during the year. Companies that do not adopt the fair value based method of accounting will be required to adopt the disclosure provisions of Statement 123 for the year ending December 31, 1996. The Company expects to continue applying its current accounting principles and in 1996 will present the required footnote disclosures.

Earnings per Common Share

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

In December 1993, the Company issued common stock in a public offering, the proceeds of which were used to retire debt. If the transaction had taken place on January 1, 1993, earnings per common share would have been as follows:

	Income Before Extraordinary Item	Extraordinary Item	Net Income
	(in thousands, except per share amounts)		
Income as reported	\$ 28,070	\$ (14,018)	\$ 14,052
Pro forma interest savings	6,885	---	6,885
Amortization of deferred financing	439	(439)	---
Increase in prepayment penalty	---	(3,849)	(3,849)
Pro forma net income	\$ 35,394	\$ (18,306)	\$ 17,088
	=====	=====	=====
Pro forma average common shares outstanding	27,607	27,607	27,607
Earnings per common share	\$1.28	\$(.66)	\$.62

NOTE 2 - BUSINESS ACQUISITIONS AND DIVESTITURES

In March 1995, the Company purchased all of the outstanding capital stock of KV33 Corporation ("KV33") in a cash transaction valued at \$11.5 million. The acquisition was accounted for under the purchase method of accounting and the results of KV33's operations have been included in the accompanying financial statements since the date of acquisition. The excess (\$10.2 million) of acquisition cost over the fair value of net assets acquired is being amortized over 25 years. Pro forma information has been omitted due to immateriality.

In June 1995, the Company purchased approximately 96% of the outstanding capital stock of Maillefer Instruments S.A. ("Maillefer") from Maillefer stockholders for SFR11,000 per share in a cash transaction valued at approximately \$65.8 million. Based in Switzerland, Maillefer is a manufacturer and distributor of principally endodontic instruments.

The acquisition was accounted for under the purchase method of accounting and the results of Maillefer's operations have been included in the accompanying financial statements since the date of acquisition. The aggregate purchase price of \$65.8 million plus direct acquisition costs has been allocated on the basis of estimates of the fair values of assets acquired and liabilities assumed, which will be finalized in 1996. Since the estimated fair value of net assets acquired exceeded the purchase price by approximately \$19.7 million, the values otherwise assignable to noncurrent assets acquired have been reduced by a proportionate part of the excess.

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

	Year Ended December 31,	
	1995	1994
Net sales	\$590,051	\$559,188
Income from continuing operations	57,106	56,447
Earnings per common share from continuing operations	2.11	2.03

The pro forma information does not purport to be indicative of the results that actually would have been obtained had the operations been combined during the periods presented. The difference of \$.11 per common share between actual and pro forma results in 1995 is primarily due to the inclusion in the pro forma results of Maillefer operations prior to the June acquisition and differences in the period in which the effects of purchase price accounting are recognized.

In August 1995, the Company purchased the assets of Dunvale Corporation ("Dunvale") in a cash transaction valued at \$1.8 million. The acquisition was accounted for under the purchase method of accounting and the results of Dunvale's operations have been included in the accompanying financial statements since the date of acquisition. The excess (\$1.5 million) of acquisition cost over the fair value of net assets acquired is being amortized over 25 years. Proforma information has been omitted due to immateriality.

In September 1995, the Company announced the signing of a Letter of Intent to purchase the dental manufacturing and distribution operations of Tulsa Dental Instruments LLC for \$75 million in cash and an earn-out provision based on the operating performance of the acquired business. The transaction was consummated in January 1996.

In December 1993, the Company sold the rights to the VALIANT[registered trademark] trademark in the United States and Canada along with certain production assets for \$3.1 million. Sales for the VALIANT[registered trademark] product line in the United States and Canada for 1993 were \$4.4 million.

NOTE 3 - DISCONTINUED OPERATIONS

In October 1994, the Company announced its strategic decision to discontinue the operations comprising its medical business. The medical operations included the Eureka X-Ray Tube Corp. (Eureka), GENDEX Medical and CMW business units which manufacture medical x-ray tubes, medical x-ray systems and orthopedic bone cement, respectively. The net assets of CMW were sold in November 1994 and substantially all of the net assets of Eureka were sold in two transactions in November and December 1994, for a total of \$44.5 million. The \$12.0 million gain on disposal, before applicable income taxes, included a provision of \$.5 million for estimated operating losses to be incurred during the phase-out period of the GENDEX Medical business unit.

Sales from these operations were \$18.9 million, \$48.6 million and \$48.8 million for 1995, 1994 and 1993, respectively. Certain expenses have been allocated to discontinued operations, including interest expense, which was allocated based on the ratio of net assets discontinued to the total net assets of the consolidated entity.

The components of net assets of discontinued operations included in the Consolidated Balance Sheets at December 31, 1995 and 1994 were:

	December 31,	
	----- 1995	1994 -----
	(in thousands)	
Accounts and notes receivable-trade, net	\$ 2,105	\$ 4,650
Inventories	6,550	6,312
Deferred income taxes	4,611	4,130
Prepaid expenses and other current assets	174	1,848
Property, plant and equipment, net	2,644	3,899
Other noncurrent assets, net	2,331	1,298
Costs in excess of fair value of net assets acquired, net	3,348	3,448
Accounts payable	(1,106)	(2,649)
Accrued liabilities	(9,043)	(8,623)
Other liabilities	(5,744)	(6,681)
	-----	-----
	\$ 5,870	\$ 7,632
	=====	=====

The sale of the remaining operations comprising the medical business was completed in the first quarter of 1996.

NOTE 4 - MERGER

On June 11, 1993, Old Dentsply merged with and into GENDEX, which was the surviving corporation in the Merger, pursuant to an Agreement and Plan of Merger dated February 8, 1993 by and between Old Dentsply and GENDEX. Upon effectiveness of the Merger, GENDEX changed its name to DENTSPLY International Inc. and changed its fiscal year end to December 31 from March 31. In the Merger, the stockholders of Old Dentsply received 14.4 million shares of GENDEX common stock in exchange for all the outstanding shares of Old Dentsply common stock. The transaction was accounted for as a pooling-of-interests for financial reporting purposes.

In connection with the Merger, the Company recorded after-tax charges of \$7.9 million during 1993. The Merger costs included expenses incurred to consummate the transactions such as investment banking, legal fees and accounting fees.

NOTE 5 - INDUSTRY SEGMENT AND GEOGRAPHIC INFORMATION

The Company's continuing operations are conducted primarily in one industry segment as a designer, manufacturer and distributor of dental equipment and supplies.

The Company's operations are structured to achieve consolidated objectives. As a result, significant interdependencies exist among the Company's operations in different geographic areas. Intercompany sales of manufacturing materials between areas are at prices which, in general, provide a reasonable profit after coverage of all manufacturing costs. Intercompany sales of finished goods are at prices intended to provide a reasonable profit for purchasing locations after coverage of marketing and general and administrative costs.

Operating income (loss) from continuing operations before discretionary ESOP contributions consists of net sales less related costs, direct operating expenses and intercompany royalties allocated from Corporate for use of patents and trademarks owned by the Company. In 1993, operating income (loss) from continuing operations before discretionary ESOP contributions for Corporate included \$8.2 million of costs associated with the Merger. Assets by geographic area are those used in the operations in the geographic area.

The following table sets forth information about the Company's continuing operations in different geographic areas for 1995, 1994 and 1993:

	United States	Europe	Other	Corporate	Adjustments/ Eliminations	Total
	-----	-----	-----	-----	-----	-----
1995						
- - - - -						
Net sales:						
Customers	\$322,929	\$174,139	\$ 74,960	\$ ---	\$ ---	\$572,028
Intercompany	46,613	13,680	4,822	---	(65,115)	---
	-----	-----	-----	-----	-----	-----
Total net sales	369,542	187,819	79,782	---	(65,115)	572,028
Operating income (loss) from continuing operations before discretionary ESOP contributions	86,315	26,015	434	(10,703)	(1,326)	100,735
Assets	319,429	258,723	43,631	128,823	(158,751)	591,855
1994						
- - - - -						
Net sales:						
Customers	\$317,492	\$136,505	\$ 70,761	\$ ---	\$ ---	\$524,758
Intercompany	41,653	7,085	4,130	---	(52,868)	---
	-----	-----	-----	-----	-----	-----
Total net sales	359,145	143,590	74,891	---	(52,868)	524,758
Operating income (loss) from continuing operations before discretionary ESOP contributions	88,204	15,200	3,133	(9,948)	811	97,400
Assets	287,364	162,365	39,400	110,802	(133,001)	466,930

	United States	Europe	Other	Corporate	Adjustments/ Eliminations	Total
	-----	-----	-----	-----	-----	-----
1993						
				(in thousands)		
Net sales:						
Customers	\$317,940	\$118,680	\$ 67,200	\$ ---	\$ ---	\$503,820
Intercompany	42,007	5,899	2,895	---	(50,801)	---
	-----	-----	-----	-----	-----	-----
Total net sales	359,947	124,579	70,095	---	(50,801)	503,820
Operating income (loss) from continuing operations before discretionary ESOP contributions	77,575	11,044	6,052	(20,227)	(478)	73,966
Assets	289,889	142,014	35,305	152,749	(153,170)	466,787

Third party export sales from the United States are less than ten percent of total sales. In 1995, no customer accounted for 10% or more of net sales. One customer accounted for approximately 11% and 10% of net sales in 1994 and 1993, respectively.

NOTE 6 - INVENTORIES

Inventories consist of the following:

	December 31,	
	1995	1994
	(in thousands)	
Finished goods	\$ 70,677	\$ 46,765
Work-in-process	26,440	19,238
Raw materials and supplies	28,587	22,896
	\$125,704	\$ 88,899
	=====	=====

Pre-tax income was \$.2 million lower in 1995, \$1.2 million lower in 1994 and \$.6 million higher in 1993 as a result of using the LIFO method as compared to using the FIFO method. If the FIFO method had been used to determine the cost of LIFO inventories, the amounts at which net inventories are stated would be lower than reported at December 31, 1995 and 1994 by \$2.0 million and \$2.2 million, respectively.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	December 31,	
	1995	1994
	(in thousands)	
Assets, at cost:		
Land	\$ 17,395	\$ 16,130
Buildings and improvements	67,903	41,420
Machinery and equipment	88,417	61,103
Construction in progress	9,039	5,244
	182,754	123,897
Less: Accumulated depreciation	42,653	32,757
	\$140,101	\$ 91,140
	=====	=====

NOTE 8 - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31,	
	1995	1994
	(in thousands)	
Payroll, commissions, bonuses and other cash compensation	\$ 10,441	\$ 10,042
Employee benefits	6,947	6,931
Other	29,183	17,674
	\$ 46,571	\$ 34,647
	=====	=====

NOTE 9 - FINANCING ARRANGEMENTS

Short-Term Borrowings

Short-term bank borrowings amounted to \$7.6 million and \$9.1 million at December 31, 1995 and 1994, respectively. Unused lines of credit for short-term financing at December 31, 1995 and 1994 were \$63.0 million and \$59.4 million, respectively. Substantially all unused lines of credit have no major restrictions and are renewable annually. Interest is charged on borrowings under these lines of credit at various rates, generally under prime or equivalent money rates.

Long-Term Borrowings

	December 31,	
	1995	1994
	(in thousands)	
\$175.0 million bank revolving loan facility maturing December 23, 1999	\$ ---	\$ 10,000
\$60.0 million bank term loan maturing December 23, 1999, Swiss Francs 45.9 million and Pounds Sterling 12.5 million outstanding at December 31, 1995, bearing interest at a weighted average of 2.4% for Swiss Franc borrowings and 6.9% for Pounds Sterling borrowings	59,172	---
\$25.0 million bank multicurrency revolving credit facility maturing August 31, 1997, various currencies outstanding at December 31, 1995, bearing interest at a weighted average of 9.1%	9,496	2,771
Other borrowings, various currencies and rates	7	71
	-----	-----
	68,675	12,842
Less: Current portion (included in notes payable and current portion of long-term debt)	---	53
	-----	-----
	\$ 68,675	\$ 12,789
	=====	=====

The bank revolving credit agreement contains certain affirmative and negative covenants as to the operations and financial condition of the Company, the most restrictive of which pertain to asset dispositions, maintenance of certain levels of net worth, and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. The Company pays a facility fee of .10 percent annually on the entire amount of the commitment. Interest rates on amounts borrowed under the facility will depend on the maturity of the borrowing, the interest rate option selected, and, in the event of a LIBOR borrowing, the ratio of interest expense to operating income.

The bank term loan and the bank multicurrency revolving credit facility contain affirmative and negative covenants as to the operations and financial condition of the Company, which are substantially equivalent to those in the bank revolving credit agreement. The Company pays a facility fee of .10 percent annually on the entire amount of the bank multicurrency revolving credit facility commitment.

In 1993 the Company recorded an extraordinary loss of \$14.0 million (\$20.3 million before income tax benefit) or \$.57 per common share for the early retirement of debt. The extraordinary loss consisted primarily of a prepayment premium on \$85.0 million of Secured Notes.

NOTE 10 - OTHER LIABILITIES

Other liabilities consist of the following:

	December 31,	
	1995	1994
	(in thousands)	
Pension	\$ 30,635	\$ 26,479
Medical and other postretirement benefits	10,729	10,009
Other	5,740	4,366
	\$ 47,104	\$ 40,854
	=====	=====

NOTE 11 - STOCKHOLDERS' EQUITY

In December 1994, the Board of Directors authorized the repurchase of up to 2.8 million shares of common stock on the open market or in negotiated transactions. This authorization to repurchase shares expired on December 31, 1995. In December 1995, the Board of Directors authorized the repurchase of up to 2.8 million additional shares of common stock on the open market or in negotiated transactions. This authorization to repurchase shares expires on December 31, 1996. The Company repurchased 1.3 million shares for \$42.7 million and .1 million shares for \$2.7 million in 1995 and 1994, respectively.

In January 1994, the Company granted options to purchase 15,000 shares to the Chairman of the Board at an exercise price of \$44.50, which was equal to the market price on the date of grant. The options were immediately exercisable and expire ten years from date of grant.

In December 1993, the Company issued 3.1 million shares of its common stock in a public offering resulting in net proceeds of \$115.1 million.

In connection with the Merger, the number of authorized shares of common stock was increased from 25 million to 100 million shares and the par value of all shares was changed from \$1.00 to \$.01 per share. Common stock and capital in excess of par value and all transactions involving common stock have been restated to reflect the revised par value.

The Company has four stock option plans (1987 Plan, 1992 Plan, 1993 Stock Option Conversion Plan and 1993 Plan). Under the 1987 and 1992 Plans, a committee appointed by the Board of Directors may grant to key employees and directors of the Company up to one million option shares of common stock at an exercise price determined by such committee, but not less than the fair market value of the common stock on the date of grant. Options expire ten years and one month or ten years and one day after date of grant under the 1987 Plan and 1992 Plan, respectively.

The 1993 Stock Option Conversion Plan provides for the conversion of all options to acquire shares of common stock of Old Dentsply outstanding at the time of the Merger into options to acquire shares of the common stock of the Company. Options to acquire shares of Old Dentsply were converted into options to acquire 28,000 shares of common stock of the Company at exercise prices ranging from \$5.89 to \$8.95 per share. Outstanding options under the 1993 Stock Option Conversion Plan expire on various dates but not later than April 9, 1996. No further options can be granted under this plan.

The 1993 Plan enables the Company to grant "incentive stock options" ("ISOs") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, to key employees of the Company, and stock options which do not constitute ISOs ("NSOs") to key employees and non-employee directors of the Company. Each non-employee director receives automatic and non-discretionary NSOs to purchase 3,000 shares of common stock on the date he or she becomes a non-employee director and an additional 3,000 shares on the third anniversary of the date the non-employee director was last granted an option. Grants of options to key employees are solely discretionary. ISOs and NSOs generally expire ten years from date of grant and become exercisable over a period of three years after the date of grant at the rate of one-third per year, except that they become immediately exercisable upon death, disability or retirement. The committee may shorten or lengthen the exercise schedule for any or all options granted to key employees. The exercise price of ISOs and NSOs is generally equal to the fair market value on the date of grant. ISOs granted to an individual who possesses more than 10% of the combined voting power of all classes of stock of the Company have an exercise price of 110% of fair market value and expire five years from the date of grant. The number of shares available for options under the 1993 Plan is adjusted annually to equal 5% of the outstanding common shares of the Company on each January 1.

Options granted under any of the four Plans may be exercised only while the grantee is employed by the Company or is a member of the Board of Directors or within defined periods after termination.

Transactions involving the Plans are summarized as follows:

	Option Price per Share	Outstanding	Exercisable	Available for Grant
	-----	-----	-----	-----
Balance at December 31, 1992	\$2.66-\$46.25	620,213	497,586	2,249,832
Authorized		---	---	1,000,000
Granted	\$37.00-\$39.75	54,000	---	(54,000)
Became exercisable		---	114,146	---
Exercised	\$2.66-\$25.44	(192,521)	(192,521)	---
Expired/Canceled		(14,342)	(5,861)	(1,905,832)
		-----	-----	-----
Balance at December 31, 1993	\$3.13-\$46.25	467,350	413,350	1,290,000
Authorized		---	---	388,299
Granted	\$8.95-\$44.50	387,385	---	(387,385)
Became exercisable		---	18,885	---
Exercised	\$3.13-\$ 8.95	(146,493)	(146,493)	---
Expired/Canceled		(33,600)	---	33,600
		-----	-----	-----
Balance at December 31, 1994	\$4.56-\$46.25	674,642	285,742	1,324,514
Authorized		---	---	2,975
Granted	\$31.00-\$37.75	447,300	---	(447,300)
Became exercisable		---	132,834	---
Exercised	\$4.56-\$23.81	(188,881)	(188,881)	---
Expired/Canceled		(67,000)	(33,132)	67,000
		-----	-----	-----
Balance at December 31, 1995	\$5.25-\$44.50	<u>866,061</u>	<u>196,563</u>	<u>947,189</u>

The Company issued 180,000 stock purchase warrants in August 1990 in connection with an acquisition to the principals of an investment banking firm, one of whom is a director of the Company. The warrants are exercisable at any time through August 28, 2000, at an exercise price of \$6.125 per share (market price at date issued). During 1995, 140,000 of the warrants were exercised and 40,000 remain outstanding at December 31, 1995.

NOTE 12 - INCOME TAXES

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

	Year Ended December 31,		
	1995	1994	1993
	-----	-----	-----
	(in thousands)		
United States	\$ 66,403	\$ 74,479	\$ 36,602
Foreign	23,614	17,183	14,740
	-----	-----	-----
	<u>\$ 90,017</u>	<u>\$ 91,662</u>	<u>\$ 51,342</u>
	=====	=====	=====

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

	Year Ended December 31,		
	1995	1994	1993

	(in thousands)		
Current:			
U.S. federal	\$ 21,526	\$ 17,774	\$ 21,375
U.S. state	4,112	3,403	2,445
Foreign	11,627	6,937	6,198

Total	37,265	28,114	30,018

Deferred:			
U.S. federal	(994)	6,863	(3,450)
U.S. state	(170)	1,584	(646)
Foreign	(47)	957	275

Total	(1,211)	9,404	(3,821)

	\$ 36,054	\$ 37,518	\$ 26,197
	=====		

The provision for income taxes is reconciled to income from continuing operations before income taxes as follows:

	Year Ended December 31,		
	1995	1994	1993

Statutory federal income tax rate	35.0%	35.0%	35.0%
Effect of:			
State income taxes, net of federal benefit	3.0	3.5	2.3
Nondeductible amortization of goodwill	1.5	1.0	1.9
Nondeductible merger and acquisition costs	-	-	4.9
Foreign losses with no tax benefit	1.4	1.2	2.1
Tax on foreign earnings repatriated	-	-	2.3
Other	(0.8)	0.2	2.5

	40.1%	40.9%	51.0%
	=====		

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

	December 31, 1995		December 31, 1994	
	Current Asset (Liability)	Noncurrent Asset (Liability)	Current Asset (Liability)	Noncurrent Asset (Liability)
	(in thousands)			
Employee benefit accruals	\$ 972	\$ 4,968	\$ 2,201	\$ 2,851
Product warranty accruals	929	---	789	---
Differences in financial reporting and tax basis for:				
Inventory	(3,845)	---	(185)	---
Property, plant and equipment	---	(28,852)	---	(19,728)
Identified intangible assets	---	(9,943)	---	(7,053)
Accrued costs associated with discontinued operations	4,611	---	4,130	---
Insurance premium accruals	1,884	---	1,360	---
Other	1,695	(1,087)	1,450	(587)
Foreign tax credit carryforwards	---	1,070	---	950
Tax loss carryforwards in foreign jurisdictions	---	4,882	---	2,936
Valuation allowance for foreign tax credit and tax loss carryforwards	---	(5,952)	---	(3,886)
	\$ 6,246	\$(34,914)	\$ 9,745	\$(24,517)
	=====	=====	=====	=====

Current and non-current deferred tax assets and liabilities are included in the following balance sheet captions:

	December 31,	
	1995	1994
	(in thousands)	
Deferred income taxes	\$ 12,836	\$ 5,710
Net assets of discontinued operations	4,611	4,130
Current portion of deferred income taxes	(11,201)	(95)
Other noncurrent assets, net	4,028	203
Deferred income taxes	(38,942)	(24,720)

The provision for income taxes was reduced due to utilization of tax loss carryforwards by \$47,000 in 1994 and \$.4 million in 1993. Certain foreign subsidiaries of the Company have tax loss carryforwards of \$11.8 million at December 31, 1995, of which \$9.7 million expire through 2000 and \$2.1 million may be carried forward indefinitely. The tax benefit of these tax loss carryforwards has been offset by a valuation allowance.

At December 31, 1995, the Company had foreign tax credits available for carryforward of \$1.1 million, which expire in 1997. The tax benefit of these tax credit carryforwards has been offset by a valuation allowance.

Income taxes have not been provided on \$28.4 million of undistributed earnings of foreign subsidiaries, which will continue to be reinvested. If remitted as dividends, these earnings could become subject to additional tax. It is not practicable to estimate the amount of additional tax that might be payable; however, the Company believes that U.S. foreign tax credits would largely eliminate any U.S. tax payable.

NOTE 13 - BENEFIT PLANS

Substantially all of the employees of the Company and its subsidiaries are covered by government or Company-sponsored pension plans. Total pension costs for Company-sponsored defined benefit, defined contribution and employee stock ownership plans amounted to \$7.5 million in 1995, \$6.0 million for 1994 and \$9.8 million for 1993. The Company maintains an Employee Stock Ownership Plan (the "ESOP") covering substantially all the U.S. non-union employees of DENTSPLY. Contributions to the ESOP for 1995, 1994 and 1993 were \$1.7 million, \$1.9 million and \$5.7 million, respectively. In addition, interest expense incurred on ESOP loans and participant notes approximated \$.2 million for 1995, \$.5 million for 1994 and \$.6 million for 1993.

The Company makes annual contributions to the ESOP of not less than the amounts required to service ESOP debt. In connection with the refinancing of ESOP debt in March 1994, the Company will also make additional cash contributions of at least \$3.6 million over the next eight years. Dividends received by the ESOP on allocated shares are passed through to Plan participants. Most ESOP shares were initially pledged as collateral for its debt. As the debt is repaid, shares are released from collateral and allocated to active employees, based on the proportion of debt service paid in the year. At December 31, 1995, the ESOP held 6.7 million shares, of which 5.8 million shares were allocated to Plan participants and .9 million shares were unallocated and pledged as collateral for ESOP debt. Unallocated shares held by the ESOP were acquired prior to December 31, 1992 and are accounted for in accordance with Statement of Position 76-3.

The Employee Stock Ownership Plan reserve consists of a loan receivable from the Employee Stock Ownership Plan bearing interest at 3.06%, payable in equal quarterly installments through March 31, 2004.

The Company maintains pension plans for its employees in Germany and for employees of Maillefer in Switzerland. These plans provide benefits based upon age, years of service and remuneration. The German plans are unfunded book reserve plans. The pension provision for the German and Swiss plans included the following components:

Year Ended December 31,

	1995	1994	1993
	(in thousands)		
Service cost	\$ 1,935	\$ 1,021	\$ 798
Interest cost on projected benefit obligations	2,839	2,009	1,749
Net investment return on plan assets	(251)	---	---
Net amortization and deferral	296	87	(19)
	<u>\$ 4,819</u>	<u>\$ 3,117</u>	<u>\$ 2,528</u>

The funded status and amounts recognized in the consolidated balance sheets for these retirement plans were as follows:

	December 31, 1995		December 31, 1994	
	Assets Exceeded Accumulated Benefits	Accumulated Exceeded Assets	Assets Exceeded Accumulated Benefits	Accumulated Exceeded Assets
	(in thousands)			
Actuarial present value of:				
Vested benefit obligations	\$ 18,936	\$ 25,660	\$ ---	\$ 21,922
Accumulated benefit obligations	\$ 18,936	\$ 27,756	\$ ---	\$ 24,184
Actuarial present value of projected benefit obligations	\$ 20,443	\$ 32,382	\$ ---	\$ 28,191
Plan assets at fair value	25,526	---	---	---
Plan assets less (greater) than projected benefit obligations	(5,083)	32,382	---	28,191
Unrecognized obligation	---	(1,870)	---	(1,838)
Unrecognized net gain	630	905	---	686
(Prepaid pension expense) pension liability	\$ (4,453)	\$ 31,417	\$ ---	\$ 27,039

The projected benefit obligations for these plans were determined using discount rates of 7.5 percent as of December 31, 1995 and 1994 in Germany and 4.5 percent as of December 31, 1995 in Switzerland. The assumed long-term rate of return on Swiss plan assets for 1995 was 5.0 percent. The weighted average rate of increase used for future compensation levels was 5.0 percent for 1995, 1994 and 1993 in Germany and 3.0 percent for 1995 in Switzerland.

The Company sponsors an unfunded defined benefit postretirement medical plan that covers certain U.S. based non-union employees. This postretirement healthcare plan is contributory, with retiree contributions adjusted annually to limit the Company's contribution to \$21 per month per retiree for most participants who retired after June 1, 1985. The Company also sponsors unfunded non-contributory postretirement medical plans for a limited number of union employees and their spouses and retirees of a discontinued operation.

The following table sets forth the combined status of the plans:

	December 31,	
	1995	1994
Accumulated postretirement benefit obligation:	(in thousands)	
Retirees	\$ 8,317	\$ 6,698
Fully eligible active plan participants	468	608
Other active plan participants	1,498	1,362
Accumulated postretirement benefit obligation at end of period	10,283	8,668
Unrecognized gain	446	1,341
Net postretirement benefit liability	\$ 10,729	\$ 10,009

	Year Ended December 31,		
	1995	1994	1993
Net periodic postretirement benefit cost for the period included the following components:	(in thousands)		
Service cost - benefits attributed to service during the period	\$ 188	\$ 178	\$ 197
Interest cost on accumulated postretirement benefit obligation	804	679	627
Net periodic postretirement benefit cost	\$ 992	\$ 857	\$ 824

For measurement purposes, the annual rate of increase in the per capita cost of covered healthcare benefits assumed for 1995 and thereafter was 10% in 1995 and 1994 and 9.5% in 1993. The healthcare cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed healthcare cost trend rates by one percentage point in each year would

increase the accumulated postretirement benefit obligation at December 31, 1995 by \$.8 million and the aggregate of the service and interest cost components of net periodic postretirement benefit cost by \$.1 million for the year then ended.

The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 8% for 1995 and 1994.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

The Company leases automobiles and certain office, warehouse, machinery and equipment and manufacturing facilities under noncancellable operating leases. These leases generally require the Company to pay insurance, property taxes and other expenses related to the leased property. Total rental expense for all operating leases was \$8.8 million for 1995, \$8.1 million for 1994 and \$7.4 million for 1993.

Rental commitments, principally for real estate (exclusive of taxes, insurance and maintenance), automobiles and office equipment amount to: \$7.3 million for 1996, \$5.3 million for 1997, \$3.6 million for 1998, \$2.3 million for 1999, \$1.5 million for 2000 and \$11.5 million thereafter (net of sublease rentals of \$.3 million in 1996, \$.2 million in 1997, \$.1 million in 1998, \$.1 million in 1999, \$.1 million in 2000, and \$.9 million thereafter).

The Company has sold certain receivables with recourse liability and entered into third party guarantees approximating \$1.0 million at December 31, 1995 and \$2.0 million at December 31, 1994.

At December 31, 1995, the Company had a contractual commitment to purchase implant, prosthetic and laboratory products from Core-Vent Corporation. This commitment is estimated at \$175.4 million at December 31, 1995, for years through 2003 as follows:

	(in thousands)
1996	\$ 18,897
1997	21,057
1998	22,321
1999	23,660
2000	25,079
Later years	64,337

	\$175,351
	=====

Purchases under the contract were \$19.4 million in 1995, \$19.1 million in 1994 and \$15.6 million in 1993.

The Company has certain noncancellable purchase commitments for dental burs and x-ray units and parts amounting to \$3.9 million in 1996, \$.2 million in 1997 and zero thereafter.

The Company has employment agreements with its executive officers and certain other management employees. These agreements generally provide for salary continuation for a specified number of months under certain circumstances. If all of the employees under contract were to be terminated by the Company without cause (as defined) the Company's liability would be approximately \$4.4 million at December 31, 1995.

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

NOTE 15 - UNUSUAL OR NON-RECURRING ITEMS

During 1995 and 1993, the Company recorded certain unusual or non-recurring charges which impacted the comparison with other periods. These unusual or non-recurring charges, on an after tax basis, included the following:

	Year Ended December 31,	
	1995	1993
	(in thousands)	
Costs associated with consolidation of all executive functions in York, PA	\$ 1,452	\$ ---
Loss on sale of corporate aircraft	369	---
Merger transaction costs	---	7,863
Write-off of accounts receivable from Healthco International, a major distributor which filed for Chapter 11 bankruptcy protection in June 1993	---	4,310
Additional reserves and accruals for certain litigation	---	1,110
Final discretionary contributions to the ESOP related to Old Dentsply and severance costs for 94 supervisory and administrative personnel	---	3,173
	-----	-----
	\$ 1,821	\$ 16,456
	=====	=====

The impact of these expenses on earnings per common share was \$.07 in 1995 and \$.67 in 1993.

NOTE 16 - RELATED PARTY TRANSACTIONS

The Company leases its Des Plaines, Illinois office and manufacturing facility from a partnership whose partners include a director and former directors of the Company. Under terms of the noncancellable operating lease, the Company currently pays \$.7 million per year with provisions for an annual increase, as defined, of up to 3% per annum. The Company is responsible for paying property taxes, utilities, insurance, maintenance and repair costs with respect to the facility. The lease expires in August 2011 and provides the Company with an option to extend the term of the lease for an additional five-year period.

The Company purchased 800,000 shares from the McDonough family interests for an aggregate purchase price of \$27.6 million pursuant to an agreement entered into on February 8, 1995, in connection with John J. McDonough's resignation as Chief Executive Officer of the Company.

NOTE 17 - QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1995:	(in thousands except per share amounts)			
Net sales	\$133,105	\$139,878	\$137,330	\$161,715
Gross profit	66,435	70,163	62,919	81,335
Operating income from continuing operations before discretionary ESOP contributions	22,911	26,912	17,342	33,570
Net income	12,972	13,237	9,479	18,275
Earnings per common share	.48	.49	.35	.68
Dividends per common share	.075	.075	.075	.0825
1994:				
Net sales	\$126,848	\$127,967	\$129,930	\$140,012
Gross profit	61,120	64,082	65,615	66,906
Operating income from continuing operations before discretionary ESOP contributions	21,873	24,605	24,583	26,339
Income from continuing operations	11,588	13,566	13,781	15,209
Income from the operation of discontinued Medical business	767	468	75	---
Gain on disposal of Medical business	---	---	---	6,543
Net income	\$ 12,355	\$ 14,034	\$ 13,856	\$ 21,752
Earnings per common share:				
Income from continuing operations	\$.42	\$.49	\$.50	\$.55
Income from the operation of discontinued Medical business	.03	.02	---	---
Gain on disposal of Medical business	---	---	---	.23
Net income	\$.45	\$.51	\$.50	\$.78
Dividends per common share	---	---	\$.075	\$.075

DENTSPY INTERNATIONAL INC.
VALUATION AND QUALIFYING ACCOUNTS(a)
FOR THE THREE YEARS ENDED DECEMBER 31, 1995

Description	Balance at Beginning of Period	Additions		Write-offs Net of Recoveries	Translation Adjustment	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts			
(in thousands)						
Allowance for doubtful accounts:						
For Year Ended December 31,						
1993	\$1,751	\$7,602	\$ -	\$(7,625)	\$ 14	\$ 1,742
1994	1,742	163	-	(287)	59	1,677
1995	1,677	515	209 (b)	(213)	66	2,254
Allowance for trade discounts:						
For Year Ended December 31,						
1993	447	2,180	-	(2,310)	(2)	315
1994	315	2,662	-	(2,466)	(5)	506
1995	506	2,446	-	(2,220)	5	737
Inventory valuation reserves:						
For Year Ended December 31,						
1993	8,295	1,462	(813)	(3,518)	(52)	5,374
1994	5,374	1,886	2	(1,765)	125	5,622
1995	5,622	908	15,608 (c)	(1,869)	459	20,728

-
- (a) Excludes discontinued operations.
(b) Includes Maillefer acquisition \$209.
(c) Includes Maillefer acquisition \$15,531.

SIGNATURES

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

April 1, 1996

By: /s/ Burton C. Borgelt

Burton C. Borgelt
Chairman of the Board

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

/s/ Burton C. Borgelt
----- Chairman of the Board April 1, 1996
Burton C. Borgelt and a Director
(Principal Executive Officer)

/s/ John C. Miles, II
----- President and Chief April 1, 1996
John C. Miles, II Executive Officer and
a Director

/s/ Edward D. Yates
----- Senior Vice President April 1, 1996
Edward D. Yates and Chief Financial
Officer (Principal
Financial and Accounting
Officer)

/s/ Douglas K. Chapman
----- Director April 1, 1996
Douglas K. Chapman

/s/ Michael J. Coleman
----- Director April 1, 1996
Michael J. Coleman

/s/ Arthur A. Dugoni
----- Director April 1, 1996
Arthur A. Dugoni, D.D.S., M.S.D.

/s/ C. Frederick Fetterolf
----- Director April 1, 1996
C. Frederick Fetterolf

/s/ William S. Green Director April 1, 1996

William S. Green

/s/ Arthur L. Herbst Director April 1, 1996

Arthur L. Herbst, M.D.

/s/ Leslie A. Jones Director April 1, 1996

Leslie A. Jones

/s/ W. Keith Smith Director April 1, 1996

W. Keith Smith

EXHIBIT INDEX
Sequential

Exhibit No.	Description	Page No.
10.3	Amended and Restated Split Dollar Insurance Agreement between The McDonough Insurance Trust and the Company dated October 25, 1995	78
10.11	Employment Agreement dated January 1, 1996 between the Company and Burton C. Borgelt	83
10.12 (b)	Amendment to Employment Agreement between the Company and John C. Miles, II dated February 16, 1996, effective January 1, 1996	88
10.17	Employment Agreement dated January 1, 1996 between the Company and W. William Weston	89
10.18	Employment Agreement dated January 1, 1996 between the Company and Thomas L. Whiting	96
10.31 (b)	Amendment to Letter Agreement between the Company and John J. McDonough dated July 6, 1995	103
10.35	Multi-Currency Term Loan Agreement among Dentsply Ltd., the banks named therein, and ABN AMRO Bank N.V., dated as of May 12, 1995 (Note: All attachments have been omitted. Copies of such attachments will be furnished supplementally to the Securities and Exchange Commission upon request.)	105
11	Computation of earnings per share	153
21.1	Subsidiaries of the Company	154
23.1	Consent of KPMG Peat Marwick LLP	156
27	Financial Data Schedule	157

AMENDED AND RESTATED
SPLIT DOLLAR INSURANCE AGREEMENT

THIS AMENDED AND RESTATED SPLIT DOLLAR INSURANCE AGREEMENT, made and entered into this 25th day of October, 1995, between DENTSPLY INTERNATIONAL INC. (formerly known as GENDEX CORPORATION), a Delaware corporation, hereinafter referred to "Employer" and THE McDONOUGH INSURANCE TRUST, hereinafter referred to "Owner."

W I T N E S S E T H:

WHEREAS, Employer and Owner are parties to that certain Split Dollar Insurance Agreement dated as of April 4, 1988 (the "1988 Agreement"), relating to the payment of premiums on an insurance policy through a split dollar life insurance program established as an additional form of compensation to John J. McDonough ("Employee"); and

WHEREAS, Employer and Owner wish to amend and restate the 1988 Agreement as set forth herein.

NOW, THEREFORE, in consideration of the promises set forth herein, Owner and Employer hereby agree as follows:

1. Amendment and Restatement.

This Agreement amends and restates the 1988 Agreement in its entirety.

2. Policy.

This Agreement applies to and is executed in respect of life insurance policy number 1A2196287-0 (the "Policy") issued by Pacific Mutual Life Insurance Company (the "Insurer") on the life of the Employee's wife, Marilyn McDonough (the "Insured").

3. Premium Payment.

The parties acknowledge that pursuant to the 1988 Agreement, Employer has paid premiums under the Policy in an aggregate amount of \$662,100 (the "Loan Amount"). From and after the date of this Agreement, Employer will have no further obligation to make premium payments under the Policy.

4. Repayment.

Upon the earlier of the termination of the Policy or the death of the Insured, Owner shall pay to Employer an amount equal to the Loan Amount without interest. Employee has the right and option to make annual payments to Employer in connection herewith, and all such amounts shall reduce the Loan Amount. Such payments, if any, by Employee shall be made on or about the anniversary of the execution of this Agreement.

5. Security.

To secure the right of Employer to receive the Loan Amount, Owner has, contemporaneously with the execution of the 1988 Agreement, assigned the Policy to Employer as collateral under that certain Collateral Assignment dated April 4, 1988. Said Assignment grants Employer the limited power to enforce its rights to be paid the Loan Amount by realizing on the cash value of the Policy, as defined therein, and on a portion of the death benefit thereof. The interest of Employer in and to the Policy shall be specifically limited to the recovery of the Loan Amount in the event the Policy is surrendered or cancelled by Owner as provided below, and upon the death of the Insured. Owner shall have the right at any time to require Employer to execute a release of the Collateral Assignment of the Policy hereunder upon payment to Employer of the Loan Amount. Upon the execution hereof, Employer shall release any and all security and collateral, other than the Collateral Assignment, securing payment of the Loan Amount.

6. Surrender.

Owner shall have the sole right to surrender or cancel the Policy and to receive the proceeds therefrom; provided that the unpaid Loan Amount shall promptly be remitted to Employer by Insurer. The balance of the cash surrender value, if any, shall belong to Owner.

7. Death.

Upon the death of the Insured, Employer shall be entitled to receive a portion of the death benefit provided under the Policy equal to the unpaid Loan Amount. The balance of the death benefit under the Policy shall belong to and shall be paid directly to the beneficiary or beneficiaries designated by Owner in the manner and in the amount provided by the beneficiary designation endorsed on the Policy. Any beneficiary designation provision on said Policy shall comply with the provisions of this Agreement.

8. Remedies.

If Owner fails to repay Employer the Loan Amount as provided herein, Owner shall execute any instruments and perform all acts which may be required by the Insurer to perfect Employer's security interest in the Policy and to vest all rights in Employer. After the execution of such instruments and performance of such acts, Owner shall have no further interest in the Policy or in this Agreement.

9. Ownership.

Owner is now and shall be the owner of the Policy and shall exercise all ownership rights granted to the owner of the Policy by the terms thereof. The rights reserved to Owner include, but are not limited to, the right to assign its interest in the Policy to the extent thereof; the right to change the beneficiary of the portion of the proceeds to which

it is entitled hereunder; the right to make and receive all loans against the Policy; the right to exercise settlement options; the right to amend or modify the Policy, including without limitation, the amount of the death benefit thereof, provided that any such amendment or modification shall not result in a reduction of the death benefit to an amount less than the unpaid Loan Amount; and the right to cancel or surrender the Policy. It is the intention of the parties to this Agreement that Employer have no incidents of ownership of any kind with respect to the Policy, and that the only interest of Employer in the Policy be its right to receive the Loan Amount upon the termination of the Policy or the death of the Insured, and its security interest in the cash value thereof and proceeds therefrom as herein provided. Employer shall not assign any of its interests in the Policy to anyone other than Owner, and Employer shall not have, or exercise, any right in and to the Policy which would endanger, defeat or impair any of the rights of Owner in the Policy.

10. Transfers.

In the event that Owner shall transfer all or any portion of its interest in the Policy, then such portion of Owner's interest in the Policy so transferred shall be vested in its transferee, who shall be substituted as a party hereunder, and who shall be bound by the provisions hereof.

11. Modifications and Amendments; Notices.

This Agreement may be modified or amended, in whole or in part, or terminated, by the mutual consent of the parties hereto or their successors or assigns by writing signed by them. Any notice, consent, modification, amendment or demand required or permitted to be given under the provisions of this Agreement shall be made or given in writing signed by the party giving or making the same, delivered either personally or by mailing the same first class mail, to the other party addressed as follows:

If to Owner:	The McDonough Insurance Trust c/o Edwin McDonough 4731 R.F.D. Long Grove, IL 60047
With a copy to:	Richard J. Bliss Godfrey & Kahn, S.C. 780 N. Water Street Milwaukee, WI 53202
If to Employer:	DENTSPLY INTERNATIONAL, INC. 570 W. College Avenue York, PA 17405 Attn: Secretary

With respect to any notice, consent or demand, the date thereof shall be the date of delivery if delivered personally or three days after the date of mailing if delivered by mail.

12. ERISA.

The following provisions are part of this Agreement and are intended to meet the requirements of the Employee Retirement Income Security Act of 1974 with respect to the relative rights and obligations of Employer (herein referred to as the "Company") and Owner:

- (a) The named fiduciary: The Secretary of the Company.
- (b) The funding policy under this plan is that all premiums on the Policy be remitted to the Insurer when due.
- (c) Direct payment by the Insurer is the basis of payment of benefits under this plan, with those benefits in turn being based on the payment of premiums as provided in the plan.
- (d) For claims procedure purposes, the "Claims Manager" shall be a designee of the President of the Company.
- (e) If for any reason a claim for benefits under this plan is denied by the Company, the Claims Manager shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the plan section on which the denial is based, such other data as may be pertinent and information on the procedures to be followed by the claimant in obtaining a review of his claim, all written in a manner calculated to be understood by the claimant. For this purpose:
 - (i) The claimant's claim shall be deemed filed when presented orally or in writing to the Claims Manager.
 - (ii) The Claims Manager's explanation shall be in writing delivered to the claimant within 90 days of the date the claim is filed.
 - (iii) The claimant shall have 60 days following his receipt of the denial of the claim to file with the Claims Manager a written request for review of the denial. For such review, the claimant or his representative may submit pertinent documents and written issues and comments.
 - (iv) The Claims Manager shall decide the issue on review and furnish the claimant with a copy within 60 days of receipt of the claimant's request for review of his claim. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent plan provisions on which the decision is based. If a copy of the decision is not so furnished to the claimant within such 60 days, the claim shall be deemed denied on review.

13. Binding Agreement.

This Agreement shall bind Employer, Owner and their respective successors, heirs, personal representatives, administrators and transferees, together with any beneficiaries of the Policy.

14. Choice of Law.

This Agreement and the rights of the parties hereunder shall be governed by and construed pursuant to the laws of the State of Wisconsin.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

DENTSPLY INTERNATIONAL, INC.

THE McDONOUGH INSURANCE TRUST

By: _____
(Title)

By: _____
Edwin McDonough, Co-Trustee

Attest: _____
(Title)

By: _____
Frederick Holzl, Co-Trustee

EMPLOYMENT AGREEMENT
between
DENTSPLY INTERNATIONAL INC.
and
BURTON C. BORGELT

THIS AGREEMENT is entered into as of January 1, 1996, by and between DENTSPLY INTERNATIONAL INC., a Delaware corporation (the "Company") and BURTON C. BORGELT ("Employee").

WHEREAS, Employee has for several years effectively served the Company, its predecessors and Affiliates (as hereinafter defined);

WHEREAS, Employee entered into an Employment Agreement with the Company dated February 8, 1995, which Employment Agreement will terminate January 1, 1996, and be replaced by the terms and conditions of this Agreement; and

WHEREAS, it is in the best interest of the Company and Employee that the terms and conditions of Employee's continued services be formally set forth.

NOW, THEREFOR, in consideration of the mutual covenants and agreements of the parties hereto, it is hereby agreed as follows:

1. Services.

1.1 The Company employs Employee and Employee initially accepts such employment and agrees to serve as the Chairman of the Board of Directors of the Company until the 1996 Dentsply Annual Meeting of Stockholders. Employee shall be responsible for the activities and duties presently associated with this position. Thereafter, Employee shall perform such other services consistent within his experience and prior positions held with the Company as shall from time to time be assigned to him by the Board of Directors of the Company. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties and should not present an unnecessary hardship on the Employee.

1.2 Employee shall at all times devote the time required to perform his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment.

Employment shall continue from January 1, 1996, and terminate on December 31, 1999, or upon the happening of any of the following events:

2.1 Death.

The date of death of Employee;

2.2 Termination by Employee.

The date specified in a written notice of termination given to the Company by Employee at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by the Company.

The date of a 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 Executive Compensation Committee of the Company, payable in approximately equal monthly installments on or about the twenty-fifth day of each month.

3.2 During the Period of Employment, the Employee shall not be entitled to participate in any bonus plan for Senior Management Employees nor shall he be entitled to a Year-End Christmas Bonus. However, the Employee shall be entitled to receive other fringe benefits including participation in the ESOP Plan and medical and dental plans which he was entitled to receive as of the date of the Employment Agreement including any replacements therefor." 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.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary through December 31, 1999 from the date of death to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 If the Period of Employment is terminated by the Employee under Section 2.2, the Company shall continue to pay compensation and provide benefits to the Employee to the date specified in the notice of termination from the Employee.

3.6 If the Period of Employment is terminated by the Company under Section 2.3, the Company shall continue to pay compensation and provide benefits to the Employee or his estate until December 31, 1999 provided, however, if the Company terminates Employee's employment because the Employee accepts employment with a competitive business, the Company shall continue to pay compensation and provide benefits to the Employee to the date specified in the Notice of Termination to the Employee.

4. Non-Competition Agreement.

During the Period of Employment and for a period of five (5) 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 an amount not to exceed 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.

6. 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.

7. 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.

8. 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.

9. Definitions.

The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

9.1 "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.

9.2 "Period of Employment" means the period commencing on the date hereof and terminating pursuant to Section 2.

9.3 "Beneficiary" means the person or persons designated in writing by Employee to Company

9.4 "Parent" means any Affiliate directly or indirectly controlling (within the meaning of Section 9.1) the Company.

10. 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:

Burton C. Borgelt Eagle Ranch
 2497 North Hoover Road
 Route 4, Box 286
 Nashville, IN 47448

Dentsply International Inc. 570 West College Avenue
 York, PA 17405

Attention: Secretary

11. Arbitration.

Any controversy arising from or related to the 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.

12. Applicable Law.

The Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties have executed the Agreement on the day and year first written.

DENTSPLY INTERNATIONAL INC.

By _____

Attest:

President and Chief
Executive Officer

Secretary

Employee

February 16, 1996

John C. Miles, II
570 West College Avenue
York, PA 17405

Re: Amendment to Employment Agreement

Dear John:

This letter agreement shall amend your Employment Agreement dated December 31, 1987 with Dentsply Holdings Inc., the predecessor in interest to Dentsply International Inc. (the "Company"), as described herein. In consideration for your appointment as President and Chief Executive Officer of the Company, you agree that for a period of two years ending December 31, 1997, the Company may reappoint you to the position of President and Chief Operating Officer at any time during said two year period. In the event you decline said reappointment, severance payments made to you pursuant to Section 3.5 of your Employment Agreement will be based upon the rate of salary and other benefits paid to you as President and Chief Operating Officer immediately prior to your appointment as President and Chief Executive Officer on January 1, 1996. In all other respects, your Employment Agreement shall remain in full force and effect.

If this letter correctly sets forth your agreement with the Company, please sign the duplicate copy of this letter and return it to me.

Very truly yours,

Burton C. Borgelt
Chairman

Accepted this day of
February, 1996.

John C. Miles II

EMPLOYMENT AGREEMENT
BETWEEN
DENTSPLY INTERNATIONAL INC.
AND
W. WILLIAM WESTON

THIS AGREEMENT is entered into as of January 1, 1996, by and between DENTSPLY INTERNATIONAL INC., a Delaware corporation (the "Company") and W. William Weston, ("Employee").

WHEREAS, Employee has for several years effectively served the Company, its predecessors and Affiliates (as hereinafter defined); and

WHEREAS, the parties entered into a service contract in July of 1990 with the German subsidiaries of the Company, which Agreement will terminate January 1, 1996 and be replaced by the terms and conditions of this Agreement.

WHEREAS, it is in the best interest of the Company and Employee that the terms and conditions of Employee's continued services be formally set forth:

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, it is hereby agreed as follows:

1. Services

1.1 The Company employs Employee and Employee accepts such employment and agrees to serve as Senior Vice President, European Group 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 these positions. Employee shall perform such other services not inconsistent with his position as shall from time to time be assigned to him by the Board of Directors or the President of the Company. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties and should not present an unnecessary hardship on the Employee.

1.2 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment shall continue from January 1, 1996 and terminate on the happening of any of the following events:

2.1 Death.

The date of death of Employee;

2.2 Termination by Employee Without Good Reason.

The date specified in a written notice of termination given to the Company by Employee not less than 180 days in advance of such

specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason.

Thirty (30) days following the date of a written notice of termination given to the Company by Employee within thirty (30) days after any one or more of the following events have occurred:

- (a) failure by the Company to maintain the duties, status and responsibilities of the Employee substantially consistent with 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 therein subsequent thereto; other than any reduction implemented as part of a formal austerity program approved by the Board of Directors of the Company and applicable to all continuing 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 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; or
- (d) any substantial and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company.

The date of a 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 DM 400,000 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 Executive Compensation Committee of the Company, payable in approximately equal monthly installments on or about the twenty-fifth day of each month.

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 German operations employees including disability,

insurance, mandatory employee contributions for the social security system (sickness, pension and unemployment insurance), Company pension plan and vacation. In addition, the Company will provide the Employee with a Company car (BMW 740 or equivalent). The Employee is entitled to use this Company car also for private purposes as long as he actively renders services to the Company within the framework of the employment agreement. The Company's obligations to provide the Employee with a Company car ceases immediately upon the giving of notice of termination by either party. Taxes applicable to the use of the Company car or other travel expense incurred in the course of Company business shall be reimbursed by the Company. 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 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 continue to 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.
- (b) Bonus and incentive compensation shall be paid to the Employee if approved by the Board of Directors, in accordance with plans in which the Employee participated at time of termination, using the same formula and calculations as if termination had not occurred.
- (c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period 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 (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); and

- (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).

Except as provided in section 3.6, payment of compensation under subsection 3.5(a) above shall be made at the same time as payments of compensation under section 3.1, and payments of other benefits under subsection 3.5(b) and (c) 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).

3.6 If at any time after a Change of Control the Period of Employment is terminated by the Employee with good reason under section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (whether or not 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) (except as may be otherwise prohibited by law or by said plans), the Company, at the written election of Employee, shall pay to Employee within five (5) business days of such termination or notice of termination the present value of the amounts specified in subsections 3.5(a), (b) and (c), discounted at the greatest rate of interest then payable by Mellon Bank on any federally insured savings account into which Employee could deposit such amount and make immediate withdrawals therefrom without penalty, and shall provide for the remainder of the Termination Period, if any, the benefit coverage required by subsection 3.5(d). Employee shall not be required to mitigate damages payable under this section 3.6.

3.7 In no event will the Company be obligated to continue Employee's compensation and other benefits under the Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (i.e. conviction of misappropriation of corporate assets or heinous criminal offense).

4. Non-Competition Agreement. -----

During the Period of Employment and for a period of five (5) 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 not to exceed 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.

6. 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.

7. 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.

8. 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.

9. Definitions.

The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

9.1 "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.

9.2 "Period of Employment" means the period commencing on the date hereof and terminating pursuant to section 2.

9.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.

9.4 "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 or the applicable Parent of the Company (a "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, and the rules and regulations promulgated thereunder as in effect on the date of this Agreement (the "Exchange Act") 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, or such Parent, having 20% or more of the total number of votes that may be cause for the election of directors of the Company or such Parent; and
- (b) "Continuing Director" means any member of a Board, while such person is a member of such 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 such Board prior to the date of this Agreement, or (ii) subsequently becomes a member of such Board and whose nomination for election or election to such 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 or the applicable Parent distributed when a majority of such Board consists of Continuing Directors.

9.5 "Parent" means any Affiliate directly or indirectly controlling (within the meaning of section 9.1) the Company.

10. 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:

William W. Weston

Oeschlestrasse 53
D-78315 Radolfzell
(Bohringen)
Germany

Dentsply International Inc.

570 West College Avenue
York, PA 17405

Attention: Secretary

11. Arbitration.

Any controversy arising from or related to the 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.

12. Applicable Law.

The Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties have executed the Agreement on the day and year first above written.

DENTSPLY INTERNATIONAL INC.

By:

President and Chief
Executive Officer

Employee

EMPLOYMENT AGREEMENT
BETWEEN
DENTSPLY INTERNATIONAL INC.
AND
THOMAS L. WHITING

THIS AGREEMENT is entered into as of January 1, 1996, by and between DENTSPLY INTERNATIONAL INC., a Delaware corporation (the "Company") and Thomas L. Whiting, ("Employee").

WHEREAS, Employee has for several years effectively served the Company, its predecessors and Affiliates (as hereinafter defined); and

WHEREAS, it is in the best interest of the Company and Employee that the terms and conditions of Employee's continued services be formally set forth:

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, it is hereby agreed as follows:

1. Services.

1.1 The Company employs Employee and Employee accepts such employment and agrees to serve as Senior Vice President, Pacific Rim, Latin America, Gendex and Tulsa Dental Products 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 these positions. Employee shall perform such other services not inconsistent with his position as shall from time to time be assigned to him by the Board of Directors or the President of the Company. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties and should not present an unnecessary hardship on the Employee.

1.2 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment shall continue from January 1, 1996 and terminate on the happening of any of the following events:

2.1 Death.

The date of death of Employee.

2.2 Termination by Employee Without Good Reason.

The date specified in a written notice of termination given to the Company by Employee not less than 180 days in advance of such specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason.

Thirty (30) days following the date of a written notice of termination given to the Company by Employee within thirty (30) days after any one or more of the following events have occurred:

- (a) failure by the Company to maintain the duties, status and responsibilities of the Employee substantially consistent with 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 therein subsequent thereto; other than any reduction implemented as part of a formal austerity program approved by the Board of Directors of the Company and applicable to all continuing 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 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; or
- (d) any substantial and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company.

The date of a 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 \$195,000 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 Executive Compensation Committee of the Company, payable in approximately equal monthly installments on or about the twenty-fifth day of each month.

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 provided, however, Employee shall not be paid an annual Christmas bonus previously paid to Old Dentsply employees. 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 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 continue to 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.
- (b) Bonus and incentive compensation shall be paid to the Employee if approved by the Board of Directors, in accordance with plans in which the Employee participated at time of termination, using the same formula and calculations as if termination had not occurred.
- (c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period 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 (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); and
- (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).

Except as provided in section 3.6, payment of compensation under subsection 3.5(a) above shall be made at the same time as payments of compensation under section 3.1, and payments of other benefits under subsection 3.5(b) and (c) 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).

3.6 If at any time after a Change of Control the Period of Employment is terminated by the Employee with good reason under section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (whether or not 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) (except as may be otherwise prohibited by law or by said plans), the Company, at the written election of Employee, shall pay to Employee within five (5) business days of such termination or notice of termination the present value of the amounts specified in subsections 3.5(a), (b) and (c), discounted at the greatest rate of interest then payable by Mellon Bank on any federally insured savings account into which Employee could deposit such amount and make immediate withdrawals therefrom without penalty, and shall provide for the remainder of the Termination Period, if any, the benefit coverage required by subsection 3.5(d). Employee shall not be required to mitigate damages payable under this section 3.6.

3.7 In no event will the Company be obligated to continue Employee's compensation and other benefits under the Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (i.e. conviction of misappropriation of corporate assets or heinous criminal offense).

4. Non-Competition Agreement.

During the Period of Employment and for a period of five (5) 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 not to exceed 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.

6. 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.

7. 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.

8. 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.

9. Definitions.

The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

9.1 "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.

9.2 "Period of Employment" means the period commencing on the date hereof and terminating pursuant to section 2.

9.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.

9.4 "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 or the applicable Parent of the Company (a "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, and the rules and regulations promulgated thereunder as in effect on the date of this Agreement (the "Exchange Act") 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, or such Parent, having 20% or more of the total number of votes that may be cast for the election of directors of the Company or such Parent; and

- (b) "Continuing Director" means any member of a Board, while such person is a member of such 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 such Board prior to the date of this Agreement, or (ii) subsequently becomes a member of such Board and whose nomination for election or election to such 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 or the applicable Parent distributed when a majority of such Board consists of Continuing Directors.

9.5 "Parent" means any Affiliate directly or indirectly controlling (within the meaning of section 9.1) the Company.

10. 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:

Thomas L. Whiting

1440 Wyndham Drive
York, PA 17404

Dentsply International Inc.

570 West College Avenue
York, PA 17405

Attention: Secretary

11. Arbitration.

Any controversy arising from or related to the 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.

12. Applicable Law.

The Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties have executed the Agreement on the day and year first above written.

DENTSPLY INTERNATIONAL INC.

By:

President and Chief
Executive Officer

Employee

July 6, 1995

Mr. John J. McDonough
717 Forest Avenue
Lake Forest, Illinois 60045

Dear John:

This letter will: (i) amend Section A, Paragraph 5 ("Section A,5") of the Letter Agreement dated February 8, 1995 between you and the Company; and, (ii) set forth the terms of a Sub-Sublease between you and the Company. Notwithstanding the present language of Section A,5, you will be entitled to use your current office in Lake Forest Illinois ("Lake Forest Office") at the Company's expense through December 31, 1995. You will, however, be responsible for the cost of the use of any secretarial services after September 30, 1995.

Effective January 1, 1996 you agree to Sub-Sublease the Lake Forest Office on a year-to-year basis in accordance with all other terms and conditions of the Sublease dated December 9, 1993 between Packaging Resources Inc. ("Sublessor") and DENTSPLY International Inc. ("Sublessee"), a copy of which is attached hereto as Exhibit I. As Sub-Sublessee, you agree to perform all of the obligations of the Sublessee under the terms of the Sublease set forth in Exhibit I.

The Sub-Sublease shall automatically renew for the calendar year 1997 if you do not give Dentsply written notice of termination on or before July 1, 1996.

If this letter correctly sets forth our agreement, please sign four copies of this letter and obtain the written consents of the Master Landlord and the Sublessor to the

Sub-Sublease granted to you hereunder.

Very truly yours,

DENTSPLY International Inc.

By: _____
Chairman of the Board and
Chief Executive Officer

Accepted this 6th day of July, 1995.

John J. McDonough

APPROVED

LANDLORD: SHOWGATE PARTNERS

By: -----
Market Square Limited Partnership,
its managing general partner

By: -----
Broadacre Market Square, Inc.,
its general partner

By: -----
President

SUBLESSOR: PACKAGING RESOURCES, INCORPORATED

By: -----
Vice President

THIS MULTI-CURRENCY TERM LOAN AGREEMENT (the "Agreement") is made as of the 12th day of May, 1995, among DENTSPLY LIMITED, a company organized under the laws of the Cayman Islands (the "Borrower"), the BANKS (as hereinafter defined), and ABN AMRO BANK N.V., a bank organized under the laws of The Netherlands, in its capacity as agent for the Banks under this Agreement (hereinafter referred to in such capacity as the "Agent").

WHEREAS, Borrower desires to borrow funds in Pounds Sterling and Swiss Francs to finance the acquisition by Borrower (as described in this sentence, the "Acquisition") of approximately 95% of the outstanding capital stock of Maillefer Instruments S.A., a company organized under the laws of Switzerland ("Maillefer");

WHEREAS, Borrower and the Banks are parties to a Competitive Advance, Revolving Credit and Guaranty Agreement, dated as of November 15, 1993, among Borrower, Banks, other banks named therein, DENTSPLY International Inc., a Delaware corporation ("DII"), various other subsidiaries of DII, and Chemical Bank as agent (the "Chemical Agreement"), as amended by a First Amendment to the Competitive Advance, Revolving Credit and Guaranty Agreement, dated as of December 23, 1994 (the "First Amendment"), among the same parties (the Chemical Agreement, as amended solely by the First Amendment, is referred to herein as the "Syndicated Agreement");

WHEREAS, the Syndicated Agreement does not provide multicurrency term loans to Borrower;

WHEREAS, Borrower desires to borrow and Banks desire to lend such funds;

NOW, THEREFORE, intending to be legally bound hereby and incorporating the above-defined terms herein and in consideration of the foregoing and of the agreements herein contained, the parties hereto hereby agree as follows:

SECTION 1

DEFINITIONS

1.01 Terms Defined in Syndicated Agreement; Listed Definitions.

As used herein: (a) unless the context of this Agreement otherwise clearly requires, capitalized terms not expressly defined herein shall have the respective meanings ascribed to them by the Syndicated Agreement; and (b) the following terms shall have the meanings herein specified:

"Affiliate" shall mean, with respect to the Person in question, (a) any Person (including any member of the immediate family of any such natural Person) which (i) directly or indirectly beneficially owns or controls 10% or more of the total voting power of shares of capital stock having the right to vote for directors under ordinary

circumstances (if such Person is a corporation), (ii) is a general partner (if such Person is a partnership) or (iii) is otherwise empowered, by contract, voting trust or otherwise, to direct the business or affairs, of such Person and (b) any Person controlling, controlled by or under common control with any such Person (within the meaning of Rule 405 under the Securities Act of 1933), and (c) any director, general partner or executive officer of any such Person.

"Applicable Percentage" shall mean on any date with respect to any Borrowing Tranche of the Term Loans the applicable percentage set forth in the table below based upon the Consolidated Interest Coverage Ratio of DII for the four fiscal quarters immediately preceding such date (determined in accordance with Subsections 2.06(a) and (c)):

Term Loans Borrowing Tranche Applicable Percentage Table

If the Applicable Consolidated Interest Coverage Ratio is:	Applicable Percentage for Term Loans Borrowing Tranches
Greater than or equal to 16.0:1.0	.25%
Less than 16.0:1.0 but greater than or equal to 10.0:1.0	.30%
Less than 10.0:1.0 but greater than or equal to 6.0:1.0	.40%
Less than 6.0:1.0 but greater than or equal to 4.0:1.0	.50%
Less than 4.0:1.0	.625%

"Assignment and Acceptance" shall mean an agreement in the form of Exhibit A entered into pursuant to Subsection 7.07, executed by the assignor, assignee, and other parties contemplated thereby. "Banks" shall mean the financial institutions named on Schedule 1.01-A and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a "Bank".

"Borrowing Date" shall mean the date on which the Term Loans are made, which shall be a Business Day occurring no later than the last Business Day of July, 1995; there shall occur only one Borrowing Date hereunder.

"Borrowing Tranche" shall mean any portion of the Term

Loans which is denominated in the same Optional Currency and which has the same Interest Period commencing on the same date; any such portion of the Term Loans shall constitute one Borrowing Tranche.

"Business Day" shall mean (i) any day other than a Saturday, Sunday, or other day on which commercial banks in New York City or London are authorized or required to close by Law and (ii) with respect to matters relating to a LIBOR Term Loan, an Interest Period, or a notice with respect thereto, also a day on which dealings in deposits in the relevant Optional Currency are carried on in the London interbank market, and (iii) for the purpose of advances or payments in an applicable Optional Currency, also any day on which banks and foreign exchange markets are open for business in the principal financial center of the country of such currency.

"Change in Control" shall mean any circumstance under which DII (together with any Subsidiary, if any, the capital stock of which is wholly owned by DII) shall for any reason cease directly or through or together with one or more Subsidiaries (the capital stock of which shall be wholly owned by DII or by or together with a wholly owned Subsidiary thereof) to own the capital stock of Borrower.

"Closing Date" shall mean the Business Day on which the Loan Documents are executed by Borrower, which shall be May 12, 1995, or such other date as the parties agree. The closing shall take place at 10:00 A.M., New York time, on the Closing Date at the offices of DII or at such other time and place as the parties agree.

"Dollar," "US Dollar," "dollar," and "\$" all shall each mean lawful currency of the United States of America.

"Equivalent Amount" shall mean, as determined by Agent, (i) in relation to any advance, loan, payment, or like event denominated in an Optional Currency, the amount of such Optional Currency converted from the relevant amount of Dollars at the mean of Agent's spot buying and selling rates (based on the market rates then prevailing and available to Agent) for the exchange of Dollars and such other currency at a time determined by Agent on the second Business Day immediately preceding the drawing date or such other event for which such calculation is made, or (ii) in relation to any payment, calculation, or like event denominated in Dollars, the amount of Dollars converted from the relevant amount of such Optional Currency at Agent's spot selling rate (based on the market rates then prevailing and available to Agent) for the exchange of such Optional Currency and Dollars at a time determined by Agent on the second Business Day immediately preceding the payment or such other event for which such calculation is made.

"GAAP" shall mean generally accepted accounting principles

as are in effect in the United States from time to time, subject to the provisions of Section 1.02, and applied on a consistent basis both as to classification of items and amounts.

"Guaranties" shall have the meaning ascribed to such term by Subsection 3.01(f).

"Guarantors" shall mean each and every of the Persons listed on Schedule 1.01-B, jointly and severally, and "Guarantor" shall mean any one of them.

"Interest Period" shall mean the period of interest as determined in accordance with Subsection 2.07.

"Interest Period Request" shall have the meaning ascribed to such term by Subsection 2.07.

"Law" shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, interpretation, release, ruling, order, injunction, writ, decree, or award of any Official Body; the use of the term, "Lawful," herein shall embody the concept of "Law" as defined herein.

"LIBO Rate Reserve Percentage" shall mean the maximum percentage (rounded upward to the nearest 1/16th of 1 percent) as determined by Agent (which determination shall be conclusive absent manifest error) which is in effect during any relevant period: (i) as prescribed by the Board of Governors of the Federal Reserve System (or any successor) (the "Board") for determining the reserve requirements (including supplemental, special, marginal, and emergency reserve requirements and without benefit of or credit for proration, exceptions, or offsets which may be available from time to time to any Bank under Regulation D of the Board) with respect to eurocurrency funding (currently referred to by the Board as "Eurocurrency Liabilities" in Regulation D of the Board) of a member bank in such System; and (ii) to be maintained by a Bank as required for reserve liquidity, special deposit, or similar purposes by any other governmental or monetary authority of any country, or any political subdivision thereof (including the Bank of England or any other central bank), against (A) any category of liabilities that includes deposits by reference to which LIBOR for LIBOR Term Loans or Borrowing Tranches is to be determined, or (B) any category of extension of credit or other assets that includes LIBOR Term Loans or Borrowing Tranches.

"LIBOR" shall mean with respect to each LIBOR Term Loan or Borrowing Tranche for any Interest Period, the interest rate per annum determined by Agent by dividing (the resulting quotient rounded upward to the nearest 1/16th of 1 percent per annum) (i) the rate of interest per annum determined by Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest

error) to be the rate of interest per annum for deposits in the currency concerned offered to Agent in the London interbank market at approximately 11:00 a.m. London time two (2) Business Days prior to the first day of such Interest Period for delivery on the first day of such Interest Period for a period, and in an amount, comparable to the Interest Period and principal amount of the LIBOR Term Loan or portion of the Borrowing Tranche which shall be made by Agent and outstanding during such Interest Period ("LIBO Rate") by (ii) a number equal to 1.00 minus the LIBO Rate Reserve Percentage. LIBOR may also be expressed by the following formula:

$$\text{LIBOR} = \frac{\text{LIBO RATE}}{1 - \text{LIBO Rate Reserve Percentage}}$$

LIBOR shall be adjusted, with respect to any LIBOR Term Loan or Borrowing Tranche outstanding, on the effective date of any change in the LIBO Rate Reserve Percentage as of such effective date.

"LIBOR Term Loan" shall mean a Term Loan made by a Bank bearing interest calculated with reference to LIBOR and one or more appropriate Applicable Percentages.

"Loan Documents" shall mean this Agreement, the Notes, and any other instruments, certificates, guaranties, or documents delivered or contemplated to be delivered hereunder or thereunder or in connection herewith or therewith, as the same may be supplemented or amended from time to time in accordance herewith or therewith, and "Loan Document" shall mean any of the Loan Documents.

"Notes" shall mean collectively and "Note" shall mean separately all of the Term Notes (as defined at Subsection 2.04) of the Borrower evidencing the Term Loans, together with all amendments, extensions, renewals, replacements, refinancings or refunds thereof in whole or in part.

"Obligations" shall mean the obligation of Borrower to make due and punctual payment of principal of and interest on the Term Loans, the Facility Fees, and all other monetary obligations of Borrower to any of the Banks or Agent under this Agreement, the Notes or any other present or future document, instrument, or agreement relating thereto.

"Official Body" shall mean any national, federal, state, local, or other government or political subdivision or any agency, authority, bureau, central bank, commission, department, or instrumentality of any of the foregoing, or any court, tribunal, grand jury, or arbitrator, in each case whether foreign or domestic.

"Optional Currency" shall mean Pounds Sterling or Swiss Francs.

"Person" shall mean any individual, corporation, partnership, association, limited liability company, joint-stock company, trust, unincorporated organization, joint venture, Official Body, or any other entity.

"Pounds Sterling," "Pounds," and "(pound)" shall mean the lawful currency of the United Kingdom.

"Principal Office" shall mean the main banking office of the Agent in New York, New York.

"Ratable Share" shall mean the proportion that a Bank's Term Loan outstanding bears to the aggregate Term Loans outstanding of all of the Banks; provided that prior to and on the Borrowing Date, "Ratable Share" shall mean the proportion that a Bank's Term Loan Commitment bears to the Term Loan Commitments of all Banks.

"Required Banks" shall mean (i) if there are no Term Loans outstanding, Banks whose Term Loan Commitments aggregate at least 60% of the Term Loan Commitments of all Banks, or (ii) if there are Term Loans outstanding, Banks whose Term Loans outstanding aggregate at least 60% of the total principal amount of the Term Loans outstanding hereunder.

"Subsidiary" shall mean, with respect to any Person (referred to in this sentence as "such Person"), any other Person of which more than 50% of the securities or other ownership interests having ordinary voting power is, at the time of which any determination is being made, owned or controlled by such Person or one or more Subsidiaries of such Person.

"Swiss Francs" and "SFR" shall mean the lawful currency of Switzerland.

"Termination Date" shall mean December 23, 1999.

"Term Loan Commitment" shall mean, as to any Bank at any time, the Dollar amount initially set forth opposite its name on Schedule 1.01 A in the column labeled "Amount of Commitment for Term Loans," and thereafter on Schedule I to the most recent Assignment and Acceptance Agreement; and, "Term Loan Commitments" shall mean the aggregate Term Loan Commitments of all of the Banks.

"Term Loans" shall mean collectively and "Term Loan" shall mean separately all Term Loans or any Term Loan made by the Banks or one of the Banks to the Borrower pursuant to Section 2. As used herein, "LIBOR Term Loan" and "Term Loan" are synonymous.

"Term Loan Request" shall have the meaning ascribed to such term by Subsection 3.02(b).

1.02 Miscellaneous Definitions, Usage, and Meanings.

Unless the context of this Agreement otherwise clearly requires: references to the plural include the singular and vice versa, "or" has the inclusive meaning represented by the phrase "and/or," and "including" is not a term of limitation and shall mean "including without limitation." As used in this Agreement, the words "hereof," "herein," "hereunder," and terms of similar import refer to this Agreement as a whole and not to any particular provision of this Agreement. References to "determination" of or by the Agent or a Bank shall be deemed to include good faith estimates by the Agent or a Bank (in the case of quantitative determinations) and good faith beliefs by the Agent or a Bank (in the case of qualitative determinations) and such determination shall be conclusive absent manifest error. The section and other headings contained in this Agreement and the Table of Contents at the beginning hereof are for reference purposes only and shall not control or affect the construction or interpretation of this Agreement. Section, subsection, clause, schedule, and exhibit references are to this Agreement unless otherwise specified. The masculine and neuter genders used herein shall include the masculine, feminine, and neuter genders as well. Reference to any agreement, document, or instrument (including this Agreement and any other Loan Document together with the schedules and exhibits hereto or thereto, but excluding the Syndicated Agreement and documents, instruments, and agreements relating thereto), or to any Term Loan or Borrowing Tranche means such agreement, document, instrument, or facility as amended, modified, replaced, renewed, substituted for, superseded, restated, or the like. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such parties unless the context expressly states otherwise. Reference to a Person in a particular capacity excludes such Person in any other capacity. Except as otherwise provided in this Agreement, all computations and determinations as to accounting or financial matters and all financial statements to be delivered pursuant to this Agreement, or pursuant to other agreements incorporated herein, shall be made and prepared in accordance with generally accepted accounting principles as are in effect in the United States from time to time (including principles of consolidation where appropriate), and applied on a consistent basis (except for changes in application in which DII's independent certified public accountants concur and as to which change(s) notice thereof is promptly provided to Agent and the Banks) both as to classification of items and amount ("GAAP"), and all accounting or financial terms shall have the meanings ascribed to such terms by GAAP.

SECTION 2

TERM LOANS

2.01 Term Loan Commitments.

Subject to the terms and conditions hereof, and relying upon the representations and warranties herein set forth or otherwise incorporated herein by reference, each Bank severally (but not jointly) agrees to make a term loan (each, a "Term Loan") in one or more Optional Currencies to Borrower on or after the Closing Date (but in no event after the Borrowing Date) in such principal amount as Borrower shall request up to but not exceeding such Bank's Term Loan Commitment.

2.02 Nature of Banks' Obligations with Respect to Term Loans.

The obligation of each Bank to make a Term Loan to Borrower shall be in the proportion that such Bank's Term Loan Commitment bears to the aggregate Term Loan Commitments of all Banks to Borrower, but subject to Subsection 2.13(b), each Bank's Term Loan to Borrower shall not exceed its Term Loan Commitment; adjustments with respect thereto shall be made in accordance with the terms of Subsection 2.13(b) hereof. The failure of any Bank to make a Term Loan shall not relieve any other Bank of its obligation to make a Term Loan nor shall it impose any additional liability on any other Bank hereunder. The Banks shall have no obligation to make Term Loans hereunder after the Borrowing Date. The Term Loan Commitments are not revolving credit commitments and Borrower shall have no right to borrow, repay, and reborrow thereunder.

2.03 Term Loan Facility Fee.

Borrower agrees to pay in immediately available Dollars to Agent for the account of each Bank, as consideration for such Bank's Term Loan Commitment, a nonrefundable facility fee equal to .06% of such Bank's Term Loan Commitment, payable on the Closing Date (the "Facility Fee").

2.04 Term Loan Notes; Principal Repayment Date.

The Obligation of Borrower to repay the unpaid principal amount of the Term Loan made by a Bank, together with interest thereon, shall be evidenced by a promissory note (or two promissory notes, denominated in the Optional Currency in which one or the other portion of the Term Loan was made by such Bank) dated as of the Borrowing Date and payable to the order of such Bank (each, a "Term Note" and, collectively, the "Term Notes"). The principal amount of the Term Notes shall be due and payable on the Termination Date in the Optional Currency in which they are denominated.

2.05 Use of Proceeds.

The proceeds of the Term Loans shall be used solely to finance the cost to Borrower of the Acquisition; none of the Term Loans shall be used for currency speculation or similar purposes.

2.06 Interest Rate, Borrowing Tranches, Currency.

The Borrower shall pay interest in respect of the out-standing unpaid principal amount of the Term Loans based upon LIBOR (as more fully set forth herein), it being understood that, subject to the provisions of this Agreement, the Borrower may from time to time select different Interest Periods to apply simultaneously to those portions of the Term Loans comprising different Borrowing Tranches provided that there shall not be at any one time outstanding more than eight (8) Borrowing Tranches in the aggregate among all the Term Loans. If at any time the rate applicable to any Term Loan (or any portion thereof) made by any Bank exceeds such Bank's highest Lawful rate, the rate of interest on such Bank's Term Loan (or any portion thereof) shall be limited to such Bank's highest Lawful rate .

Interest on the principal amount of a Term Loan which was made in an Optional Currency shall be paid in such Optional Currency.

(a) Term Loan Interest Rate; Calculations.

Subject to Subsection 2.06(d) and Subsection 2.14, each Borrowing Tranche shall accrue interest at a rate per annum equal to LIBOR for the Interest Period in effect for such Borrowing Tranche plus the Applicable Percentage then in effect and determined as set forth at Subsection 2.06(c) below. Interest on LIBOR Borrowing Tranches shall be calculated on the basis of a year of 360 days for the actual number of days elapsed; provided that, for LIBOR Borrowing Tranches in an Optional Currency for which a 365- day basis is the only market practice available to Agent for such Borrowing Tranche, interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be, for the actual days elapsed.

(b) Rate Quotations.

Borrower may call Agent on or before the date on which an Interest Period Request is to be delivered to receive an indication of the rates then in effect, but it is acknowledged by Borrower that such indication shall not be binding on Agent or the Banks nor affect the rate of interest which thereafter is actually in effect.

(c) Applicable Percentage.

The Applicable Percentage shall change in accordance with Subsection 2.06(a) above based on the Consolidated Interest Coverage Ratio at the end of each fiscal quarter of DII for the preceding four fiscal quarters then ended, effective as to each Borrowing Tranche upon the expiration of the Interest Period with respect thereto expiring at least five (5) Business Days after delivery by DII to the Agent of (x) financial statements pursuant to Section 5.05 of the Syndicated Agreement as at the end of such quarter, and (y) a certificate of a Financial Officer of DII in form reasonably satisfactory to the Agent setting forth the calculation in reasonable detail of the Consolidated Interest Coverage Ratio as at the end of such quarter and the Applicable Percentage corresponding thereto in accordance with the table set forth in the definition of such term at Subsection 1.01(b) hereof.

(d) Post-Maturity Rate.

(i) All amounts not paid when due shall bear interest (computed and adjusted in the same manner and with the same effect as interest on pre-maturity principal is calculated hereunder) payable on demand

at a rate per annum equal to two percent (2%) above the interest rate otherwise applicable to such amount prior to maturity (such interest rate to include the Applicable Percentage then in effect) during the balance of any Interest Period applicable thereto, and thereafter at a rate per annum equal to two percent (2%) in excess of the sum of the then Applicable Percentage plus LIBOR for a one month Interest Period recalculated for successive one-month Interest Periods until paid. Interest shall be payable in accordance with the terms hereof regardless whether one or more judgments or defaults have occurred. In no event shall any interest rate or any other fees or charges in the nature of interest at any time exceed the maximum rate permitted by applicable Law; in the event that such limitation is exceeded, such amount shall be credited by the Bank collecting such excessive interest as a payment of principal unless Borrower otherwise directs.

(ii) Borrower acknowledges that such post-maturity rate reflects, among other things, that such amounts have become a substantially greater risk given their default status and that the Banks are entitled to additional compensation for such risk; and, all such interest shall be payable by Borrower upon demand by Agent.

2.07 Interest Periods.

Each Borrowing Tranche shall be subject to an Interest Period as selected by Borrower. Borrower shall notify Agent of its selection of the Interest Period to be applicable to a Borrowing Tranche at least four (4) Business Days prior to the expiration of the Interest Period then applicable to any Borrowing Tranche by delivering to Agent a request for an Interest Period (an "Interest Period Request"). The Interest Period Request shall specify the Borrowing Tranche to which it is applicable, the last date of the then current Interest Period applicable to such Borrowing Tranche, and the proposed interest period (the "Interest Period") for which LIBOR shall be redetermined, such Interest Period to be one, two, three, six, or twelve months (to the extent available), provided, that:

(a) any Interest Period which would otherwise end on a date which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period which begins on or about the last day of a calendar month for which there is no numerically corresponding day in the subsequent calendar month during which such Interest Period is to end shall end on the last Business Day of such subsequent month;

(c) each Borrowing Tranche shall be in integral multiples of SFR540,000 or (pound)240,000, as applicable;

(d) Borrower shall not select an Interest Period for any Borrowing Tranche that would end after the Termination Date; and

(e) the first day of a new Interest Period for any Borrowing Tranche shall be the last day of the preceding Interest Period for such Borrowing Tranche, without duplication in payment of interest for such day.

2.08 Selection of Interest Periods.

If Borrower fails to timely select a new Interest Period to apply to any Borrowing Tranche at the expiration of the existing Interest Period therefor in accordance with the provisions of Section 2.07 or if Borrower has not timely provided a prepayment notice to Agent with respect thereto, Borrower shall be deemed to have selected an Interest Period of one month, subject however to Subsection 2.07(d).

2.09 Payments.

All payments and prepayments to be made in respect of principal, interest, fees, or other amounts due from the Borrower hereunder shall be payable prior to 12:00 noon (New York time) on the date when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Borrower, and without setoff, counterclaim or other deduction of any nature, and an action therefor shall immediately accrue; payment after such time shall cause interest at the applicable rate to accrue thereon as if such payment had not been made on such date. All payments of principal and interest shall be made to the Agent at its Principal Office for the ratable accounts of the Banks with respect to the Term Loans in the Optional Currency in which such Term Loan or portion thereof was made and in immediately available funds in such Optional Currency, and the Agent shall promptly distribute such amounts to the Banks in immediately available funds in such Optional Currency. The Agent's and each Bank's statement of account, ledger, or other relevant books and records shall, in the absence of manifest error, be conclusive as the statement of the Optional Currencies in which made and the amount of principal of and interest on the Term Loans and other amounts owing under this Agreement and shall be deemed an "account stated."

2.10 Pro Rata Treatment of Banks.

The borrowing of the Term Loans, each Borrowing Tranche, and each payment or prepayment by Borrower with respect to principal or interest due from Borrower hereunder to the Banks with respect to the Term Loans, shall (except as provided in Subsection 2.12(b), Subsection 2.14(b) or Subsection 2.15) be made in proportion to the Ratable Share of each Bank.

2.11 Interest Payment Dates.

Interest on each Borrowing Tranche of the Term Loans shall be due and payable on the last day of each Interest Period therefor, except that if

any Interest Period for a Borrowing Tranche is longer than three months, interest on such Borrowing Tranche shall also be due as if the Borrowing Tranche was subject to successive three month Interest Periods. Interest on payments or prepayments of principal together with any other amount due thereon in accordance with the terms hereof shall be due also on the date such payment or prepayment is due. Interest on the principal amount of each Term Loan, or portion thereof, or other monetary Obligation shall be due and payable on demand after such principal amount or other monetary Obligation becomes due and payable (whether on the stated maturity date, upon acceleration, or otherwise).

2.12 Voluntary Prepayments.

(a) Borrower shall have the right at its option from time to time to prepay that portion of the Term Loans described below without premium or penalty (except as provided in Clause (b) directly below or in Subsection 2.15) solely as set forth below:

(i) on the last day of the applicable Interest Period with respect to a Borrowing Tranche, provided that any prepayment of a Borrowing Tranche or portion thereof shall be in an integral multiple of SFR540,000 or (pound)240,000, as applicable,

(ii) on the date specified in a notice by any Bank pursuant to Subsection 2.14 with respect to any Term Loan or portion thereof.

Whenever Borrower desires to prepay any Term Loan or portion thereof, it shall provide a prepayment notice to the Agent at least four (4) Business Days prior to the date of such prepayment setting forth the following information:

(x) the date, which shall be a Business Day, on which the proposed prepayment is to be made;

(y) a statement indicating the Term Loan, portion of a Term Loan, or Borrowing Tranche (as the case may be) being repaid, the Interest Period(s) applicable thereto, and the Optional Currency(ies) in which it is denominated; and

(z) the total principal amount of such prepayment, which shall not be less than the amount of such Borrowing Tranche or the integral multiple of one of the amounts set forth directly above in clause (i) of any one Borrowing Tranche or the amount required to be prepaid pursuant to Clause (ii) directly above.

All prepayment notices shall be irrevocable. The principal amount of the Term Loans for which a prepayment notice is given, together with interest on such principal amount, shall be due and payable in the Optional Currency or Optional Currencies borrowed with respect thereto on the date specified in such prepayment notice as the date on

which the proposed prepayment is to be made. If Borrower prepays all or a portion of a Term Loan but fails to specify the applicable Borrowing Tranche(s) which the Borrower is prepaying, Agent may apply the prepayment in any manner it chooses notwithstanding other costs that may result to Borrower. Any prepayment hereunder shall be subject to the Borrower's obligation to indemnify the Banks under Subsection 2.15.

(b) In the event any Bank (i) gives notice under Subsection 2.14(b) or Subsection 2.15(a), (ii) does not approve any action as to which consent of the Required Banks is requested by the Borrower and obtained hereunder, or (iii) becomes subject to the control of an Official Body (other than normal and customary supervision), then the Borrower shall have the right at its option, with the consent of Agent, which shall not be unreasonably withheld, to prepay the Term Loans of such Bank in whole together with all interest accrued thereon within ninety (90) days after (w) receipt of such Bank's notice under Subsection 2.14(b) or 2.15(a), (x) the date of obtaining the consent which such Bank has not approved, or (y) the date such Bank became subject to the control of an Official Body, as applicable; provided that the Borrower shall also pay to such Bank at the time of such prepayment any amounts required under Subsection 2.15 and any accrued interest due on such amount and any related fees; provided, however, that the Term Loan Commitment and any Term Loan of such Bank shall be provided by one or more of the remaining Banks or a replacement bank acceptable to the Agent; provided, further, that the remaining Banks shall have no obligation hereunder to increase their Term Loan Commitments. Notwithstanding the foregoing, the Agent may only be replaced subject to the requirements of Subsection 6.14.

2.13 Mandatory Payment and Prepayment.

(a) Maturity.

All principal, accrued and unpaid interest, and other amounts outstanding under this Agreement or any Note shall, if not sooner paid, be due and payable on the Termination Date.

(b) Currency Fluctuations, Repayment.

If on or about the last day of an Interest Period of any Borrowing Tranche (as determined by Agent four (4) Business Days prior thereto), the aggregate Equivalent Amount in Dollars of all Term Loans outstanding is equal to or greater than 110% of the aggregate Term Loan Commitments of all Banks, then Borrower shall pay or prepay at the end of such Interest Period an aggregate principal amount of

that Borrowing Tranche the Interest Period of which is then expiring, or make such other accommodation with the Banks as the Required Banks shall approve, such that the aggregate Equivalent Amount in Dollars of all Term Loans outstanding does not exceed the aggregate Term Loan Commitments of all Banks.

(c) Currency Repayments.

Notwithstanding anything contained herein to the contrary, the entire amount of principal of and interest on any portion of each Term Loan of each Bank shall be repaid in the same Optional Currency in which such portion of the Term Loan was borrowed; provided, however, that if it is impossible or illegal for Borrower to effect payment of a portion of a Term Loan of any Bank in the Optional Currency in which such portion of the Term Loan was borrowed, or if Borrower defaults in its obligations to do so, such Bank may at its option permit such payment to be made (i) at and to a different location of such Bank, or (ii) in the Equivalent Amount of Dollars or (iii) in an equivalent amount (such term to be calculated for such other currency in a similar manner as set forth for the term, Equivalent Amount, as such term is applied to the conversion of an Optional Currency to Dollars) of such other currency (freely convertible into Dollars) as such Bank may designate, in any of which events, Borrower shall make such payment and Borrower agrees to hold such Bank harmless from and against any loss incurred by such Bank arising from the cost to such Bank of any premium, any costs of exchange, the cost of hedging and covering the Optional Currency in which such portion of the Term Loan was originally made, and from any change in the value of Dollars, or such other currency, in relation to the Optional Currency that was due and owing, such loss to be calculated for the period commencing with the Closing Date for such portion of a Term Loan and continuing through the date of payment thereof. Without prejudice to the survival of any other agreement of Borrower hereunder, Borrower's obligations under this Clause (c) shall survive termination of this Agreement.

2.14 LIBOR Rate Unascertainable.

(a) If on any date on which LIBOR would otherwise be determined, Agent shall have determined (which determination shall be conclusive absent manifest error) that:

- (i) adequate and reasonable means do not exist for ascertaining LIBOR, or
- (ii) a contingency has occurred which materially and adversely affects the London interbank market relating to LIBOR or the availability of an Optional Currency;

or

(b) if at any time any Bank shall have determined (which determination shall be conclusive absent manifest error) that:

(i) the making, maintenance, or funding of any Term Loan or portion thereof to which LIBOR applies or shall apply has been made impracticable or unlawful by compliance by Bank in good faith with any Law, or any change therein, or any change in the interpretation or administration thereof by any Official Body or with any request or directive (whether or not having the force of Law) of any such Official Body, or

(ii) such LIBOR will not adequately and fairly reflect the cost to such Bank of the establishment or maintenance of a Term Loan or portion thereof, or

(iii) after making all reasonable efforts, that deposits of the relevant amount in the requested Optional Currency for the relevant Interest Period for a Term Loan or a portion thereof to which LIBOR applies, are not available to such Bank in the London interbank market at the effective cost of funding a Term Loan or a portion thereof,

then, in the case of any event specified in Clause (a) directly above, Agent shall so notify the Banks and Borrower thereof and, in the case of an event specified in Clause (b) directly above, such Bank shall so notify Agent and endorse a certificate to such notice as to the specific circumstances of such notice and Agent shall promptly send copies of such notice and certificate to the other Banks and Borrower. Upon such date as shall be specified in any such notice (which shall not be earlier than the date such notice is given), the obligation of (A) the Banks in the case of such notice given by Agent or (B) such Bank in the case of such notice given by such Bank to allow Borrower to obtain the relevant Term Loan or portion thereof shall be suspended until Agent or such Bank shall have determined (which determination shall be conclusive absent manifest error) that the circumstances giving rise to such previous determination no longer exist. If at any time any Bank notifies the Agent of a determination under Clause (b) directly above, Borrower shall, subject to Borrower's indemnification Obligations under Subsection 2.15(b), on the date specified in such notice either convert such relevant Term Loan or portion thereof to an interest rate mutually acceptable to Borrower and such Bank or prepay such Term Loan or portion thereof in accordance with the terms hereof. Absent due notice from Borrower of such agreed upon conversion, such Term Loan or portion thereof shall automatically be due and payable subject to the indemnification provisions of Subsection 2.15(b).

2.15 Additional Compensation in Certain Circumstances.

(a) Increased Costs or Reduced Return Resulting From
Taxes, Reserves, Capital Adequacy Requirements,
Expenses, Etc.

If any Law, guideline, or interpretation or any change in any Law or guideline, interpretation, or application thereof by any Official Body charged with the interpretation, administration or application thereof, or if compliance with any request or directive (whether or not having the force of Law) of any Official Body:

(i) subjects any Bank to any tax or changes the basis of taxation with respect to this Agreement, the Notes, the Term Loans, or payments by Borrower of principal, interest, fees, or other amounts due from Borrower hereunder or under any Note (except for taxes on the overall net income of such Bank),

(ii) imposes, modifies, or deems applicable any reserve, special deposit, assessment, or similar requirement against credits or commitments to extend credit extended by, or assets (funded or contingent) of, deposits with or for the account of, or other acquisitions of funds by, any Bank, or

(iii) imposes, modifies, or deems applicable to any Bank (or any corporation or company controlling such Bank) any capital adequacy or similar requirement (A) against assets (funded or contingent) of, or other credits or commitments to extend credit extended by, any Bank, or (B) otherwise applicable to the obligations of any Bank under this Agreement, and the result of any of the foregoing is to increase the cost to, reduce the income receivable by, or impose any expense (including loss of margin) upon any Bank (or any corporation or company controlling any such Bank) with respect to this Agreement, any Note, or the making, maintenance, or funding of any part of the Term Loans (or, in the case of any capital adequacy or similar requirement, to have the effect of reducing the rate of return on the capital of such Bank (or any corporation or company controlling such Bank), taking into consideration such Bank's (or its holding company's) customary policies with respect to capital adequacy) by an amount which such Bank in its sole discretion deems to be material, such Bank shall from time to time notify Borrower of the amount determined in good faith (using any averaging and attribution methods employed in good faith) by such Bank (which determination shall be conclusive absent manifest error) to be necessary to compensate such Bank for such increase in cost, reduction of income, or additional expense. Such notice shall set forth in reasonable detail the basis for such determination.

Such amount shall be due and payable by Borrower to such Bank ten (10) Business Days after such notice is given.

(b) Indemnity; Funding Breakage.

In addition to the compensation required by Clause (a) of this Subsection 2.15, Borrower shall indemnify each Bank against all liabilities, losses, and expenses (including loss of margin, any loss or expense incurred in liquidating or employing deposits from third parties or incurred in terminating or unwinding any contracts, and any loss or expense incurred in connection with Optional Currencies or other funds acquired by a Bank to fund or maintain any part of the Term Loans) which such Bank sustains or incurs as a consequence of any:

(i) payment or prepayment of any Term Loan or portion thereof or the conversion or renewal of any interest rate applicable to any Term Loan or portion thereof, to which LIBOR applies, on a day other than the last day of the corresponding Interest Period (whether or not such payment or prepayment is mandatory, voluntary, or automatic and whether or not such payment or prepayment is then due),

(ii) attempt by Borrower to revoke (expressly, by later inconsistent notices, or otherwise) in whole or part any notice relating to Interest Periods, loans of any nature, payments, or prepayments, or

(iii) default by Borrower in the performance or observance of any covenant or condition contained in or incorporated into this Agreement or any other Loan Document, including without limitation any failure of Borrower to pay when due (by acceleration or otherwise) any principal, interest, fee, or any other amount due hereunder.

If any Bank sustains or incurs any such loss or expense, it shall from time to time notify Borrower of the amount determined in good faith by such Bank (which determination shall be conclusive absent manifest error and may include such assumptions, allocations of costs and expenses, and averaging or attribution methods as such Bank shall deem reasonable) to be necessary to indemnify such Bank for such loss or expense. Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by Borrower to such Bank ten (10) Business Days after such notice is given.

2.16 Taxes.

(a) No Deductions.

All payments made by Borrower hereunder and under each Note shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges, or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the net income of any Bank and all income and franchise taxes applicable to any Bank of the United States (all such non- excluded taxes, levies, imposts, deductions, charges, withholdings, and liabilities being hereinafter referred to as "Taxes"). If Borrower shall be required by Law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Subsection) each Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions and (iii) Borrower shall timely pay the full amount deducted to the relevant tax authority or other authority in accordance with applicable Law.

(b) Stamp Taxes.

In addition, Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, or similar levies which arise from any payment made hereunder or from the execution, delivery, or registration of, or otherwise with respect to, this Agreement or any Note (herein-after referred to as "Other Taxes").

(c) Indemnification for Taxes Paid by a Bank.

Borrower shall indemnify each Bank for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Subsection) paid by any Bank and any liability (including penalties, interest, and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date a Bank makes written demand therefor.

(d) Certificate.

Within 30 days after the date of any payment of any Taxes by Borrower, Borrower shall furnish to each Bank, at its address referred to herein, the original or a certified copy of a receipt evidencing payment thereof. If no Taxes are payable in respect of any payment by Borrower, such Borrower shall, if so requested by a Bank, provide a certificate of an officer of Borrower to that effect.

(e) Survival.

Without prejudice to the survival of any other agreement of Borrower hereunder, the agreements and obligations of Borrower contained in Clauses (a) through (d) directly above shall survive the payment in full of principal and interest hereunder and under any instrument delivered hereunder.

2.17 Judgment Currency.

(a) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder or under a Note in any currency (the "Original Currency") into another currency (the "Other Currency"), the parties hereby agree, to the fullest extent permitted by Law, that the rate of exchange used shall be that at which in accordance with normal banking procedures each Bank could purchase the Original Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which final judgment is given.

(b) The obligation of Borrower in respect of any sum due from Borrower to any Bank hereunder shall, notwithstanding any judgment in an Other Currency, whether pursuant to a judgment or otherwise, be discharged only to the extent that, on the Business Day following receipt by any Bank of any sum adjudged to be so due in such Other Currency, such Bank may in accordance with normal banking procedures purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to such Bank in the Original Currency, Borrower agrees, as a separate obligation and notwithstanding any such judgment or payment, to indemnify such Bank against such loss.

2.18 London Interbank Market, Presumption.

For all purposes of this Agreement and each Note with respect to any aspects of LIBOR or any Term Loan (or portion thereof) or any Optional Currency, each Bank and Agent shall be presumed to have obtained rates, funding, currencies, deposits, and the like in the London interbank market regardless whether it did so or not; and, each Bank's and Agent's determination of amounts payable under, and actions required or authorized by, Subsections 2.14 and 2.15 shall be calculated, at each Bank's and Agent's option, as though each Bank and Agent funded its Term Loans and each Borrowing Tranche through the purchase of deposits of the types and maturities corresponding to the deposits used as a reference in accordance with the terms hereof in determining LIBOR applicable to such Term Loans or portion(s) thereof, whether in fact that is the case or not.

SECTION 3

CONDITIONS OF LENDING

3.01 Conditions Precedent to Closing.

The obligation of each Bank to enter into this Agreement is conditioned upon satisfaction of those matters set forth below and upon Borrower delivering to Agent the following documents, in form and substance satisfactory to the Banks, each dated on or before the date hereof as follows:

(a) A certificate of good standing and the Certificate of Incorporation and the Bylaws (or similar organizational documents) of Borrower certified respectively by the appropriate Official Body or official of the Borrower as true and complete on or just prior to the Closing Date;

(b) Certified copies of the resolutions or actions of the Board of Directors or similar governing body of Borrower authorizing the execution, delivery, and performance of this Agreement, the Notes, and the other Loan Documents and the borrowings contemplated herein, and the assumption of all other undertakings provided for herein and therein;

(c) Incumbency certificates signed by the Secretary or Assistant Secretary or similar official of Borrower for each of the person(s) executing on behalf of Borrower this Agreement, the Notes, and any other Loan Document;

(d) Opinions from Cayman Island and English legal counsel for Borrower in form satisfactory to the Banks;

(e) Such updated Schedules to the Syndicated Agreement as are necessary to reflect any changes since the date of such agreement;

(f) The guaranty by each of the Guarantors of the payment and performance by Borrower of its Obligations arising hereunder (the "Guaranties"), together with documents of each such Guarantor comparable to those set forth in Clauses (a) through (c) above, together with an opinion of J. Patrick Clark, Esquire, counsel to Guarantors;

(g) Borrower shall pay the Facility Fees of the Banks as set forth herein and all of the fees, costs, and expenses of Agent (including reasonable attorneys' fees) arising out of this transaction.

3.02 Conditions Precedent to Banks Making Term Loans.

The obligation of the Banks to make their respective Term Loans to Borrower hereunder shall expire immediately after the Borrowing Date and is conditioned upon satisfaction of those matters set forth below and upon Borrower delivering to Agent the following documents, in form and substance satisfactory to the Banks:

(a) Properly executed Notes, dated as of the Borrowing Date and delivered to Agent with the Term Loan Request (defined below);

(b) Borrower shall provide to Agent a request for Term

Loans (the "Term Loan Request") executed by Borrower, in form satisfactory to Agent and the Banks and accompanied by the fully executed Notes, setting forth (i) the amount denominated in the Optional Currency of each Borrowing Tranche comprising the Term Loans, and (ii) the initial Interest Period applicable to each such Borrowing Tranche (all of which Interest Periods shall commence on the same date); Borrower shall provide the Term Loan Request and accompanying Notes to Agent by 10:00 a.m. New York time four (4) Business Days prior to the Borrowing Date, and in the event that Borrower desires to borrow the Term Loans on or within three (3) Business Days after the Closing Date, Borrower shall include in such Term Loan Request Borrower's irrevocable agreement, substantially in the form of Subsection 2.15(b) hereof, pursuant to which Borrower agrees to indemnify each Bank for any break funding and related costs incurred by any such Bank in obtaining Optional Currencies to fund a Term Loan (or portion thereof) prior to the execution hereof by Borrower.

(c) The Optional Currencies in the amounts requested in the Term Loan Request shall be freely available to the Banks on the proposed Borrowing Date; and, LIBOR with respect thereto shall be readily calculable and maintainable therefor;

(d) All representations and warranties made by Borrower herein and made by Borrower or any Guarantor in the Syndicated Agreement shall be true and correct on the Borrowing Date as though made as of such date (except to the extent that any such representation or warranty may relate to an earlier date), and there shall not be any Event of Default hereunder nor shall any event have occurred and be continuing that with notice or lapse of time, or both, would constitute an Event of Default;

(e) All documents and instruments relating to the making of the Term Loans, and all proceedings taken by or on behalf of Borrower or any Guarantor on or prior to the Borrowing Date in connection with the performance of this Agreement shall be satisfactory to the Banks, and each Bank shall have received copies of all such documents or other evidence as it may reasonably request in order to establish the fulfillment of all conditions precedent and the truth and correctness of all representations and warranties set forth herein or incorporated herein.

(f) There shall have occurred no material adverse change in the business, assets, condition (financial or otherwise), or results of operations of Borrower or Guarantors taken as a whole since the Closing Date, except as previously disclosed in writing to the Banks prior to the Borrowing Date.

3.03 Interest Period Requests.

The Term Loan Request and each Interest Period Request given hereunder shall be deemed to be a representation and warranty by Borrower: (i) that at the date of such Interest Period Request there exists no condition, event, or act which constitutes an Event of Default, and no condition, event or act which, with notice or lapse of time, or both, would constitute such an Event of Default, and (ii) that all representations and warranties of Borrower and each Guarantor set forth herein or in any other Loan Document or in the Syndicated Agreement are true and correct at the date of such Term Loan Request or Interest Period Request as if made on such date (except to the extent any representation or warranty may expressly relate to an earlier date and except to the extent that any Schedule submitted by Borrower or any Guarantor pursuant to any Guaranty or Subsection 3.01(e) hereof on or before the date hereof may modify any such representation or warranty).

SECTION 4

REPRESENTATIONS, WARRANTIES, COVENANTS; INCORPORATION OF TERMS

In order to induce Agent and each Bank to enter into this Agreement and so long as this Agreement is in effect or any portion of any Term Loan is outstanding, Borrower hereby agrees (and shall cause each Guarantor to similarly agree) as follows:

4.01 Incorporation.

The Syndicated Agreement is hereby incorporated herein by reference and made a part hereof (other than with respect to the obligations of the banks under such agreement). As of the Closing Date, Borrower hereby makes to the Agent and the Banks and restates directly to the Agent and the Banks all of the representations and warranties made by Borrower (except to the extent that any representation or warranty may expressly relate to an earlier date, and except to the extent that any Schedule submitted by or on behalf of Borrower pursuant Subsection 3.01(e) hereof on or before the date hereof may modify any such representation or warranty), and Borrower hereby promises and covenants and restates to Agent and the Banks all of the affirmative and negative covenants applicable to Borrower, set forth in the Syndicated Agreement all as if such representations, warranties, and covenants were fully set forth herein and made directly by Borrower to Agent and the Banks, *mutatis mutandis*.

4.02 Representations, Compliance.

Accordingly, Borrower hereby represents and warrants to Agent and the Banks that all representations and warranties set forth in the Syndicated Agreement remain true and correct as of the Closing Date (except to the extent that any such representation or warranty may expressly relate to an earlier date and except to the extent that any Schedule submitted by or on behalf of Borrower pursuant to Subsection 3.01(e) hereof on or before the date hereof may modify any such representation or warranty), and Borrower hereby agrees with Agent and the Banks to remain in compliance with all affirmative and negative covenants set forth in the Syndicated Agreement applicable to Borrower on or after the Closing Date regardless whether or

not the Syndicated Agreement remains in effect, the commitments thereunder expire or terminate, or any indebtedness or obligations or liabilities under the Syndicated Agreement are paid in full.

4.03 Amendments.

No amendment or modification to or any waiver of any provision of the Syndicated Agreement by any of the parties thereto shall amend or modify or waive for the purposes hereof any of the provisions of the Syndicated Agreement which have been incorporated herein unless Agent and the Banks shall have provided their written consent thereto (which consent shall not be unreasonably withheld); and, the occurrence of any breach, default, or Event of Default under the Syndicated Agreement at any time shall be a default, breach, and Event of Default under this Agreement and under each and every document, instrument, and agreement between any Bank or Agent and Borrower or given by Borrower to any Bank or Agent relating to any of the Obligations of Borrower arising under this Agreement, notwithstanding any term or provision hereof to the contrary, or any term or provision of any document, instrument, or agreement between Borrower, any Guarantor, and Agent or any Bank to the contrary.

4.04 Party to Syndicated Agreement.

Borrower shall become on or before the Closing Date a Guarantor under and a party to the Syndicated Agreement.

4.05 Notices.

Borrower shall provide prompt written notice to Agent and each of the Banks in the event of:

- (a) any amendment, modification, or the like to or any waiver of any provision of the Syndicated Agreement; or
- (b) any event or omission that could reasonably be expected to or does result in an Event of Default hereunder or under the Syndicated Agreement.

4.06 The Acquisition.

Borrower hereby covenants and agrees with Agent and the Banks that as of the close of business on the Borrowing Date: the Acquisition, shall have been consummated; all amounts payable by Borrower in connection therewith shall have been paid or escrowed, or otherwise committed, in favor of sellers of the capital stock of Maillefer; Borrower shall be the sole owner of approximately 95% of the capital stock of Maillefer and such stock shall be subject to no claims or encumbrances or rights of assessment; except to the extent that any failure to do so would not result in a material adverse change to the business or financial condition of Borrower or Maillefer, Maillefer shall be in compliance with all applicable Laws (including those relating to the environment, labor, occupational safety, pension, and the exportation and importation of goods); and, there are no material claims or suits asserted or threatened against Maillefer or

its property. As soon as practicable and in any event within thirty (30) days after the date hereof, Borrower shall cause to be provided to Agent and the Banks an opinion or certificate of Swiss legal counsel to Borrower (or from an Official Body or from a Person acceptable to the Banks) to the effect that the foregoing provisions of this Subsection 4.06 are true and correct.

4.07 Assignees.

In the event that any assignee or participant pursuant to Subsection 7.07 is not a party to the Syndicated Agreement, Borrower agrees to provide and to cause each Guarantor to provide to such assignee or participant all financial and other information, reports, certificates, notices, and the like which Borrower or any Guarantor is required pursuant to the Syndicated Agreement to provide to the original Bank parties to this Agreement.

4.08 Enforceability, No Conflict, Etc.

Borrower has the corporate power to execute, deliver, and perform this Agreement, the Notes, and the other Loan Documents; and, the execution, delivery, and performance of this Agreement, the Notes, and the other Loan Documents have been duly authorized by all necessary corporate action, require no approval of any Official Body, and neither now nor hereafter shall contravene, conflict with, or result in a breach of any Law or any memorandum, articles, charter or certificate of association or incorporation or any bylaws, instrument, indenture or agreement, governing or binding upon Borrower or any of its property. This Agreement, the Notes, and the other Loan Documents shall, when executed and delivered to Agent, constitute legal, valid, and binding agreements of Borrower enforceable against Borrower in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by general principles of equity.

SECTION 5

DEFAULT

5.01 Events of Default.

An "Event of Default" shall mean the occurrence or existence of any one or more of the following events or conditions (whatever the reason therefor and whether voluntary, involuntary or effected by operation of Law):

- (a) Default by Borrower in any payment required to be made under this Agreement or any Note and, in the case solely of interest thereon, such default shall continue unremedied for five (5) Business Days;
- (b) The occurrence of any Event of Default under the Syndicated Agreement;

- (c) Default shall be made with respect to the payment of any amount due under any agreement or other evidence of Indebtedness for borrowed money (other than defaults as to payments upon borrowings directly relating to Clauses (a) or (b) directly above) of Borrower or any of the Guarantors in an aggregate outstanding principal amount of \$10,000,000 or more or its equivalent in another currency, or any other default shall be made with respect to any such Indebtedness and such Indebtedness shall have been accelerated so that any payment in respect of such Indebtedness shall be or become due prior to its maturity or scheduled due date;
- (d) Any representation or warranty made by Borrower or any Guarantor herein or incorporated herein or in any writing furnished in connection with or pursuant to this Agreement shall be false or incorrect in any material respect as of the time it was made or furnished or deemed made or furnished;
- (e) Default by Borrower or any Guarantor in the performance or observance of any covenant, term, condition, or agreement contained or incorporated herein or in any other Loan Document, if such default shall not have been remedied within thirty (30) days after the occurrence thereof, other than defaults referred to in Clauses (a) through (d) directly above;
- (f) This Agreement, any Note, any Guaranty, or any other Loan Document given now or hereafter in connection herewith shall (i) not remain in full force and effect, be declared null and void, or shall not be enforceable against any of the parties thereto (in whole or in part) in accordance with its terms and shall not be reinstated to full force and effect and enforceability against each party thereto in accordance with its terms within 30 days or (ii) be disaffirmed or repudiated by the Borrower or any Guarantor or any successor thereof or trustee therefor;
- (g) A Change in Control shall occur.

5.02 Consequences of Event of Default.

- (a) In the case of the happening of any Event of Default described above, then, upon the occurrence thereof and at any time thereafter during the continuance of such Event of Default, the Agent may (unless, in the case of each Event of Default other than that specified in Clause(a) above or in paragraph (b) of Article VII of the Syndicated Agreement, the Required Banks shall have waived such Event of Default in writing, and, in the case of an Event of Default specified in Clause (a) above or in paragraph (b) of Article VII of the Syndicated Agreement, each of the Banks shall have waived such Event of Default in writing), and, upon

direction of the Required Banks, will by written notice to Borrower, take any of the following actions, at the same or different times: (i) terminate the Term Loan Commitments (if the Term Loans have not yet been made) and (ii) declare the Notes to be forthwith due and payable, whereupon the Notes and all other fees and amounts owing hereunder shall become forthwith due and payable, both as to principal and interest, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding.

Notwithstanding the foregoing, if an Event of Default specified in paragraph (g) or (h) of Article VII of the Syndicated Agreement occurs with respect to the Borrower or a Guarantor, the Notes shall become immediately due and payable, both as to the principal and interest, without any action by the Agent and without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding.

(b) Set-Off.

If any Event of Default shall have occurred and be continuing and any Bank shall have requested the Agent to declare the Notes immediately due and payable pursuant to this Section 5, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by Law, to set off and apply any and all deposits (general and special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Borrower or any Guarantor against any of and all the Obligations now or hereafter existing under this Agreement and the Notes held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such Notes and although such obligations may be unmatured. Each Bank agrees promptly to notify the Borrower after any such setoff and application made by such Bank, but the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Bank under this Subsection 5.02(b) are in addition to other rights and remedies (including other rights of setoff) which such Bank may have.

SECTION 6

THE AGENT

6.01 Appointment.

Each Bank hereby irrevocably designates, appoints and authorizes ABN

AMRO Bank N.V. to act as Agent for such Bank under this Agreement to execute and deliver or accept on behalf of each of the Banks the other Loan Documents. Each Bank hereby irrevocably authorizes, and each holder of any Note by the acceptance of a Note shall be deemed irrevocably to authorize, the Agent to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and any other instruments and agreements referred to herein, and to exercise such powers and to perform such duties hereunder as are specifically delegated to or required of the Agent by the terms hereof, together with such powers as are reasonably incidental thereto. ABN AMRO Bank N.V. agrees to act as the Agent on behalf of the Banks to the extent provided in this Agreement.

6.02 Delegation of Duties.

The Agent may perform any of its duties hereunder by or through agents or employees (provided such delegation does not constitute a relinquishment of its duties as Agent) and, subject to Sections 6.05 and 6.06, shall be entitled to engage and pay for the advice or services of any attorneys, accountants, or other experts concerning all matters pertaining to its duties hereunder and to rely upon any advice so obtained.

6.03 Nature of Duties; Independent Credit Investigation.

The Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and no implied covenants, functions, responsibilities, duties, obligations, or liabilities shall be read into this Agreement or otherwise exist. The duties of the Agent shall be mechanical and administrative in nature; the Agent shall not have by reason of this Agreement a fiduciary or trust relationship in respect of any Bank; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon the Agent any obligations in respect of this Agreement except as expressly set forth herein. Each Bank expressly acknowledges: (i) that the Agent has not made any representations or warranties to it and that no act by the Agent hereafter taken, including any review of the affairs of any of the Borrower or any Guarantors or any other Subsidiaries or Affiliates thereof, shall be deemed to constitute any representation or warranty by the Agent to any Bank; (ii) that it has made and will continue to make, without reliance upon the Agent, its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of each of Borrower, the Guarantors, and each of their Subsidiaries and Affiliates in connection with this Agreement and the making and continuance of the Term Loans hereunder; and (iii) except as expressly provided herein, that the Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Bank with any credit or other information with respect thereto, whether coming into its possession before the making of the Term Loans or at any time or times thereafter.

6.04 Actions in Discretion of Agent; Instructions from the Banks.

The Agent agrees, upon the written request of the Required Banks, to take or refrain from taking any action of the type specified as being within the Agent's rights, powers or discretion herein, provided that the

Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or any other Loan Document or applicable Law. In the absence of a request by the Required Banks, the Agent shall have authority, in its sole discretion, to take or not to take any such action, unless this Agreement specifically requires the consent of the Required Banks or all of the Banks. Any action taken or failure to act pursuant to such instructions or discretion shall be binding on the Banks, subject to Section 6.06. Subject to the provisions of Section 6.06, no Bank shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting hereunder in accordance with the instructions of the Required Banks, or in the absence of such instructions, in the absolute discretion of the Agent.

6.05 Reimbursement and Indemnification of Agent by the Borrower. --

Borrower agrees unconditionally upon demand to pay or reimburse the Agent and save the Agent harmless against (a) liability for the payment of all reasonable out-of-pocket costs, expenses and disbursements (including the reasonable fees and expenses of counsel for the Agent) incurred by Agent (i) in connection with the negotiation, preparation, printing, execution, administration, syndication, and interpretation of this Agreement and the other Loan Documents, (ii) relating to any amendments, waivers, or consents pursuant to the provisions hereof, (iii) in connection with the enforcement of this Agreement or any other Loan Document or collection of amounts due hereunder or thereunder or the proof and allowability of any claim arising under this Agreement or any other Loan Document, whether in bankruptcy, receivership, or similar proceedings or otherwise, and (iv) in connection with any workout or restructuring, or in connection with the protection, preservation, exercise, or enforcement of any of the terms hereof or of any rights hereunder or under any other Loan Document, or in connection with any foreclosure, collection, or bankruptcy proceedings, and (b) all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable attorneys' fees), or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Agent hereunder or thereunder, provided that Borrower shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements to the extent the same is found by a final judgment to have resulted from the Agent's gross negligence or willful misconduct, or if the Borrower was not given notice of the subject claim and the opportunity to participate in the defense thereof, at its expense (except that the Borrower shall remain liable to the extent such failure to give notice does not result in a loss to the Borrower), or if the same results from a compromise or settlement agreement entered into without the consent of the Borrower, which shall not be unreasonably withheld. Borrower agrees unconditionally to pay all excise and similar taxes, and all stamp, document, transfer, recording, and filing taxes or fees and similar impositions, and any and all penalties related thereto, now or hereafter determined by Agent to be payable in connection with this Agreement, any Note, any other document or agreement executed or given in connection herewith, or any transactions or actions taken hereunder or thereunder, and Borrower agrees unconditionally to save Agent harmless from and against any and all present or future claims, penalties, liabilities, or losses with respect to or resulting from any

omission to pay or delay in paying any such taxes, fees, or impositions.

6.06 Exculpatory Provisions.

Neither the Agent nor any of its directors, officers, employees, agents, attorneys, Affiliates, or Subsidiaries shall (a) be liable to any Bank for any action taken or omitted to be taken by it or them hereunder, or in connection herewith including pursuant to any Loan Document, unless to the extent the same is found by a final judgment to have resulted from its or their own gross negligence or willful misconduct, (b) be responsible in any manner to any of the Banks for the effectiveness, enforceability, genuineness, validity, or the due execution of this Agreement or any other Loan Documents or for any recital, representation, warranty, document, certificate, report, or statement herein or made or furnished under or in connection with this Agreement or any other Loan Documents, or (c) be under any obligation to any of the Banks to ascertain or to inquire as to the performance or observance of any of the terms, covenants, or conditions hereof or thereof on the part of Borrower, any Guarantor or any other Subsidiary or Affiliate of Borrower, or the financial condition of any of them, or the existence or possible existence of any Event of Default or potential default hereunder or under the Syndicated Agreement. Neither the Agent nor any Bank nor any of their respective directors, officers, employees, agents, attorneys, subsidiaries, or affiliates shall be liable to Borrower, any Guarantor, or any Subsidiary or Affiliate of Borrower for consequential damages resulting from any breach of contract, tort, or other wrong in connection with the negotiation, documentation, administration, or collection of any portion of the Term Loans or any of the Loan Documents.

6.07 Reimbursement and Indemnification of Agent by Banks.

Each Bank agrees to reimburse and indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the Obligation of the Borrower to do so) in proportion to its Ratable Share from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable attorneys' fees), or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Agent hereunder or thereunder, provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements (a) to the extent the same is found by a final judgment to have resulted from the Agent's gross negligence or willful misconduct, or (b) if such Bank was not given notice of the subject claim and the opportunity to participate in the defense thereof at its expense (except that such Bank shall remain liable to the extent such failure to give notice does not result in a loss to the Bank), or (c) if the same results from a compromise and settlement agreement entered into without the consent of such Bank, which shall not be unreasonably withheld.

6.08 Reliance by Agent.

The Agent shall be entitled to rely upon any writing, telegram, telex

or teletype message, resolution, notice, consent, certificate, letter, cablegram, statement, order, or other document or conversation by telephone or otherwise believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon the advice and opinions of counsel and other professional advisers selected by the Agent. The Agent shall be fully justified in failing or refusing to take any action hereunder unless it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

6.09 Notice of Default.

The Agent shall not be deemed to have knowledge or notice of the occurrence of any potential default or Event of Default unless the Agent has received written notice from a Bank or the Borrower referring to this Agreement, describing such potential default or Event of Default and stating that such notice is a "notice of default."

6.10 Notices.

The Agent shall send to each Bank a copy of all notices received from the Borrower pursuant to the provisions of this Agreement or the other Loan Documents promptly upon receipt thereof.

6.11 Banks in Their Individual Capacities.

With respect to the Term Loan made by it, the Agent shall have the same rights and powers hereunder as any other Bank and may exercise the same as though it were not the Agent, and the term "Banks" shall, unless the context otherwise indicates, include the Agent in its individual capacity. ABN AMRO Bank N.V. and its Affiliates and Subsidiaries and each of the Banks and their respective Subsidiaries and Affiliates may, without liability to account, except as prohibited herein, make loans to, accept deposits from, discount drafts for, act as trustee under indentures of, and generally engage in any kind of banking or trust business with, the Borrower, any Guarantor, and their Subsidiaries and Affiliates, in the case of the Agent, as though it were not acting as Agent hereunder and, in the case of each Bank, as though such Bank were not a Bank hereunder.

6.12 Holders of Notes.

The Agent may deem and treat any payee of any Note as the owner thereof for all purposes hereof unless and until written notice of the assignment or transfer thereof shall have been filed with the Agent. Any request, authority, or consent of any Person who at the time of making such request or giving such authority or consent is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee, or assignee of such Note or of any Note or Notes issued in exchange therefor.

6.13 Equalization of Banks.

The Banks and the holders of any participations in any Notes agree

among themselves that, with respect to all amounts received by any Bank or any such participant for application on any Obligation hereunder or under any Note or under any such participation, whether received by voluntary payment, by realization upon security, by the exercise of the right of set-off or banker's lien, by counterclaim or by any other non-pro rata source, equitable adjustment will be made in the manner stated in the following sentence so that, in effect, all such excess amounts will be shared ratably among the Banks and such participants in proportion to their interests in payments under the Notes, except as otherwise provided in Subsections 2.12(b), 2.14(b), 2.15, 2.16, 6.05, 6.07, or 7.03. The Banks or any such participant receiving any such amount shall purchase for cash from each of the other Banks an interest in such Bank's Term Loans in such amount as shall result in a ratable participation by the Banks and each such holder in the aggregate unpaid amount under the Notes, provided that if all or any portion of such excess amount is thereafter recovered from the Bank or the participant making such purchase, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, together with interest or other amounts, if any, required by Law to be paid by the Bank or the participant making such purchase.

6.14 Successor Agent.

The Agent (a) may resign as Agent or (b) shall resign if such resignation is requested by the Required Banks (if the Agent is a Bank, the Agent's Term Loans and its Term Loan Commitment shall be considered in determining whether the Required Banks have requested such resignation), in either case of (a) or (b) by giving not less than thirty (30) days' prior written notice to the Borrower. If the Agent shall resign under this Agreement, then either (i) the Required Banks shall appoint from among the Banks a successor agent for the Banks, subject to the consent of the Borrower, such consent not to be unreasonably withheld, or (ii) if a successor agent shall not be so appointed and approved within the thirty (30) day period following the Agent's notice to the Banks of its resignation, then the Agent shall appoint, with the consent of the Borrower, such consent not to be unreasonably withheld, a successor agent who shall serve as Agent until such time as the Required Banks appoint and the Borrower consents to the appointment of a successor agent. Upon its appointment pursuant to either Clause (i) or (ii) above, such successor agent shall succeed to the rights, powers, and duties of the Agent and the term "Agent" shall mean such successor agent, effective upon its appointment, and the former Agent's rights, powers, and duties as Agent shall be terminated without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement. After the resignation of any Agent hereunder, the provisions of this Section 6 shall inure to the benefit of such former Agent.

6.15 Availability of Funds.

Unless the Agent shall have been notified by a Bank prior to the date upon which a Term Loan is to be made that such Bank does not intend to make available to the Agent such Bank's Term Loan or a portion thereof, the Agent may assume that such Bank has made or will make such proceeds available to the Agent on such date and the Agent may, in reliance upon such assumption (but shall not be required to), make available to the Borrower a corresponding amount. If such corresponding amount is not in

fact made available to the Agent by such Bank, the Agent shall be entitled to recover such amount on demand from such Bank (or, if such Bank fails to pay such amount forthwith upon such demand from the Borrower) together with interest thereon (all in the currency in which such loan was made), in respect of each day during the period commencing on the date such amount was made available to the Borrower and ending on the date the Agent recovers such amount, at a rate per annum equal to the applicable interest rate(s) in respect of such Term Loan or relevant portion thereof.

6.16 Calculations.

In the absence of a final judgment of gross negligence or willful misconduct on the part of Agent, the Agent shall not be liable for any error in computing any amount payable to any Bank whether in respect of the Term Loans, fees, or any other amounts due to the Banks under this Agreement. In the event an error in computing any amount payable to any Bank is made, the Agent, the Borrower, and each affected Bank shall, forthwith upon discovery of such error, make such adjustments as shall be required to correct such error.

6.17 Beneficiaries.

Except as expressly provided herein, the provisions of this Section 6 are solely for the benefit of the Agent and the Banks, and none of the Borrower, Guarantors or any Subsidiaries or Affiliates thereof shall have any rights to rely on or enforce any of the provisions hereof. In performing its functions and duties under this Agreement, the Agent shall act solely as agent of the Banks and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for the Borrower, any Guarantors or any Subsidiaries or Affiliates thereof.

SECTION 7

MISCELLANEOUS

7.01 Modifications, Amendments or Waivers.

With the written consent of the Required Banks, the Agent, acting on behalf of all the Banks, and the Borrower may from time to time enter into written agreements amending or changing any provision of this Agreement or any other Loan Document or the rights of the Banks, Borrower, or Guarantors hereunder or thereunder, or may grant written waivers or consents to a departure from the due performance of the Obligations of Borrower or any Guarantor hereunder or thereunder. Any such agreement, waiver, or consent made with such written consent shall be effective to bind all the Banks and Borrower and each Guarantor; provided, that, without the written consent of all the Banks, no such agreement, waiver, or consent may be made which will:

- (a) increase the amount of the Term Loan Commitment of any Bank hereunder (subject, however, to the potential increase in Term Loan Commitments addressed by

Subsection 2.13(b)) or extend the Termination Date;

- (b) extend the time for payment of principal or interest of any Term Loan or Borrowing Tranche or the Facility Fee, or reduce the principal amount of or the rate of interest borne by any Borrowing Tranche or reduce any Facility Fee, or otherwise affect the terms of payment of the principal of or interest of any Term Loan or Borrowing Tranche or any fee payable to any Bank; or
- (c) amend Subsections 2.10, 6.06, 6.13, or this Section 7.01, alter any provision regarding the pro rata treatment of the Banks, change the definition of Required Banks, or change any requirement providing for the Banks or the Required Banks to authorize the taking of any action hereunder.

No agreement, waiver, or consent which would modify the interests, rights, or obligations of the Agent in its capacity as Agent shall be effective without the written consent of the Agent.

7.02 No Implied Waivers; Cumulative Remedies; Writing Required.

No course of dealing and no delay or failure of the Agent or any Bank in exercising any right, power, remedy, or privilege under this Agreement or any other Loan Document shall affect any other or future exercise thereof or operate as a waiver thereof; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power, remedy, or privilege preclude any further exercise thereof or of any other right, power, remedy, or privilege. The rights and remedies of the Agent and the Banks under this Agreement and any other Loan Documents are cumulative and not exclusive of any rights or remedies which they would otherwise have. Any waiver, permit, consent, or approval of any kind or character on the part of any Bank of any breach or default under this Agreement or any such waiver of any provision or condition of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. In the event of any irreconcilable inconsistency between the terms of this Agreement, the Note, or any other document or agreement executed or given in connection herewith, the terms hereof shall control.

7.03 Reimbursement and Indemnification of Banks by the Borrower; Taxes.

The Borrower agrees unconditionally upon demand to pay or reimburse to each Bank (other than the Agent solely in such capacity, as to which the Borrower's Obligations are set forth in Section 6.05) and to save each Bank harmless against (a) liability for the payment of all reasonable out-of-pocket costs, expenses, and disbursements (including reasonable fees and expenses of counsel for each Bank except with respect to (i) and (ii) below), incurred by such Bank (i) in connection with the administration and interpretation of this Agreement and the other Loan Documents, (ii) relating to any amendments, waivers, or consents pursuant to the provisions hereof, (iii) in connection with the enforcement of this Agreement or any

other Loan Document or collection of amounts due hereunder or thereunder or the proof and allowability of any claim arising under this Agreement or any other Loan Document, whether in bankruptcy, receivership, or similar proceedings or otherwise, and (iv) in connection with any workout or restructuring, or in connection with the protection, preservation, exercise, or enforcement of any of the terms hereof or of any rights hereunder or under any other Loan Document, or in connection with any foreclosure, collection, or bankruptcy proceedings, or (b) all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable attorneys' fees), or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against such Bank, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken by or omitted by such Bank hereunder or thereunder, provided that Borrower shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements (A) to the extent the same is found by a final judgment to have resulted from such Bank's gross negligence or willful misconduct, or (B) if the Borrower was not given notice of the subject claim and the opportunity to participate in the defense thereof, at its expense (except that the Borrower shall remain liable to the extent such failure to give notice does not result in a loss to the Borrower), or (C) if the same results from a compromise or settlement agreement entered into without the consent of the Borrower, which shall not be unreasonably withheld. Borrower agrees unconditionally to pay all stamp, intangible, document, transfer, recording or filing taxes or fees and similar impositions now or hereafter determined by any Bank to be payable in connection with this Agreement, any Note, or any other Loan Document, or any transactions or actions taken hereunder or thereunder, and Borrower agrees unconditionally to save Banks harmless from and against any and all present or future claims, penalties, liabilities, or losses with respect to or resulting from any omission to pay or delay in paying any such taxes, fees, or impositions.

7.04 Holidays.

Whenever any payment or action to be made or taken hereunder shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day (except as provided in Subsection 2.07 with respect to Interest Periods) and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

7.05 Funding by Branch, Subsidiary or Affiliate.

(a) Notional Funding.

Each Bank shall have the right from time to time, without notice to Borrower, to deem any branch, Subsidiary, or Affiliate of such Bank to have made, maintained, or funded any Term Loan or any portion thereof provided that immediately following and as a result of such change Borrower would not be under any greater financial obligation pursuant to Subsection

2.15 than it would have been in the absence of such change. Notional funding offices may be selected by each Bank without regard to the Bank's actual methods of making, maintaining, or funding the Loans or any sources of funding actually used by or available to such Bank.

(b) Actual Funding.

Each Bank shall have the right from time to time to make or maintain any Term Loan or portion thereof by arranging for a branch, Subsidiary, or Affiliate of such Bank to make or maintain such Term Loan or a portion thereof subject to the last sentence of this Subsection 7.05(b). If any Bank causes a branch, Subsidiary, or Affiliate of such Bank to make or maintain any part of the Term Loans hereunder, all terms and conditions of this Agreement shall, except where the context clearly requires otherwise, be applicable to such part of the Term Loans to the same extent as if such Term Loans were made or maintained by such Bank, but in no event shall any Bank's use of such a branch, Subsidiary, or Affiliate to make or maintain any part of the Term Loans hereunder cause such Bank or such branch, Subsidiary, or Affiliate to incur any material cost or expenses payable by the Borrower hereunder or require the Borrower to pay any other material compensation to any Bank (including any expenses incurred or payable pursuant to Subsection 2.15) which would otherwise not be incurred.

7.06 Notices.

All notices, requests, demands, directions, and other communications (as used in this Section 7.06 collectively referred to as "notices") given to or made upon any party hereto under the provisions of this Agreement shall be in writing (including telex or facsimile communication) unless otherwise expressly permitted hereunder and shall be delivered or sent by telex or facsimile to the respective parties at the addresses and numbers set forth under their respective names on the signature pages hereof or in accordance with any subsequent unrevoked written direction from any party to the others. All notices shall, except as otherwise expressly herein provided, be effective (a) in the case of telex or facsimile, when received, (b) in the case of hand-delivered notice, when hand delivered, (c) in the case of telephone, when telephoned, provided, however, that in order to be effective, telephonic notices must be confirmed in writing no later than the next day by hand delivery, facsimile or telex, (d) if given by mail, four (4) days after such communication is deposited in the mails with first class postage prepaid, return receipt requested, and (e) if given by any other means (including by air courier), when delivered; provided, that notices to the Agent shall not be effective until received. Any Bank giving any notice to Borrower or any Guarantor shall simultaneously send a copy thereof to the Agent and other Banks.

7.07 Successors and Assigns; Participations; Assignments.

This Agreement shall be binding upon and shall inure to the benefit of the Banks, the Agent, Borrower, and their respective successors and assigns, except that Borrower may not assign or transfer any of its rights or Obligations hereunder or any interest herein.

- (a) Each Bank may without the consent of the Borrower sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Term Loan Commitment and the Term Loans owing to it and the Notes held by it); provided, however, that (i) such Bank's obligations under this Agreement shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the cost protection provisions contained in Subsection 2.15 but shall not be entitled to receive pursuant to such provisions an amount larger than its share of the amount to which the Bank granting such participation would have been entitled and (iv) Borrower, Agent, and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement; provided, further, that each Bank shall retain the sole right and responsibility vis-a-vis Borrower to enforce the obligations of Borrower relating to the Term Loans and shall retain all voting rights, including the right to approve any amendment, modification, or waiver of any provision of this Agreement other than amendments, modifications, or waivers with respect to any Facility Fees, the amount of principal or the rate of interest payable on, or the maturity of, the Term Loans as applicable to the participating banks or other entities (as to which such participating banks or other entities shall be afforded the right to vote).
- (b) Each of the Banks originally party hereto may (but only with the prior written consent of Borrower, which consent shall not be unreasonably withheld, and (unless the assignee is a bank or trust company with a combined capital and surplus of at least \$100,000,000) with the written consent of Agent, which consent shall not be unreasonably withheld) assign to one or more banks or other entities all or a portion of its interests, rights, and obligations under this Agreement (including all or a portion of its Term Loan Commitment and the same portion of the Term Loans at the time owing to it and the Notes held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of the assigning Bank's rights and obligations under this Agreement, and (ii) the amount of the Term Loan Commitment and Term Loan of the assigning Bank subject

to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment is delivered to the Bank) shall be either the entire Term Loan Commitment or Term Loan of such Bank or a portion thereof in a principal amount of \$5,000,000 or a larger integral multiple of \$1,000,000, and (iii) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of \$3,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be not earlier than five (5) Business Days after the date of acceptance and recording by the Agent, (x) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Bank hereunder and under the other Loan Documents and (y) the assigning Bank thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of the assigning Bank's rights and obligations under this Agreement, such assigning Bank shall cease to be a party hereto).

- (c) Notwithstanding the other provisions of this Subsection 7.07, each Bank may at any time assign all or a portion of its interests, rights, and obligations under this Agreement (including, without limitation, all or a portion of its Term Loan Commitment and the same portion of the Term Loans at any time owing to it and the Notes held by it) to (i) any Affiliate of such Bank described in clause (b) of the definition of Affiliate or (ii) any other Bank hereunder.
- (d) By executing and delivering an Assignment and Acceptance, the assigning Bank thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency, or value of the Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any Guarantor, or any of the

Subsidiaries or Affiliates of Borrower or any Guarantor or any other obligor under the Loan Documents or the performance or observance by the Borrower (on behalf of itself or its Subsidiaries or Affiliates) or any of the Guarantors or any other obligor under the Loan Documents of any of their respective obligations under the Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (iii) such assignee confirms that it has received a copy of this Agreement and the Syndicated Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 5.05(a) and 5.05(b) of the Syndicated Agreement (or if none of such financial statements shall have then been delivered, then copies of the financial statements referred to in Section 3.05 thereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Bank, the Agent, or any other Person that has become a Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Agent to take such action as the Agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

- (e) The Agent shall maintain at its address at which notices are to be given to it pursuant to Subsection 7.06 a copy of each Assignment and Acceptance and a register for the recordation of the names and addresses of the Banks and the Term Loan Commitments of, and principal amount of the Term Loans owing to, each Bank from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and Borrower, Agent and the Banks may treat each Person whose name is recorded in the Register as a Bank hereunder for all purposes of the Loan Documents. The Register shall be available for inspection by the Borrower or any Bank at any reasonable time and from time to time upon reasonable prior notice.
- (f) Upon its receipt of an Assignment and Acceptance executed by an assigning Bank and an assignee together with any Notes subject to such assignment and evidence of the Borrower's written consent to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in the form of Exhibit A hereto, (i) accept such Assignment and Acceptance, (ii) record

the information contained therein in the Register and (iii) give prompt written notice thereof to the Borrower. Within five (5) Business Days after receipt of the notice, the Borrower, at its own expense, shall execute and deliver to the Bank, in exchange for the surrendered Notes, (x) a new Note or Notes to the order of such assignee in an amount and currency equal to the portion of the Term Loan Commitment or Term Loan assumed by it pursuant to such Assignment and Acceptance and, (y) a new Note or Notes to the order of the assigning Bank in an amount and currency equal to the portion of the Term Loan Commitment or Term Loan retained by it hereunder. Such new Notes shall be in the aggregate principal amount and Optional Currencies equal to the aggregate principal amount in such Optional Currencies of such assumed Term Loan Commitment or Term Loan and retained Term Loan Commitment or Term Loan, such new Notes shall be dated the date of the surrendered Notes and shall otherwise be in substantially the forms of the Notes. In addition, the Borrower will promptly, at its own expense, execute such amendments to the Loan Documents and to such additional documents and cause the Guarantors to execute amendments to the Loan Documents to which any of them is a party, and take such other actions as the Agent or the assignee Bank may reasonably request in order to confirm that such assignee Bank is entitled to the full benefit of the Guaranties to the extent of such assignment.

- (g) Notwithstanding any other provision herein, any Bank may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Subsection 7.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to Borrower, Guarantors, or any of the Subsidiaries or Affiliates thereof furnished to such Bank or the Agent by or on behalf of the Borrower, Guarantors or Subsidiaries or Affiliates thereof; provided, that prior to any such disclosure, each such assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to the Borrower or any of their Subsidiaries received from such Bank on the terms of Subsection 7.08.
- (h) Any Bank may at any time pledge or assign all or any portion of its rights under this Agreement and the Notes to a Federal Reserve Bank.

7.08 Confidentiality.

The Agent and the Banks each agree to keep confidential all information obtained from Borrower, any Guarantor, or any Subsidiary or Affiliate of either which is nonpublic and confidential or proprietary in nature (including any information the Borrower specifically designates as

confidential), except as provided below, and to use such information only in connection with their respective capacities under this Agreement and for the purposes contemplated hereby. The Agent and the Banks shall be permitted to disclose such information (i) to outside legal counsel, accountants and other professional advisors who need to know such information in connection with the administration and enforcement of this Agreement, (ii) to assignees and participants as contemplated by Subsection 7.07, (iii) to the extent requested by any bank regulatory authority, any external auditor, or, with notice to the Borrower, as otherwise required by applicable Law or by any subpoena or similar legal process, or in connection with any investigation or proceeding arising out of the transactions contemplated by this Agreement, (iv) if it becomes publicly available other than as a result of a breach of this Agreement or becomes available from a source not subject to confidentiality restrictions, or (v) if the Borrower shall have consented to such disclosure.

7.09 Counterparts; Telecopy Signatures.

This Agreement may be executed by different parties hereto on any number of separate counterparts, each of which, when so executed and delivered, shall be an original, and all such counterparts shall together constitute one and the same instrument. Telecopy transmission to Agent of signature pages of this Agreement or any other Loan Document executed by any party hereto shall constitute effective and binding execution and delivery of this Agreement or such other Loan Document by such transmitting party.

7.10 Agent's or Bank's Consent.

Except as expressly otherwise set forth herein, whenever the Agent's or any Bank's consent is required to be obtained under this Agreement or any of the other Loan Documents as a condition to any action, inaction, condition or event, the Agent and each Bank shall be authorized to give or withhold such consent in its sole and absolute discretion and to condition its consent upon the giving of additional collateral, the payment of money or any other matter.

7.11 Exceptions.

The representations, warranties and covenants contained herein shall be independent of each other and no exception to any representation, warranty, or covenant shall be deemed to be an exception to any other representation, warranty, or covenant contained herein unless expressly provided, nor shall any such exceptions be deemed to permit any action or omission that would be in contravention of applicable Law.

7.12 Tax Withholding Clause.

Each Bank or assignee or participant of a Bank that is not organized under the Laws of the United States or a state thereof (each a "non US Bank") and each Bank or assignee or participant of a Bank that is not organized under the Laws of the United Kingdom or a political subdivision thereof (each, a "non-UK Bank") agrees that it will deliver to each of the

Borrower and the Agent two (2) duly completed copies of the following: (i) for a non-US Bank, United States Internal Revenue Service Form W-9, 4224 or 1001, or other applicable form prescribed by the Internal Revenue Service, certifying that such Bank, assignee, or participant is entitled to receive payments under this Agreement and the other Loan Documents without deduction or withholding of any United States federal income taxes, or is subject to such tax at a reduced rate under an applicable tax treaty, or (ii) Internal Revenue Service Form W-8 or other applicable form or a certificate of the Bank, assignee or participant indicating that no such exemption or reduced rate is allowable with respect to such payments, and for a non-UK Bank, United Kingdom Inland Revenue Form REF FD 13, or other applicable form prescribed by Inland Revenue, certifying such Bank, assignee, or participant is entitled to receive payments under this Agreement and the other Loan Documents without deduction or withholding of any United Kingdom or English income or other tax. Each Bank, assignee or participant required to deliver to the Borrower and the Agent a form or certificate pursuant to the preceding sentence shall deliver such form or certificate as follows: (A) each Bank which is a party hereto on the Closing Date shall deliver such form or certificate no later than five (5) Business Days after the Closing Date; (B) each assignee or participant shall deliver such form or certificate at least five (5) Business Days before the effective date of such assignment or participation (unless the Agent in its sole discretion shall permit such assignee or participant to deliver such form or certificate less than five (5) Business Days before such date in which case it shall be due on the date specified by the Agent). Each Bank, assignee or participant which so delivers an Internal Revenue Service Form W-8, W-9, 4224 or 1001 or an Inland Revenue Form REF FD 13 further undertakes to deliver to each of the Borrower and the Agent two (2) additional copies of each such form (or a successor form) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Agent, either certifying that such Bank, assignee, or participant is entitled to receive payments under this Agreement and the other Loan Documents without deduction or withholding of any United States federal income taxes or United Kingdom or English income or other tax or is subject to such tax at a reduced rate under an applicable tax treaty or stating that no such exemption or reduced rate is allowable. The Agent shall be entitled to withhold United States federal income taxes and Borrower shall be entitled to withhold United Kingdom or English income and other taxes at the full withholding rate unless the Bank, assignee, or participant (x) with respect to United States federal income taxes, establishes an exemption or that it is subject to a reduced rate as established pursuant to the above provisions or (y) with respect to United Kingdom or English income or other tax, provides such Inland Revenue form as set forth above; and, (z) with respect to any Bank, the provisions of Subsections 2.16(a) and (b) shall not apply as to United Kingdom or English law matters until such Inland Revenue form is provided as set forth in this Subsection 7.12.

7.13 Notification.

Borrower shall promptly notify Bank in the event of:

- (a) Any Event of Default;

- (b) The commencement of any material litigation by or against or involving Borrower or any Guarantor;
- (c) Any proposed sale or transfer of substantially all of the assets of Borrower or any Guarantor; and
- (d) Any change or other amendment to any organizational documents of Borrower or any Guarantor or in the ownership of Borrower or any Guarantor.

7.14 Bank's Duties Upon Payment in Full by Borrower.

Upon indefeasible payment in full of all Obligations hereunder and the termination of each Bank's obligations, if any, to make further Term Loans to Borrower, each Bank shall execute cancellations of all financing statements or other documents, if any, which may have previously been filed and recorded in public offices by or on behalf of such Bank evidencing Borrower's Obligations to Bank and the security therefor, and shall deliver to Borrower its Term Note marked "Paid in Full" or otherwise appropriately canceled (the cost of recording the cancellation of financing statements and the like shall be borne by Borrower).

7.15 Severability.

The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, the remainder of this Agreement shall continue to be valid and enforceable in such jurisdiction, and all of this Agreement shall continue to be valid and enforceable in all other jurisdictions.

7.16 Governing Law.

This Agreement shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and for all purposes shall be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Pennsylvania without regard to its conflict of laws principles.

7.17 Prior Understanding.

This Agreement, the Note, and any other documents or agreements incorporated herein or executed or given in connection herewith, supersede all prior understandings and agreements, whether written or oral, between the parties hereto relating to the Term Loans, except that those portions of the mandate letters from Agent to Borrower and DII, respectively dated as of April 12 and 17, 1995, relating to reimbursement of costs and expenses of Agent, indemnification of Agent (and any guaranty of any such payments), and fees payable to Agent shall survive the execution and delivery of the Loan Documents and the making and continuation of the Term Loans and shall be Borrower Obligations hereunder.

7.18 Duration; Survival; Failure of Closing Date.

All representations and warranties of Borrower made or incorporated herein or made in connection herewith shall survive the making of Term Loans and shall not be waived by the execution and delivery of this Agreement, any investigation by Agent or any Bank, or payment in full of the Term Loans. All covenants and agreements of Borrower contained or incorporated herein shall continue in full force and effect from and after the date hereof until indefeasible payment in full of all Term Loans. All covenants and agreements of Borrower contained or incorporated herein relating to the payment of principal, interest, premiums, additional compensation, expenses, or indemnification, shall survive payment in full of the Term Loans and termination thereof. In the event that the Term Loans are not made on or before the Borrowing Date, the Term Loan Commitments shall expire and no Bank or Agent shall have any obligations hereunder.

7.19 Consent to Jurisdiction; Waiver of Immunities; Waiver of Jury Trial.

(a) Consent to Jurisdiction.

Each of Borrower and each Bank hereby irrevocably submits to the jurisdiction of any Pennsylvania State or Federal court sitting in Pittsburgh, Pennsylvania, in any action or proceeding arising out of or relating to this Agreement or any Note, and each of Borrower and each Bank hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Pennsylvania State or Federal court. Each of Borrower and each Bank hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Borrower hereby appoints the process agent identified below (the "Process Agent") as its agent to receive on behalf of Borrower and its respective property service of copies of the summons and complaint and any other process which may be served in any action or proceeding. Such service may be made by mailing or delivering a copy of such process to Borrower in care of the Process Agent at the Process Agent's address, and Borrower hereby authorizes and directs the Process Agent to receive such service on its behalf. Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions (or political subdivision thereof) by suit on the judgment or in any other manner provided by Law. Borrower further agrees that it shall, for so long as any Obligation hereunder of Borrower to any of the Banks or Agent remains outstanding, continue to retain Process Agent for the purposes set forth in this Subsection 7.19(a). The Process Agent is C.T. Corporation System with an office on the date hereof at 1633 Broadway, New York, New York 10019 United States. Borrower shall produce to the Banks evidence of the acceptance by Process Agent of such appointment on or

before the Closing Date.

(b) Non-Exclusive Jurisdiction.

Nothing in this Section shall affect the right of Agent or any Bank to serve legal process in any other manner permitted by Law or affect the right of Agent or any Bank to bring any action or proceeding against Borrower or any of their respective property in the courts of any other jurisdiction or jurisdictions.

(c) Waiver of Sovereign Immunity.

To the extent that Borrower has or hereafter may acquire any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution, or otherwise) with respect to itself or its property, Borrower hereby irrevocably waives such immunity in respect of its Obligations under this Agreement and each Note and any other document or agreement executed or given in connection herewith, and Borrower agrees that it will not raise or claim any such immunity at or in respect of any such action or proceeding.

(d) Waiver of Jury Trial.

EXCEPT AS PROHIBITED BY LAW, EACH PARTY HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER LOAN DOCUMENT AND ANY OF THE OTHER DOCUMENTS OR TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed under seal as of the day and year first above written.

ATTEST: DENTSPLY LIMITED

By:
Title:
[Seal]
Address for Notices:

Hamm Moor Lane, Addlestone
Weybridge, Surrey KT15 2SE
ENGLAND

Telecopier No. () -

Attention: Edward D. Yates

Telephone No. () -

With a copy to:

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

Telecopier No. (717) 846-0256
Attention: Paul Wannemacher
Telephone No. (717) 849-4262

ABN AMRO BANK N.V., individually and as Agent

By:
Title:

By:
Title:

Address for Notices:

335 Madison Avenue
14th Floor
New York, New York 10017

Telecopier No. (212) ____-_____
Attention: Linda Boardman/Maxine Cordero
Telephone No. (212) 370-8509

With copy to:

One PPG Place - Suite 2950
Pittsburgh, PA 15222-5400

Telecopier No. (412) 566-2266
Attention: Roy D. Hasbrook
Telephone No. (412) 566-2263

MULTI-CURRENCY TERM LOAN AGREEMENT
 AMONG
 DENTSPLY LIMITED,
 THE BANKS NAMED HEREIN,
 AND
 ABN AMRO BANK N.V.,
 AS AGENT

TABLE OF CONTENTS

	Page
-----	-----
SECTION 1	1
DEFINITIONS	1
1.01	1
Terms Defined in Syndicated Agreement; Listed	1
Definitions	1
1.02	6
Miscellaneous Definitions, Usage, and Meanings	6
SECTION 2	7
TERM LOANS	7
2.01	7
Term Loan Commitments	7
2.02	7
Nature of Banks' Obligations with Respect to	7
Term Loans	7
2.03	7
Term Loan Facility Fee	7
2.04	7
Term Loan Notes; Principal Repayment Date	7
2.05	7
Use of Proceeds	7
2.06	7
Interest Rate, Borrowing Tranches, Currency	7
2.07	8
Interest Periods	8
2.08	9
Selection of Interest Periods	9
2.09	9
Payments	9
2.10	9
Pro Rata Treatment of Banks	9
2.11	9
Interest Payment Dates	9
2.12	10
Voluntary Prepayments	10
2.13	11
Mandatory Payment and Prepayment	11
2.14	11
LIBOR Rate Unascertainable	11
2.15	12
Additional Compensation in Certain	12
Circumstances	12
2.16	14
Taxes	14
2.17	15
Judgment Currency	15
2.18	15
London Interbank Market, Presumption	15
SECTION 3	15
CONDITIONS OF LENDING	15
3.01	15
Conditions Precedent to Closing	15
3.02	16
Conditions Precedent to Banks Making Term Loans	16
3.03	17
Interest Period Requests	17
SECTION 4	17
REPRESENTATIONS, WARRANTIES, COVENANTS;	17
INCORPORATION OF TERMS	17
4.01	17
Incorporation	17
4.02	18
Representations, Compliance	18
4.03	18
Amendments	18
4.04	18
Party to Syndicated Agreement	18
4.05	18
Notices	18
4.06	18
The Acquisition	18
4.07	19
Assignees	19
SECTION 5	19
DEFAULT	19
5.01	19
Events of Default	19
5.02	20
Consequences of Event of Default	20

SECTION 6	THE AGENT	21
6.01	Appointment	21
6.02	Delegation of Duties	21
6.03	Nature of Duties; Independent Credit Investigation	21
6.04	Actions in Discretion of Agent; Instructions from the Banks	21
6.05	Reimbursement and Indemnification of Agent by the Borrower	22
6.06	Exculpatory Provisions	22
6.07	Reimbursement and Indemnification of Agent by Banks	23
6.08	Reliance by Agent	23
6.09	Notice of Default	23
6.10	Notices	23
6.11	Banks in Their Individual Capacities	23
6.12	Holder of Notes	24
6.13	Equalization of Banks	24
6.14	Successor Agent	24
6.15	Availability of Funds	24
6.16	Calculations	25
6.17	Beneficiaries	25
SECTION 7	MISCELLANEOUS	25
7.01	Modifications, Amendments or Waivers	25
7.02	No Implied Waivers; Cumulative Remedies; Writing Required	26
7.03	Reimbursement and Indemnification of Banks by the Borrower; Taxes	26
7.04	Holidays	26
7.05	Funding by Branch, Subsidiary or Affiliate	27
7.06	Notices	27
7.07	Successors and Assigns; Participations; Assignments	27
7.08	Confidentiality	30
7.09	Counterparts; Telecopy Signatures	30
7.10	Agent's or Bank's Consent	30
7.11	Exceptions	30
7.12	Tax Withholding Clause	30
7.13	Notification	31
7.14	Bank's Duties Upon Payment in Full by Borrower	31
7.15	Severability	32
7.16	Governing Law	32
7.17	Prior Understanding	32
7.18	Duration; Survival; Failure of Closing Date	32
7.19	Consent to Jurisdiction; Waiver of Immunities; Waiver of Jury Trial	32

DENTSPLY INTERNATIONAL INC.
EXHIBIT 11
COMPUTATION OF EARNINGS PER SHARE

	1995	1994	1993
	-----	-----	-----
	(in thousands, except per share data)		
Weighted average common shares outstanding	27,012	27,776	24,598
	-----	-----	-----
Income from continuing operations	\$ 53,963	\$ 54,144	\$ 25,145
Income from the operation of discontinued Medical business	-	1,311	2,925
Gain on disposal of Medical business	-	6,543	-
	-----	-----	-----
Income before extraordinary item	53,963	61,998	28,070
Extraordinary item	-	-	14,018
	-----	-----	-----
Net income	\$ 53,963	\$ 61,998	\$ 14,052
	=====	=====	=====
Earnings per common share:			
Income from continuing operations	\$2.00	\$1.95	\$1.02
Income from the operation of discontinued Medical business	-	.05	.12
Gain on disposal of Medical business	-	.23	-
	-----	-----	-----
Income before extraordinary item	2.00	2.23	1.14
Extraordinary item	-	-	(.57)
	-----	-----	-----
Net Income	\$2.00	\$2.23	\$.57
	=====	=====	=====

Subsidiaries of the Company

I. Direct Subsidiaries of the Company

- A. Ceramco Inc. (Delaware)
- B. Ceramco Manufacturing Co. (Delaware)
- C. Dentsply Industria e Comercio Ltda. (Brazil)
- D. DeTrey do Brazil Industria e Comercio Ltda. (Brazil)
- E. Dentsply Argentina S.A.C. e I. (Argentina)
- F. Dentsply Japan K.K. (Japan)
- G. Dentsply Research & Development Corp. ("Dentsply R&D") (Delaware)
- H. Dentsply Thailand Ltd. (Thailand)
- I. Midwest Dental Products Corporation (Delaware)
- J. GENDEX Dental Systems S.r.l. (Italy)
- K. Eureka X-Ray Tube Corp. (Delaware)
- L. DENTSPLY Export Sales Corp. (Barbados)
- M. DENTSPLY India Limited (India)
- N. Dentsply (Phils.) Inc. (Philippines)

II. Indirect Subsidiaries of the Company

- A. Subsidiaries of Dentsply R&D
 - (1) The International Tooth Co. Limited (United Kingdom)
 - (2) Dentsply (Aust.) Pty. Ltd. (Australia (Victoria))
 - (3) Dentsply Canada Ltd. (Canada (Federal))
 - (4) Dentsply de Mexico S.A. de C.V. (Mexico)
 - (5) Ceramco Europe Ltd. (Cayman Islands)
 - (a) Cermaco U.K. Limited (U.K.)
 - (6) Dentsply A.G. (Switzerland)
 - (7) Tulsa Dental Products Inc. (Delaware)
 - (8) Dentsply DeTrey GmbH (Germany)

- (a) Dentsply Holdings Unlimited (England)
- (b) Dentsply Limited (Cayman Islands)
 - (i) DeTrey Dentsply Italia S.r.l. (Italy)
 - (ii) DeTrey Dentsply S.A. (France)
 - (iii) A D Engineering Company Limited (England)
 - (iv) Amalco Holdings Ltd. (England)
 - (v) Keith Wilson Limited (England)
 - (vi) Oral Topics Limited (England)
 - (vii) Maillefer Instruments S.A. (Switzerland)
 - (aa) Manuplast S.A. (Switzerland)
 - (bb) Societe Immobiliere du Champ des Echelles S.A. (Switzerland)

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
DENTSPLY International Inc.

We consent to incorporation by reference in the registration statements (Nos. 33-61780, 33-52616, 33-41775, 33-71972, 33-79094 and 33-89786) on Form S-8 of DENTSPLY International Inc. of our report dated January 26, 1996, relating to the consolidated balance sheets of DENTSPLY International Inc. and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of income, stockholders' equity, and cash flows and related schedule for each of the years in the three year period ended December 31, 1995, which report appears in the December 31, 1995 annual report on Form 10-K of DENTSPLY International Inc.

KPMG Peat Marwick LLP

Philadelphia, Pennsylvania
March 30, 1996

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE AUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS OF DENTSPLY INTERNATIONAL, INC. AT DECEMBER 31, 1995 AND FOR THE FISCAL YEAR THEN ENDED, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

	1000	
	12-MOS	
	DEC-31-1995	
	JAN-01-1995	
	DEC-31-1995	3974
	0	
	95569	
	2254	
	125704	
	252226	182754
	42653	
	597725	
123650		68675
0		0
		271
		315651
597725		572028
	572028	
		291176
	291176	
	179602	
	515	
	9144	
	90017	
	36054	
53963		
	0	
	0	
		0
	53963	
	2.00	
	2.00	