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)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _________ to ____________

Commission file number 0-16211

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

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

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

As of February 20, 1999, 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 $1,353,902,020 (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 February 20, 1999 was 52,566,138.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the definitive Proxy Statement of DENTSPLY International Inc. to be used in connection with the 1999 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 dental prosthetics, endodontic instruments and materials, impression materials, restorative materials, crown and bridge materials, prophylaxis paste, dental sealants, cutting instruments, dental needles, dental anesthetics, and orthodontic appliances. Dental equipment includes dental x-ray systems, intraoral cameras, computer imaging systems and related software, handpieces, ultrasonic scalers and polishers, and air abrasion systems. The Company also develops and markets practice management software for managing the dental office and software for maintaining a data base of information generated in the dental operatory's clinical environment.

In January 1998, the Company purchased from Procter & Gamble its Blendax Professional Dental Business ("Blendax"), a distributor doing business principally in Germany, Austria and the United Kingdom. The Blendax product line consists of rotary cutting instruments, impression materials, composite filling material and fluoride rinses and gels.

In March 1998, DENTSPLY acquired the assets of InfoSoft, Inc. ("InfoSoft"), a developer and marketer of full-featured, practice management software for managing the dental office as well as maintaining a data base of information generated in the operatory's clinical environment. InfoSoft is also one of the largest processors of electronic dental insurance claims in the United States.

In April and December 1998, the Company purchased 100 percent of the capital stock of GAC International, Inc. ("GAC"), an internationally recognized orthodontic company selling a full line of high quality orthodontic appliances to orthodontists throughout the world.

In May 1998, DENTSPLY purchased 100 percent of the capital stock of Crescent Dental Manufacturing Co., one of the leading manufacturers in the United States of prophy cups and brushes, amalgamators and other professional equipment and supplies.

Also in May 1998, the Company purchased 100 percent of the capital stock of Herpo Productos Dentarios Ltda., a leading Brazilian manufacturer of alginate impression material, artificial teeth and dental anesthetics which are distributed throughout South America.

In December 1998, DENTSPLY purchased 100 percent of the capital stock of Vereingte Dentalwerke GmbH ("VDW") and related companies. VDW manufactures endodontic files and accessory products which are marketed worldwide.

In the second quarter of 1998, the Company recorded a $29 million pre-tax charge for restructuring and other costs. The major portion of the charge included costs of $26 million to rationalize and restructure our worldwide laboratory business (primarily for closing the German tooth manufacturing facility, which was completed by March 31, 1999). The remaining $3 million of the charge was recorded to cover termination costs related to the arbitration proceedings associated with the former implant product line.

The Company took a pre-tax restructuring charge of $42.5 million in the fourth quarter of 1998 to integrate the New Image intraoral camera line into Gendex, its major dental equipment franchise. The charge is primarily for the write-off of intangibles including goodwill associated with the business and also includes the closing costs associated with the discontinuance of the New Image division in Carlsbad, California. The restructuring is expected to be completed by the close of the second quarter of 1999.

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, Japan, and Australia 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, orthodontic appliances, bone grafting materials, 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 countries of the former Soviet Union, 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 any opportunities for growth in all of the markets that it serves.

United States

The market for professional dental products in the United States has experienced steady 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 $39.5 billion to $50.6 billion from 1993 to 1997, or 6.4% 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 more than double by the year 2035, to 20.5%, 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 continue to demand products which reduce the risks of infection and patient cross-contamination. This 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 air-water syringe tips, 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. It is generally believed that approximately 40% of the United States population is covered by some form of dental insurance. While insurance covers a significant portion of expenditures for dental products and services, the Health Care Finance Review indicates that, in 1997, 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 trademarks in the industry, including ASH(R), CAULK(R), CAVITRON(R), CERAMCO(R), DENTSPLY(R), DETREY(R), GENDEX(R), MIDWEST(R), R&R(R), RINN(R), TRUBYTE(R), MAILLEFER(R), PROFILE(R), THERMAFIL(R), ACUCAM(R), SANI-TIP(R), OVATION(TM), ANTAEOUS(R), BEUTELROCK(R) and ZIPPERER(R). Sales of the Company's professional dental products accounted for approximately 95% of DENTSPLY's consolidated sales for 1998, 1997 and 1996, 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(R) and PORTRAIT(R) IPN(R) brand names, among others, and are produced by the Company in York, Pennsylvania, Brazil and China 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(R), BLUEPRINT(TM), REPROSIL(R) and AQUASIL LV Smart Wetting Impression Material 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. DENTSPLY'S SUREFIL(TM) High Density Composite Restorative is condensable, just like amalgam and offers true amalgam-like packability with the aesthetics of a composite or tooth-colored filling material. SUREFIL(TM) exhibits a natural appearance but, unlike currently available composites, does not need to be placed in multiple increments, therefore saving valuable time for the dentist. These features, combined with fluoride release, assure both the dentist and patient of strong, long lasting and esthetically pleasing posterior restorations. In addition, its wear rates are equal to or less than an amalgam restoration. The Company's DYRACT(R) AP is a patented, single component restorative material featuring simplicity in delivery combined with excellence in restorative results. Formulated with a resin mix, it delivers the compressive strength of a hybrid composite. Due to its wear resistance and strength, DYRACT(R) AP is indicated for all classes of cavities. DYRACT(R) Flow is an easy handling flowable compomer restorative with excellent adaption to tooth structures; sustained, rechargeable fluoride release; ideal flow consistency for air abrasion procedures; and availability in seven popular shades. The Company's PRISMA(R) AP.H(R), PRISMA(R) TPH(R) and TPH SPECTRUM(TM) universal composite materials permit restorations to be performed on either the anterior or posterior teeth using the same material. PRINCIPLE(TM) cement delivers high strength, low solubility and the best dimensional stability of the recent generation of cements. These properties are combined with self adhesion, ease of use and high sustained, rechargeable fluoride release of traditional glass ionomers. Added photo initiators allow PRINCIPLE(TM) cement to be dual cured, providing "on command", easy cleanup. PRIME & BOND(R) NT (Nano Technology) is a revolutionary dental adhesive material that incorporates the use of nanofillers which are 100 times smaller than traditional fillers and have the perfect size to penetrate the typical micro-sized keyhole etch pattern of enamel as well as the smallest dentin channels. These tiny particles support the natural components of dentin while building the foundation for a perfect link between tooth structure and restorative materials. PRIME & BOND(R) NT is a true one coat liquid adhesive system offering the dentist reduced procedure time coupled with excellent physical properties. It can be used in composite or compomer tooth restorations, cementation procedures, adhesive repairs and as an adhesive cavity varnish. DENTSPLY also markets the DISPERSALLOY(R), UNISON(R) and MEGALLOY(R) lines of restorative amalgams; and DELTON(R) and DELTON(R) PLUS (with fluoride release) brand dental sealants.

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(R) line, and in Europe, the DETREY(R) CARAT(R) line of specialty crown and bridge porcelain products for use as fixed prosthetics. FINESSE(TM) Porcelain from Ceramco, features superb shade matching and permits the dental laboratory to fire restorations with extraordinary aesthetics. FINESSE(R) Porcelain restorations also allow dentists to adjust and repolish at chairside without reglazing. FINESSE(TM) All Ceramic provides superior wear characteristics, kindness to opposing detition and chair side polishability on a ceramic core. The translucent fluorescent ceramic substructure helps optimize esthetics of DENTSPLY's low fusing porcelains.

Endodontic Instruments and Materials: These products are used in root canal treatment of severely damaged or decayed teeth. Through its Maillefer, DENTSPLY Endodontics and VDW subsidiaries, the Company has an extensive endodontic product offering including broaches, files, and other endodontic materials and instruments. The SUREFLEX(R) 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(R) SERIES 29(R) 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(R) .04 TAPERS(R) feature non-standard tapers constructed from super-flexible nickel titanium for use in a controlled, slow-speed, high-torque rotary dental handpiece. PROFILE(R) GT

Rotary Engine Driven Nickel Titanium Endodontic Files are specifically designed with unparalleled strength and flexibility to simplify root canal operations, by giving dentists an automated method to achieve the clinically necessary root canal funnel shape. They are used in conjunction with PROFILE(R) .04 TAPERS(R) to efficiently create a predefined taper. THERMASYSTEM(R) PLUS includes THERMASEAL(R) PLUS, a patented root canal filling material which is fast, effective and tissue- friendly and the THERMAPREP(R) PLUS Oven which cuts required heating time for plastic THERMAFIL(R) PLUS Obturators from up to seven minutes to as little as seventeen seconds. THERMASYSTEM(R) PLUS provides a three dimensional root canal fill in a fraction of the time it takes for traditional lateral condensation procedures. Pro Root MTA(TM) is a root repair material that uses water based chemistry which allows for normal setting in the presence of moisture. It out performs other material in providing a stable barrier to bacterial and fluid leakage. Pro Root MTA(TM) is unlike any other root canal repair material, in that in many cases where a tooth was previously considered a lost cause, it may now be saved. GLYDE FILE PREP(TM) is a new root canal therapy gel used to facilitate the cleaning and shaping of the root canal. Used as a lubricant and irrigating agent, it lifts debris coronally while it cleans and lubricates. It offers two distinct advantages. First, the packaging respects asepsis concerns. The disposable syringe tips eliminate the possibility of cross contamination and allow for clean, single-dose dispensing. Second, GLYDE FILE PREP(TM) has a gel-like consistency that clings better to files. This improved consistency makes its placement in the canal easier and more convenient. It works by effervescing when it reacts with sodium hypochlorite. The resulting bubbling effect lifts dentinal mud and necrotic tissue for easy removal. It also encourages lightening of the tooth if discloration exists from non-vitality. The use of sodium hypochlorite promotes internal bleaching of the tooth. This process is enhanced by the release of oxygen from the carabamide peroxide.

Protective Supplies: These products are designed to ameliorate possible sources of patient cross-contamination of infectious disease, and include RITE-ANGLE(R) and NUPRO(R) Disposable Prophy Angles (disposable mechanical devices used by dentists and hygienists to clean and polish teeth), hand cleansers, disposable barriers, enzymatic cleansers, needle stick prevention devices and disposable air-water syringe tips. The SANI-TIP(R) Disposable Air-Water Syringe Tip features a central water channel encircled by six separate air channels. This innovative design, when coupled with a SANI-TIP(R) adaptor, produces precise separation or atomization of air and water while its clear cellulose- based plastic does not obstruct the practioner's vision and allows office staff to determine if a tip was previously used.

Dental Cutting Instruments: The Company distributes MIDWEST(R) 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.

Tooth Whitener: DENTSPLY also offers a tooth whitening system. The NUPRO(R) Gold Tooth Whitening System is a complete, professionally administered program. Patients receive a tooth whitening system in a convenient, easy-to-use take home kit. Clinical studies for this innovative product showed that teeth averaged eight shades whiter which far exceeds the American Dental Association recommendation which states that whiteners must change teeth by a least two shades.

Other Consumable and Laboratory Products: Other products produced by the Company for use in dental offices and laboratories include the VERTEX(R) disposable articulator used in dental laboratories to simulate the dynamic movement of teeth against one another; pre-sterilized dental needles in a variety of gauges and lengths; and NUPRO(R) prophylaxis paste that is used in cleaning and polishing teeth. NUPRO(R) Prophy Paste BUBBLE EXTREME(TM) is a new "big bubble" bubble gum flavor. This completes the seven flavors NUPRO(R) Prophy Paste line which has been a favorite in the dental office for years for its excellent stain removal, superior polishing and great flavors.

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

Handpieces: Under the MIDWEST(R) brand name, DENTSPLY manufactures and distributes a line of high-speed and low-speed air-driven handpieces and intraoral lighting systems. 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. Midwest's RDH(R) Hygienist Handpiece is a more comfortable, ergonomically sound and lightweight handpiece for the dental hygienist. Its one piece "twist and click" connection avoids cumbersome sterilization protocols and provides faster handpiece changes.

Air Abrasion Unit: The AIRTOUCH(TM) Cavity Preparation System is an air-abrasion unit that delivers aluminum oxide particles with pressurized air to cut tooth structure. This unit features directed spray control, an evacuation system to safely remove the powder from the oral cavity and an ergonomically designed handpiece. The system is monitored by a highly sophisticated software program which provides dentists with simple instructions for basic use and maintenance. The need for anesthetic is absent from many procedures when using the AIRTOUCH(TM) Cavity Preparation System and there is a lower level of vibration, pressure and noise when compared with traditional cavity preparation methods.

Ultrasonic Scalers and Polishers: DENTSPLY manufactures and distributes the CAVITRON(R) SPS(TM) Ultrasonic Scaler (which uses ultrasonic waves to remove hardened tooth calculus which results from the interaction of plaque, saliva and food particles). SPS(TM) stands for Sustained Performance System, a patent-pending technology which acts much like an automobile's cruise control that measures tip motion and compensates for reduction in tip motion once the insert tip contacts the tooth surface. By doing this, SPS(TM) provides more power for improved scaling efficiency and permits the dentist to set the power control at a lower level, providing a more comfortable scaling procedure for the patient. Additional product offerings include the CAVITRON(R) JET with SPS(TM) Technology (which combines both ultrasonic scaling and air polishing prophylaxis in one multi-function unit) and the PROPHY-JET(R) 30 Air Polishing Prophylaxis Unit (which cleans, polishes and buffs the tooth surface after scaling is completed). DENTSPLY manufactures a variety of inserts for use with its ultrasonic prophylaxis units. The FOCUSED SPRAY(TM) Insert brings water directly to the instrument tip and focuses water where it is most needed. The SLIMLINE(R) Ultrasonic Insert is 40 percent thinner than standard ultrasonic inserts and allows subgingival ultrasonic instrumentation at depths up to 7 mm. The FSI(R) SLIMLINE(R) combines the best features of the

FOCUSED SPRAY(TM) Insert and the SLIMLINE(R) Ultrasonic Insert.

Dental X-Ray Systems: The Company offers a full line of dental x-ray equipment for intraoral, panoramic and cephalometric procedures. 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. The ORTHORALIX(R) 9000 panoramic x-ray system comes with a mechanical drive and advanced microprocessor control which minimizes spinal shadow for sharp detail throughout the x-ray film. A scientifically derived, software controlled motion path ensures proper density, contrast and sharpness on any size patient. Cephalometric systems permit precise, repeatable positioning of the patient's skull so that images taken at different times can be compared. The Company markets a real time, digital video x-ray system, VISUALIX(TM). This system uses a solid state, intraoral x-ray sensor and associated computer which 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. The DENOPTIX(R) Digital Imaging System is a patented, digital x-ray imaging product compatible with the installed base of both intraoral and panoramic units. This system uses storage phosphor imaging technology to create digital x-ray images on imaging plates. These imaging plates are thin and flexible and are available in every intraoral and panoramic size. They are reusable, do not require chemical processing like conventional film, and allow the dentist to reduce the amount of radiation to the patient by as much as 90%. When placed in a laser scanner, the information on the imaging plate is converted to a digital image via a computer. Imaging software is then used to enhance the image through magnification, sharpening, inverting, reversing, adding color or embossing for simulated three-dimensional depth. The DENOPTIX(R) Ceph System is designed to produce superior digital images for cephalometric, panoramic and intraoral x-ray systems. It will especially benefit orthodontists and oral surgeons in planning their treatment. The DENOPTIX(R) Ceph System is compatible with most software used for treatment planning and practice management. Both VISUALIX(TM) and DENOPTIX(R) digital imaging systems use VIXWIN 32 Software, a 32 bit imaging software which enhances the features of both systems.

X-Ray Support Equipment: Under the RINN(R) 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(R) 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.

The Company offers SOFTDENT(R) practice management software through its InfoSoft division. This fully integrated software is used in managing both the dental "front" office as well as in maintaining a data base of information generated in the operatory's clinical environment. SOFTDENT(R) is used in more than 11,000 dental offices throughout the United States. The InfoSoft division is also one of the leading processors of electronic dental insurance claims in the United States. InfoSoft also provides statement preparation and mailing at a substantial savings over what dentists can do on their own.

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 primary marketing efforts on the dental professionals who are the end users of its 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 350 domestic representatives, approximately 450 international representatives and approximately 50 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 three thousand 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(R) line of crown and bridge porcelain products, DENTSPLY Endodontics' instruments and materials and GAC's orthodontic appliances are sold directly to the dental laboratory or dentist.

The Company operates in one operating segment within the meaning of SFAS 131. See Note 4 - "Segment and Geographic Information".

DENTSPLY also maintains ten 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; Ballaigues, Switzerland; Hong Kong, China; Mexico City, Mexico and Munich, Germany 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 and restoratives.

Product Development

During 1998, 1997 and 1996, approximately $18.2 million, $16.8 million and $14.7 million, respectively, was invested by the Company in connection with the development of new products and in the improvement of existing products. DENTSPLY employs over 200 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 important 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 blanching, 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(R) TPH(R) 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.

Nanofiller technology adds tiny nanofillers to PRIME & BOND(R) NT, DENTSPLY's new one-bottle bonding agent. Nanofillers, which are 100 times smaller than the fillers in hybrid composite, allow PRIME & BOND(R) adhesive to thoroughly penetrate dentin tubules with only one application. Nanofillers also fill and reinforce both the hydride layer as well as the collagen fibril which conventional adhesives may not be able to achieve. PRIME & BOND(R) NT features application in a one-coat technique, reducing treatment steps and chair time. It has superior stress resistance, enhanced marginal integrity and is suitable for both dentin and enamel with a strong and durable bond.

DENTSPLY's new SUREFIL(TM) light cured High Density Composite Restorative utilizes "interlocking particle technology", developed by DENTSPLY, to synergistically couple the proven performance of the urethane modified Bis-GMA resin system with filler particle composition, proportion, size distribution and morphology. This unique technology provides an equivalent alternative to mercury-silver amalgam. SUREFIL(TM) matches the handling, strength and durability of classic amalgam, combined with the appearance of natural dentition. SUREFIL(TM) places, packs, sculpts and finishes remarkably similar to amalgam.

The Company manufactures 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 43 foreign facilities (including 15 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, China (including Hong Kong), Thailand, India, Philippines, Taiwan, Korea and Japan. DENTSPLY has established marketing activities in Moscow, Russia to serve the countries of the former Soviet Union.

In 1996, a wholly-owned subsidiary, including a manufacturing facility, was established in the People's Republic of China. Manufacturing operations in India also commenced in 1996. During 1998, wholly owned subsidiaries were established in Taiwan, Korea, Colombia and Chile.

For 1998, 1997 and 1996, the Company's sales outside the United States, including export sales, accounted for approximately 46%, 48% and 49%, respectively, of consolidated net sales. For information about the Company's United States and foreign sales and assets for 1998, 1997 and 1996, see Note 4 of the Notes to the Company's Consolidated Financial Statements.

As a result of the Company's significant international operations, DENTSPLY is subject to fluctuations in exchange rates of various foreign currencies and other risks associated with foreign trade. The impact of currency fluctuations in any given period can be favorable or unfavorable. The impact of foreign currency fluctuations of European currencies on operating income is partially offset by sales in the United States of products sourced from plants and third party suppliers located overseas, principally in Germany and Switzerland.

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 regulations. In order to ensure that dental products distributed for human use in the United States are safe and effective, the FDA regulates the introduction, manufacture, advertising, labeling, packaging, marketing and distribution of, and record-keeping for, such products.

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 owns and maintains several hundred domestic and foreign patents. The Company believes its patents are important to its business, although no aspect of its business is materially dependent on any particular patent.

Employees

As of March 15, 1999, the Company and its subsidiaries had approximately 6,000 employees, of whom approximately 3,225 were engaged in manufacturing operations, approximately 1,930 were engaged in sales and distribution, approximately 625 were engaged in finance and administration, and approximately 220 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; 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, 2000. The Company believes that its relationship with its employees is good.

FACTORS THAT MAY AFFECT FUTURE RESULTS

The factors described below are important risk factors. The occurrence of any of these risks could have a material adverse effect on the Company's business or operating results, causing actual results to differ materially from those expressed in forward-looking statements made by the Company or its representatives in this report or in any other written or oral reports or presentations. These factors are intended to serve as meaningful cautionary statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Rate of Growth
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The Company's ability to continue to increase revenues depends on a number of factors, including the rate of growth in the market for dental supplies and equipment, the ability of the Company to continue to develop innovative and cost-effective new products, and the acceptance by dental professionals of new products and technologies. The demand for dental services can be adversely affected by economic conditions, healthcare reform, government regulation or more stringent limits in expenditures by dental insurance providers. There is also a risk that dental professionals may resist new products or technologies or may not be able to obtain reimbursement from dental insurance providers for the use of new procedures or equipment.

Acquisitions

The Company's growth in recent years has depended to a significant extent on acquisitions. The Company completed fourteen acquisitions in 1996, 1997 and 1998, the largest of which were Tulsa Dental Products LLC in 1996 and GAC, Inc. and Vereingte Dentalwerke GmbH in 1998. There can be no assurance that the Company will be able to continue to identify and complete acquisitions which will add materially to the Company's revenues. Among the risks that could affect the Company's ability to complete such acquisitions are competition for appropriate acquisition candidates and the relatively small size of many such candidates. Moreover, there can be no assurance that the Company will successfully integrate into its operations the businesses that it acquires or that any such integration will not take longer and cost more than anticipated.

Fluctuating Operating Results

The Company's business is subject to quarterly variations in operating results caused by seasonality and by business and industry conditions, making operating results more difficult to predict. The timing of acquisitions, the impact of purchase accounting adjustments and consolidations among distributors of the Company's products may also affect the Company's operating results in any particular period.

Currency Translation and International Business Risks

Because approximately 40% 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 Company's operating results. The strength of the U.S. dollar relative to foreign currencies can have a negative effect on the Company's revenues and operating results. If the U.S. dollar strengthens in relation to other currencies, the Company's revenues and operating results will be adversely affected. In addition, approximately 50% of the Company's revenues result from sales in markets outside of the United States. Europe has been an important market for the Company, and although Asia and South America have not historically been the source of significant revenues, the Company has made investments in Asian and South American markets because it believes that long-term future growth prospects in these geographic areas are good. Weakness in economic conditions in Europe could have a material adverse effect on the Company's sales and operating results, and continued economic turmoil in Asia and South America could have a material adverse effect on the Company's future rate of growth.

Margin Improvements
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The Company strives to increase its margins by controlling its costs and improving manufacturing efficiencies. However, there can be no assurance that the Company's efforts will continue to be successful. Margins can be adversely affected by many factors, including competition, product mix and the effect of acquisitions.

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

Year 2000
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The following information contains Year 2000 Readiness Disclosures under the Year 2000 Information and Readiness Disclosure Act.

An issue affecting DENTSPLY and all other companies is whether computer systems and applications will recognize and process data for the Year 2000 and beyond. In 1995, the Company commenced an upgrade of its information technology ("IT") systems for all of its locations. A primary software was chosen to upgrade the Company's computerized business applications to world class standards and enable the Company to become Year 2000 compliant. Most of the identification, planning and development phases of the Year 2000 project have been completed. The Company is in the process of implementing the information system upgrade with an anticipated completion date of mid-1999.

Possible Year 2000 issues not covered by the IT upgrades are being addressed separately and may require software replacement, reprogramming or other remedial action. The Company is engaged in a program to identify affected systems and applications and to develop a plan to correct any issues in the most effective manner. The Company is in the process of formulating contingency plans to the extent necessary in fiscal 1999.

The Year 2000 initiative also presents a number of uncertainties including the status and planning of third parties. The Company is currently surveying its significant customers and vendors as to their Year 2000 compliance. Based on the nature of their responses, the Company will develop contingency plans as appropriate.

There is no assurance that the Year 2000 project will be completed by mid-1999 or that Year 2000 issues not covered by the IT upgrade will not interrupt the Company's operations and cause unanticipated costs or reduce sales. In addition, the Company cannot be certain that its suppliers or customers will complete Year 2000 conversions which could have a material adverse impact on the Company's financial results.

Competition

The worldwide market for dental supplies and equipment is highly competitive. There can be no assurance that the Company will successfully identify new product opportunities and develop and market new products successfully, or that new products and technologies introduced by competitors will not render the Company's products obsolete or noncompetitive.

Antitakeover Provisions

Certain provisions of the Company's Certificate of Incorporation and By-Laws and of Delaware law could have the effect of making it difficult for a third party to acquire control of the Company. Such provisions include the division of the Board of Directors of the Company into three classes, with the three-year term of each class expiring each year, a provision allowing the Board of Directors to issue preferred stock having rights senior to those of the Common Stock and certain procedural requirements which make it difficult for stockholders to amend the Company's by-laws and which preclude stockholders from calling special meetings of stockholders. In addition, members of the Company's management and participants in the Company's Employee Stock Ownership Plan collectively own approximately 15% of the outstanding Common Stock of the Company, which may discourage a third party from attempting to acquire control of the Company in a transaction that is opposed by the Company's management and employees.

Item 2. Properties

As of March 15, 1999, 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; corporate headquarters	Owned

York, Pennsylvania	Manufacture and distribution of dental equipment and preventive dental products	Owned
Des Plaines, Illinois	Manufacture and assembly of dental handpieces and components and dental x-ray equipment	Leased
Franklin Park, Illinois	Manufacture and distribution of needles and needle-related products, primarily for the dental profession	Owned
Milford, Delaware	Manufacture and distribution of consumable dental products	Owned
Las Piedras, Puerto Rico	Manufacture of crown and bridge materials	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
Lakewood, Colorado	Manufacture and distribution of bone grafting materials and Hydroxylapatite plasma-feed coating materials	Leased
Commerce, California	Manufacture and distribution of investment casting products	Leased
Carlsbad, California	Manufacture and distribution of intraoral cameras and computer imaging systems	Leased(1)
Johnson City, Tennessee	Manufacture and distribution of endodontic instruments and materials	Leased
West Palm Beach, Florida	Manufacture and distribution of endodontic instruments and materials	Leased
Petropolis, Brazil	Manufacture and distribution of artificial teeth and consumable dental products	Owned

Petropolis, Brazil	Manufacture and distribution of dental anesthetics	Owned
Dreieich, Germany	Manufacture and distribution of artificial teeth and other dental laboratory products	Owned(2)
Konstanz, Germany	Manufacture and distribution of consumable dental products; distribution of dental equipment	Owned
Munich, Germany	Manufacture and distribution of endodontic instruments and materials	Owned
Milan, Italy	Manufacture and distribution of dental x-ray equipment	Leased
Mexico City, Mexico	Manufacture and distribution of dental products	Owned
Plymouth, England	Manufacture and distribution of dental hand instruments	Leased
Blackpool, England	Manufacture and distribution of dental materials	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 Delhi, India	Manufacture and distribution of dental products	Leased
Tianjin, China	Manufacture and distribution of dental products	Leased

(1) Facility closed March 31, 1999
(2) Manufacturing discontinued March 31, 1999.

In addition, the Company maintains sales and distribution offices at certain of its foreign and domestic manufacturing facilities, as well as at four other United States locations and at 22 international locations in 17 foreign countries. Of the 26 United States and international sites used exclusively for sales and distribution, one is owned by the Company and the remaining 25 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 June 1995, the Antitrust Division of the United States Department of Justice initiated an antitrust investigating regarding the policies and conduct undertaken by the Company's Trubyte Division with respect to the distribution of artificial teeth and related products. On January 5, 1999, the Department of Justice filed a complaint against the company in the U.S. District Court in Wilmington, Delaware alleging that the Company's tooth distribution practices violate the antitrust laws and are seeking an order for the Company to discontinue its practices. A follow on private class action suit on behalf of dentists was filed January 12, 1999 in the Supreme Court of the State of New York for New York County. It is the Company's position that the conduct and activities of the Trubyte Division do not violate the antitrust laws and any outcome will not have a material adverse effect on the financial position or results of operations of the Company.

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, 1999.

Name	Age	Position
John C. Miles II	57	Chairman of the Board and Chief Executive Officer
Gerald K. Kunkle Jr.	52	President and Chief Operating Officer
W. William Weston	51	Senior Vice President
Michael R. Crane	58	Senior Vice President
Thomas L. Whiting	56	Senior Vice President
William R. Jellison	41	Senior Vice President and Chief Financial Officer
Brian M. Addison	45	Vice President, Secretary and General Counsel

John C. Miles II was named Chairman of the Board effective May 20, 1998. Prior thereto, he was Vice Chairman of the Board since January 1, 1997. He was named Chief Executive Officer of the Company upon the resignation of Burton C. Borgelt from that position on January 1, 1996. Prior to that he was President and Chief Operating Officer and a director of the Company since the Merger and of Old Dentsply commencing in January 1990.

Gerald K. Kunkle Jr. was named President and Chief Operating Officer effective January 1, 1997. Prior thereto, Mr. Kunkle served as President of Johnson and Johnson's Vistakon Division, a manufacturer and marketer of contact lenses, from January 1994 and, from early 1992 until January 1994, was President of Johnson and Johnson Orthopaedics, Inc., a manufacturer of orthopaedic implants, fracture management products and trauma devices.

Michael R. Crane was named Senior Vice President of the following profit centers effective February 1, 1998: Ceramco, CeraMed, Dentsply Argentina, Dentsply Brazil, Dentsply Canada, Dentsply Mexico, DeTech, Latin American Export, Rinn, MPL, North American Group Marketing, Preventive Care, Ransom & Randolph and Trubyte. Effective January 1, 1999, MPL, Rinn and the 1998 acquisition, Crescent, were reassigned from Mr. Crane to Thomas L. Whiting.(1) Mr. Crane retained responsibilities for Herpo, acquired in May 1998 along with the remaining profit centers assigned to him effective February 1, 1998. From January 1, 1996 until February 1, 1998, Mr. Crane was Senior Vice President, North American Group. Prior to that he was Senior Vice President, Europe, Mideast, Africa and Commonwealth of Independent States of the Company effective in early 1995. 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 of the following profit centers effective February 1, 1998: DeDent, Dentsply France, Dentsply Italy, Dentsply United Kingdom, L.D. Caulk, SIMFRA, SPAD and StomaDent. Effective January 1, 1999, Mr. Weston also assumed responsibility for Dentsply Asia, Dentsply Australia and Dentsply Japan in addition to the profit centers assigned to Mr. Weston effective February 1, 1998. From January 1, 1996 until February 1, 1998 Mr. Weston was Senior Vice President, European Group. 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.

Thomas L. Whiting was named Senior Vice President of the following profit centers effective February 1, 1998: Dentsply Asia, Dentsply Australia, Dentsply Japan, Gendex, Maillefer, Midwest, New Image, Tulsa Dental, Gendex Germany, and Gendex Italy. Effective January 1, 1999, Dentsply Asia, Dentsply Australia, and Dentsply Japan were reassigned from Mr. Whiting to Mr. Weston. Mr. Whiting retains responsibility for GAC, InfoSoft and VDW, acquired in 1998, along with the remaining profit centers assigned to him February 1, 1998 and Rinn, MPL and Crescent reassigned from Mr. Crane. From early 1995 until February 1, 1998 Mr. Whiting was Senior Vice President, Pacific Rim, Latin America and Gendex; his responsibilities and title were expanded to encompass Tulsa Dental and New Image upon the Company's acquisitions of those businesses. 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.

William R. Jellison was named Senior Vice President and Chief Financial Officer of the Company effective April 20, 1998. Prior to that time, Mr. Jellison held the position of Vice President of Finance, Treasurer and Corporate Controller for Donnelly Corporation of Holland, Michigan since 1994. From 1991 to 1994, Mr. Jellison was Donnelly's Vice President of Financial Operations, Treasurer and Corporate Controller. Prior to that, he served one year as Treasurer and Corporate Controller, and in other financial management positions for Donnelly. Mr. Jellison is a Certified Management Accountant.

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

(1) The reassignment of profit centers among Messrs. Crane, Weston and Whiting was part of the implementation of a new organizational structure for the Company's profit center locations.

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 7A. Quantitative and Qualitative Disclosure About Market Risk

The table below provides information about the Company's market sensitive financial instruments and includes "forward-looking statements" that involve risks and uncertainties. Actual results cold differ materially from those expressed in the forward-looking statements. The Company's major market risk exposures are changing interest rates, primarily in the United States and movements in foreign currency exchange rates. The Company's policy is to manage interest rates through the use of floating rate debt and interest rate swaps to adjust interest rate exposures when appropriate, based upon market conditions. A portion of the Company's borrowings are denominated in foreign currencies which exposes the Company to market risk associated with exchange rate movements. The Company's policy generally is to hedge major foreign currency exposures through foreign exchange forward contracts. These contracts are entered into with major financial institutions thereby minimizing the risk of credit loss. The Company does not hold or issue derivative financial instruments for speculative or trading purposes. The Company is subject to other foreign exchange market risk exposure as a result of non-financial instrument anticipated foreign currency cash flows which are difficult to reasonably predict, and have therefore not been included in the table below. All items described are non-trading and are stated in U.S. dollars.

Expected Maturity Dates (in thousands)	1999	2001	2002	2003	There-after	Total	Fair Value 12/31/98
ASSETS							
Forward purchase agreements							
Swiss denominated	$ 7,600					$ 7,600	$ 7,600
Dollar denominated	1,200					1,200	1,254
DEBT							
Current:							
Dollar denominated	2,400					2,400	
Average interest rates	7.0%						
Hong Kong denominated	3,718					3,718	
Average interest rates	6.1%						
Duetschmark denominated	2,167					2,167	
Average interest rates	4.1%						
Non-current:							
Sterling denominated			13,608			13,608	
Average interest rates			7.2%				
Swiss Franc denominated			16,051			16,051	
Average interest rates			1.8%				
Australian $ denominated			3,061			3,061	
Average interest rates			5.4%				
US$ denominated			100,000			100,000	
Average interest rates			5.6%				
Interest rate swaps		40,000		20,000	20,000	80,000	(2,579)

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 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", "Section 16(a) Beneficial Ownership Reporting compliance" 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 subcaptions "Compensation of Directors", "Human Resources Committee Interlocks and Insider Participation" and "Reports on Executive Compensation" 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

		Sequential Page No.
(a)	Documents filed as part of this Report	
1.	Supplemental Stock Information	36
2.	Selected Financial Data	37
3.	Management's Discussion and Analysis of Financial Condition and Results of Operations	38
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	45
	Independent Auditors' Report of KPMG LLP	46
	Consolidated Statements of Income for the years ended December 31, 1998, 1997 and 1996	47
	Consolidated Balance Sheets as of December 31, 1998 and 1997	48
	Consolidated Statements of Stockholders' Equity for the years ended December 31, 1998, 1997 and 1996	49
	Consolidated Statements of Cash Flows for the years ended December 31, 1998, 1997 and 1996	52
	Notes to Consolidated Financial Statements	56

5. Financial Statement Schedules

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	77

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.

6. 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		Restated Certificate of Incorporation (1)
3.2		By-Laws, as amended (2)
4.1		364-Day and 5-Year Competitive Advance, Revolving Credit and Guaranty Agreements dated as of October 23, 1997 among the Company, the guarantors named therein, the banks named therein, the Chase Manhattan Bank as Administrative Agent, and ABN Amro Bank, N.V. as Documentation Agent. (11)
10.1		1992 Stock Option Plan adopted May 26, 1992 (4)
10.2		1993 Stock Option Plan (2)
10.3		1998 Stock Option Plan (1)
10.4		Nonstatutory Stock Option Agreement between the Company and Burton C. Borgelt (3)
10.5	(a)	Employee Stock Ownership Plan as amended effective as of December 1, 1982, restated as of January 1, 1991 (7)
	(b)	Second amendment to the DENTSPLY Employee Stock Ownership Plan (10)

	(c)	Third Amendment to the DENTSPLY Employee Stock Ownership Plan
10.6	(a)	Retainer Agreement dated December 29, 1992 between the Company and State Street Bank and Trust Company ("State Street") (5)
	(b)	Trust Agreement between the Company and State Street Bank and Trust Company dated as of August 11, 1993 (6)
	(c)	Amendment to Trust Agreement between the Company and State Street Bank and Trust Company effective August 11, 1993 (6)
10.7		Employment Agreement dated January 1, 1996 between the Company and Burton C. Borgelt (9)*
10.8	(a)	Employment Agreement dated as of December 31, 1987 between the Company and John C. Miles II (5)*
	(b)	Amendment to Employment Agreement between the Company and John C. Miles II dated February 16, 1996, effective January 1, 1996 (9)*
10.9		Employment Agreement dated as of December 31, 1987, as amended as of February 8, 1990, between the Company and Leslie A. Jones (5)*
10.10		Employment Agreement dated as of December 10, 1992 between the Company and Michael R. Crane (5)*
10.11		Employment Agreement dated as of December 10, 1992 between the Company and Edward D. Yates (5)*
10.12		Employment Agreement dated January 1, 1996 between the Company and W. William Weston (9)*
10.13		Employment Agreement dated January 1, 1996 between the Company and Thomas L. Whiting (9)*
10.14		Employment Agreement dated October 11, 1996 between the Company and Gerald K. Kunkle Jr. (10)*
10.15		Employment Agreement dated April 20, 1998 between the Company and William R. Jellison
10.16		Employment Agreement dated September 10, 1998 between the Company and Brian M. Addison
10.17		Midwest Dental Products Corporation Pension Plan as amended and restated effective January 1, 1989 (7)*

10.18	Revised Ransom & Randolph Pension Plan, as amended effective as of September 1, 1985, restated as of January 1, 1989 (7)*
10.19	DENTSPLY International Inc. Directors' Deferred Compensation Plan effective January 1, 1997 (10)*
10.20	Asset Purchase and Sale Agreement, dated January 10, 1996, between Tulsa Dental Products, L.L.C. and DENTSPLY International Inc. (8)
10.21	Supplemental Executive Retirement Plan effective January 1, 1999
21.1	Subsidiaries of the Company
23.1	Consent of KPMG LLP
27	Financial Data Schedule

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* Management contract or compensatory plan.

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

(2) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-71792).

(3) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-79094).

(4) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-52616).

(5) 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.

(6) 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.

(7) 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.

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

(9) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, File No. 0-16211.

(10) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, 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, 1997, 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 Grid Note dated November 4, 1996 executed in favor of The Chase Manhattan Bank in connection with a line of credit up to $20,000,000 between the Company and The Chase Manhattan Bank.

(2) Agreement dated December 19, 1997 between Midland Bank PLC and Dentsply Limited for 2,500,000 pounds.

(3) Promissory Note dated August 14, 1998 in the principal amount of $6,000,000 of the Company in favor of First Union National Bank.

(4) Credit Agreement dated September 14, 1998 between Dentsply Canada Limited ("DCL") and Bank of Montreal for C$3,500,000.

(5) Promissory Note dated December 1, 1995 in connection with a line of credit up to $20,000,000 between the Company and Mellon Bank.

(6) Form of "comfort letters" to various foreign commercial lending institutions having a lending relationship with one or more of the Company's international subsidiaries.

(7) Unsecured Note dated June 26, 1998 between the Company and Harris Trust and Savings Bank in the principal amount of $500,000.

(b) Reports on Form 8-K

The Company did not file any Reports on Form 8-K during the quarter ended December 31, 1998.

* * * * * *

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 high and low sale prices of the Company's common stock for the periods indicated as reported on the NASDAQ National Market (after giving effect to the two-for-one stock split effective on October 29, 1997):

	Market Range of Common Stock		Cash Dividend
1998	High	Low	Declared
First Quarter	$35-1/4	$26-1/4	$.05125
Second Quarter	34-3/4	23-1/4	.05125
Third Quarter	26-3/4	21-1/4	.05125
Fourth Quarter	28	20	.05625
1997			
First Quarter	$27-1/2	$23-3/8	$.04625
Second Quarter	26-3/16	22-5/16	.04625
Third Quarter	28-15/16	24-5/16	.05125
Fourth Quarter	31-3/4	26-1/8	.05125
1996			
First Quarter	$20-3/8	$18-3/4	$.04125
Second Quarter	22-3/8	20	.04125
Third Quarter	22-1/4	18-5/8	.04125
Fourth Quarter	24-1/2	20-7/8	.04625

The Company estimates, based on information supplied by its transfer agent, that there are approximately 15,014 holders of common stock, including 553 holders of record.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
SELECTED FINANCIAL DATA

	Year Ended December 31,				
	1998	1997	1996	1995	1994
Statement of Income Data:	(in thousands, except per share amounts)				
Net sales	$795,122	$720,760	$656,557	$572,028	$524,758
Gross profit	416,423	368,726	324,670	280,852	257,724
Restructuring and other costs	71,500	---	---	---	---
Operating income from continuing operations	69,852	132,456	119,464	100,735	97,400
Income from continuing operations before income taxes	55,101	122,006	110,960	90,017	91,662
Net income from continuing operations	34,825	74,554	67,222	53,963	54,144
Discontinued operations and extraordinary items	---	---	---	---	7,854
Net income	$ 34,825(1)	$ 74,554	$ 67,222	$ 53,963(1)	$ 61,998
Earnings per Common Share:					
Income from continuing operations-basic	$ .65	$ 1.38	$ 1.25	$ 1.00	$ .98
Net income-basic	.65	1.38	1.25	1.00	1.12
Income from continuing operations-diluted	.65	1.37	1.25	.99	.97
Net income-diluted	.65	1.37	1.25	.99	1.11
Cash dividends declared per common share	.21	.195	.17	.1538	.075
Weighted Average Common Shares Outstanding:					
Basic	53,330	53,937	53,840	54,024	55,552
Diluted	53,597	54,229	53,994	54,255	56,094
Balance Sheet Data:					
Working capital	$128,076	$107,678	$113,547	$122,706(2)	$ 92,206(2)
Total assets	895,322	774,376	667,662	582,383(2)	466,930(2)
Total debt	233,761	129,510	101,820	76,291	21,939
Stockholders' equity	413,801	423,933	365,590	315,922	299,337
Average return on stockholders' equity	19.2%(3)	18.9%	19.9%	17.9%	21.8%(4)
Other Data:					
Depreciation and amortization	$ 37,474	$ 32,405	$ 28,108	$ 21,488	$ 18,133(5)
Capital expenditures	31,430	27,660	20,804(5)	17,421(5)	12,504(5)
Interest expense, net	14,168	11,006	10,071	7,879	6,472
Property, plant and equipment, net	158,998	147,130	141,458	140,101	91,140
Goodwill and other intangibles, net	346,073	336,905	256,199	188,409	176,508

(1) Includes restructuring and other costs of $45.4 million in 1998 and unusual or non-recurring charges of $1.8 million in 1995.
(2) Excludes net assets of discontinued operations.
(3) Excludes income statement effect of restructuring and other costs.
(4) Excludes income statement effect of discontinued operations.
(5) Excludes discontinued operations.

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

Certain statements made by the Company that are forward-looking, including without limitation, statements containing the words "plans", "anticipates", "believes", "expects', or words of similar import may be deemed to be forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties which may materially affect the Company's business and prospects and should be read in conjunction with the risk factors set forth in the section "Factors That May Affect Future Results" in item 1, part 1 of this Annual Report on Form 10-K.

Results of Operations, 1998 Compared to 1997
- --

Net sales increased $74.4 million, or 10.3% from $720.8 million in 1997 to $795.1 million in 1998. Acquisitions, net of divestitures, accounted for 7.0% of the sales growth for the year. Base business sales were up 4.3% due to sales increases of 7.7% in the U.S. and 2.1% in Europe, offset by a decline of 6.5% in the Pacific Rim and Latin America. The European base business sales increase included a decline in sales to the Commonwealth of Independent States (C.I.S.) and a decline in the German laboratory business sales. Sales in the Pacific Rim and Latin America were adversely impacted by the downturn in the Asian and Latin American economies and the termination of distributors in Taiwan, Korea, Colombia and Chile which were replaced by newly established local DENTSPLY subsidiaries in 1998. The translation impact of exchange rate fluctuations in Europe, Asia and Latin America had a negligible impact on sales in 1998. Base business sales growth in other territories (including Canada, Australia and Japan) was strong but was offset by the adverse impact of the translation effect of the strong U.S. dollar.

Gross profit increased $47.7 million, or 12.9% due primarily to higher net sales and an increase in the gross profit percentage in 1998. As a percentage of net sales, gross profit increased from 51.2% in 1997 to 52.4% in 1998. Favorable product and geographical mix, operational improvements and discontinuing the implant product line all contributed to the improved percentage.

Selling, general and administrative ("SG&A") expenses increased $38.8 million, or 16.4%. As a percentage of sales, expenses increased from 32.8% in 1997 to 34.6% in 1998. The main reasons for the percentage increase were: a higher expense to sales ratio for businesses acquired during 1998; higher expenses for upgrading information systems in the United States, Europe and Asia; bad debt provisions, principally for customers in the C.I.S.; costs associated with establishing new local DENTSPLY subsidiaries in countries where third party distributors have been terminated; and increased research and development expenses.

Restructuring and other costs of $29.0 million were recorded in the second quarter of 1998. The major component of the charge includes costs of $26.0 million to rationalize and restructure the Company's worldwide laboratory business (primarily for the closure of the Company's German tooth manufacturing facility). The restructuring is expected to be complete by the end of 1999. The after-tax cash flow of the charge is expected to be approximately $10-12 million, most of which should occur in 1999.

In the fourth quarter of 1998, the Company took a restructuring charge of $42.5 million primarily for the write-off of intangibles, including goodwill, and closing costs associated with the discontinuance of the New Image division in Carlsbad, California. Following the restructuring, certain intraoral camera products will be sold and supported by the Gendex Dental X-ray division in Des Plaines, Illinois.

The increase in net interest expense of $3.2 million was mainly due to debt resulting from $106.8 million spent for acquisitions and $42.0 million to repurchase approximately 1.8 million shares of common stock during 1998. Other expense was $.6 million in 1998 compared to other income of $.6 million in 1997. The change is primarily due to exchange losses in 1998 compared to a small gain in 1997.

Income before income taxes decreased $66.9 million from $122.0 million in 1997 to $55.1 million in 1998 mainly due to the $71.5 million of restructuring and other costs. Without these costs, income before income taxes increased $4.6 million, or 3.8%.

The effective tax rate (before restructuring and other costs) of 36.8% in 1998 compares to 38.9% in 1997. The 1998 rate reflects savings resulting from federal, state and foreign tax planning.

Net income decreased $39.7 million due to the after-tax cost of $45.4 million for restructuring and other costs. Without these costs, net income increased $5.7 million, or 7.6% in 1998 due to higher sales, an improvement in the gross profit percentage and a lower effective tax rate for the Company in 1998.

Basic and diluted earnings per common share were $.65 in 1998 compared to $1.38 basic and $1.37 diluted earnings per common share in 1997. Both basic and diluted earnings per common share in 1998 included $.85 per common share for restructuring and other costs. Without these costs, basic earnings per common share increased from $1.38 in 1997 to $1.50 in 1998, or 8.7% and diluted earnings per common share increased from $1.37 to $1.50 in 1998, or 9.5%.

Results of Operations, 1997 Compared to 1996

Net sales increased $64.2 million, or 9.8% from $656.6 million in 1996 to $720.8 million in 1997. About one half of this increase was due to strong growth in the United States from a moderate increase in base business and incremental sales from acquisitions. The growth in the United States was partially offset by the adverse impact of the termination of the Implant Distribution Agreement between Core-Vent Corporation and DENTSPLY in the first quarter of 1997. In Europe, strong growth in base business plus incremental sales from the acquisitions was adversely impacted by the translation effect of the strong U.S. dollar. Sales growth in the Pacific Rim and Latin America remained strong.

Gross profit increased $44.1 million, or 13.6% due primarily to higher net sales. As a percentage of net sales, gross profit increased from 49.5% in 1996 to 51.2% in 1997. The percentage improved in 1997 due to better operating performance in manufacturing facilities in both the United States and Europe and a favorable mix of higher margin products in each major geographic region. In 1996, purchase price accounting for the acquisitions of Maillefer Instruments S.A., Tulsa Dental Products LLC and CeraMed Dental, LLC had an adverse impact on the gross profit percentage.

SG&A expenses increased $31.1 million, or 15.1%. As a percentage of net sales, expenses increased from 31.3% in 1996 to 32.8% in 1997. This increase was mainly due to the high ratio of expenses to sales for certain direct selling businesses acquired in 1997 which typically have a high ratio of SG&A expenses to sales; increased amortization from 1997 acquisitions; expansion of the endodontic sales force and start-up of the group practices business unit in the United States; continued emphasis on upgrading the information systems in the United States and Europe; increased spending for the new China subsidiary in the Pacific Rim; increased research and development expenses; and costs associated with certain legal proceedings.

The increase in interest expense of $1.6 million was due to acquisition debt, largely offset by cash generated from operations. Other income was $.6 million in 1997 compared to $1.6 million in 1996. The reduction was primarily due to a legal settlement of $1.2 million the Company's favor in 1996.

Income before income taxes increased $11.0 million, or 10.0% from $111.0 million in 1996 to $122.0 million in 1997. Net income in 1997 was $74.6 million, compared with $67.2 million reported in 1996, an increase of 10.9%.

Basic earnings per common share (after giving effect to the two-for-one stock split effective on October 29,1997) of $1.38 for 1997 increased $.13 or 10.4% from $1.25 in 1996. Diluted earnings per common share of $1.37 for 1997 increased $.12, or 9.6% from $1.25 in 1996.

Foreign Currency

Since approximately 40% 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 partially offset by sales in the U.S. of products sourced from plants and third party suppliers located overseas, principally in Germany and Switzerland.

Liquidity and Capital Resources

In January 1998, the Company purchased the assets of Procter & Gamble's

Blendax Professional Dental Business for approximately DM13 million or $6.9 million. In March 1998, the Company purchased the assets of InfoSoft Inc. for approximately $8.6 million. In April and December 1998, the Company purchased 100% of the capital stock of GAC International, Inc. for approximately $26.5 million. In May 1998, the Company purchased 100% of the capital stock of Herpo Productos Dentarios Ltda. for $7.4 million and all of the capital stock of Crescent Dental Manufacturing Co. for $5.2 million. In December 1998, the Company purchased all of the capital stock of Vereingte Dentalwerke GmbH and related companies for approximately $50.9 million in cash and a deferred payment of $.9 million. These cash transactions were funded from the Company's $175 million and $125 million revolving credit agreements and short-term bank borrowings.

Investment activities for 1998 included capital expenditures of $31.4 million.

During 1998, the Company repurchased 1.8 million shares of its common stock for $42.0 million. In December 1998, the Board of Directors authorized for 1999 the repurchase of up to .5 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.

At December 31, 1998, the Company's current ratio was 1.7 with working capital of $128.1 million. This compares with a current ratio of 1.6 and working capital of $107.7 million at December 31, 1997.

Under its revolving credit agreements, the Company is able to borrow up to $175 million on an unsecured basis through October 2002 and $125 million through October 1999. The $175 million facility may be extended, subject to certain conditions, until October 2004. The $125 million 364-day facility terminates in October 1999, but contains a one-year term-out provision and may be extended, subject to certain conditions, for additional periods of 364 days. The revolving credit agreements are unsecured and contain various financial and other covenants.

Under its bank multi-currency revolving credit agreement, the Company is able to borrow up to $25 million for foreign working capital purposes on an unsecured basis through October 1999. The multi-currency facility contains a one-year term-out provision and may be extended, subject to certain conditions, for additional periods of 364 days.

The Company has unused lines of credit of $178.5 million at December 31, 1998.

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

Cash flows from operating activities were $93.7 million in 1998 compared to $94.3 million in 1997.

Derivative Instruments and Hedging Activities

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". The Statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or a liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting.

This Statement is effective for fiscal years beginning after June 15, 1999, and it may be implemented as of the beginning of any fiscal quarter after June 15, 1998. The Statement must be applied to (a) derivative instruments and (b) certain derivative instruments embedded in contracts that were issued, acquired, or substantially modified after December 31, 1997 (and, at the company's election, before January 1, 1998). The transition adjustments resulting from adopting this statement shall be reported in net income or other comprehensive income, as appropriate, as the effect of a change in accounting principle and presented in a manner similar to the cumulative effect of a change in accounting principle.

The Company has not yet quantified the impacts of adopting this statement on the financial statements or the risk management processes. Additionally, the Company expects to adopt this standard in the first quarter of fiscal year 2000.

Start-Up Costs

In 1998, the American Institute of Certified Public Accountants issued Statement of Position No. 98-5 (SOP 98-5), "Reporting on the Costs of Start-Up Activities". SOP 98-5, which becomes effective for the fiscal year ended December 31, 1999, sets accounting standards in connection with accounting and financial reporting related to costs of start-up activities. This SOP requires that, at the effective date of adoption, costs of start-up activities previously capitalized be reported as a cumulative effect of a change in accounting principle, and further requires that such costs incurred subsequent to adoption be expensed. Management anticipates that adoption of SOP 98-5 will not have a material effect on the Company's financial position or results of operations.

Year 2000

The following discussion contains Year 2000 Readiness Disclosures under the Year 2000 Information and Readiness Disclosure Acts.

An issue affecting DENTSPLY and all other companies is whether computer systems and applications will recognize and process data for the Year 2000 and beyond. The Year 2000 issue arose because many existing computer programs use only the last two digits to refer to a year. These computer programs do not recognize a year that begins with "20" instead of "19". The inability of many computer applications to interpret the Year 2000 correctly may cause potential business disruptions affecting all aspects of normal operations. The Year 2000 issue has global ramifications affecting not only the Company's operations but also the operations of the Company's suppliers, vendors and customers.

In 1995, the Company commenced an upgrade of its information technology ("IT") systems for all of its locations. A primary software was chosen to upgrade the Company's computerized business application systems to world class standards and enable the Company to become Year 2000 compliant. The upgrade included necessary hardware and software improvements, training, data conversion, systems testing and implementation, and Year 2000 compliance.

Most of the identification, planning and development phases of the Year 2000 project have been completed. The Company is in the process of implementing the information system upgrade with an anticipated completion date of mid-1999. Work has been completed on 95% of North American, 90% of Latin American and Asian systems, as well as 70% of European systems. To date, the Company has spent approximately $14.5 million for the IT project. An additional $2.3 million of spending is anticipated for 1999. These costs encompass the total upgrade of the Company's manufacturing, distribution and financial reporting systems. The Company has not deferred other IT projects due to its Year 2000 initiative, but rather, the Year 2000 initiative has been part of the upgrade of its current IT system. Possible Year 2000 issues that are not covered by the IT upgrade are being addressed separately and may require software replacement, reprogramming or other remedial action. The Company is engaged in a program to identify affected systems and applications and to develop a plan to correct any issues in the most effective manner. The Company is in the process of formulating contingency plans to the extent necessary in fiscal 1999.

The Year 2000 initiative presents a number of uncertainties including the status and planning of third parties. The Company is currently surveying its significant customers and vendors as to their Year 2000 compliance. Based on the nature of their responses, the Company will develop contingency plans as appropriate. However, the Company has no means of assuring that external customers and vendors will be Year 2000 compliant. The inability of third parties to complete their Year 2000 resolution process in a timely fashion could materially impact the Company.

The Company's Year 2000 remediation efforts along with the information system upgrade are funded from the Company's operating cash flows and its borrowing facilities. The following table contains historical and estimated future costs of the total IT system upgrade, which includes the Year 2000 initiative. Infrastructure and daily IT-related operating expenses have been excluded from the reported costs.

	Project Costs To Date	Anticipated Future Costs
Capital Expenditures	$ 7,697	$ 837
Expenses	6,807	1,467
Total	$ 14,504	$ 2,304

Euro Currency Conversion

On January 1, 1999, eleven of the fifteen member countries of the European Union (the "participating countries") established fixed conversion rates between their legacy currencies and the newly established Euro currency. The legacy currencies will remain legal tender in the participating countries between January 1, 1999 and January 1, 2002 (the "transition period"). On January 1, 2002 the European Central Bank will issue Euro-denominated bills and coins for use in cash transactions. On or before July 1, 2002, the legacy currencies of participating countries will no longer be legal tender for any transactions.

The Company's various operating units which are affected by the Euro conversion intend to keep their books in their respective legacy currency through a portion of the three year transition period. At this time, the Company does not expect the reasonable foreseeable consequences of the Euro conversion to have material adverse effects on the Company's business, operations or financial condition.

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 preparation and integrity of the consolidated financial statements and all other information contained in this Annual Report. The financial statements were prepared in accordance with generally accepted accounting principles and include amounts that are based on management's informed estimates and judgements.

In fulfilling its responsibility for the integrity of financial information, management has established a system of internal accounting controls supported by written policies and procedures. This provides reasonable assurance that assets are properly safeguarded and accounted for and that transactions are executed in accordance with management's authorization and recorded and reported properly.

The financial statements have been audited by our independent public accountants, KPMG LLP, whose unqualified report is presented below. The independent accountants provide an objective assessment of the degree to which management meets its responsibility for fairness of financial reporting. They regularly evaluate the internal control structure and perform such tests and other procedures as they deem necessary to reach and express an opinion on the fairness of the financial statements.

The Audit Committee of the Board of Directors, consisting solely of outside Directors, meets with the independent public accountants with and without management to review and discuss the major audit findings, the adequacy of the internal control structure and quality of financial reporting. The independent accountants also have access to the Audit Committee to discuss auditing and financial reporting matters with or without management present.

John C. Miles II	Gerald K. Kunkle	William R. Jellison
Chairman and	President and Chief	Senior Vice President and
Chief Executive Officer	Operating Officer	Chief Financial Officer

INDEPENDENT AUDITORS REPORT

The Board of Directors and Stockholders
DENTSPLY International Inc.

We have audited the accompanying consolidated balance sheets of DENTSPLY International Inc. and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1998. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements 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, 1998 and 1997, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998, in conformity with generally accepted accounting principles.

Philadelphia, Pennsylvania   KPMG LLP
January 21, 1999

DENTSPLY International Inc.
and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	1998	1997	1996
	(in thousands, except per share amounts)		
Net sales	$795,122	$720,760	$656,557
Cost of products sold	378,699	352,034	331,887
Gross profit	416,423	368,726	324,670
Selling, general and administrative expenses	275,071	236,270	205,206
Restructuring and other costs	71,500	---	---
Operating income	69,852	132,456	119,464
Other income and expenses:			
Interest expense	15,367	12,660	11,095
Interest income	(1,199)	(1,654)	(1,024)
Other (income) expense, net	583	(556)	(1,567)
Income before income taxes	55,101	122,006	110,960
Provision for income taxes	20,276	47,452	43,738
Net income	$ 34,825	$ 74,554	$ 67,222
Earnings per common share:			
Basic	$ .65	$ 1.38	$ 1.25
Diluted	.65	1.37	1.25
Cash dividends declared per common share	$ .21	$ .195	$ .17
Weighted average common shares outstanding:			
Basic	53,330	53,937	53,840
Diluted	53,597	54,229	53,994

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

DENTSPLY International Inc.
and Subsidiaries
CONSOLIDATED BALANCE SHEETS
December 31,

	1998	1997
	(in thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 8,690	$ 9,848
Accounts and notes receivable - trade, net	134,218	114,366
Inventories	139,235	124,748
Prepaid expenses and other current assets	40,309	28,065
Total Current Assets	322,452	277,027
Property, plant and equipment, net	158,998	147,130
Other noncurrent assets, net	67,799	13,314
Identifiable intangible assets, net	80,537	103,513
Costs in excess of fair value of net assets acquired, net	265,536	233,392
Total Assets	$895,322	$774,376
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable and current portion of long-term debt	$ 16,270	$ 24,005
Accounts payable	42,654	38,942
Accrued liabilities	99,427	71,563
Income taxes payable	36,025	34,839
Total Current Liabilities	194,376	169,349
Long-term debt	217,491	105,505
Other liabilities	48,113	43,954
Deferred income taxes	18,803	27,647
Total Liabilities	478,783	346,455
Minority interests in consolidated subsidiaries	2,738	3,988
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; 54.3 million shares and 54.2 million shares issued at December 31, 1998 and 1997, respectively	543	542
Capital in excess of par value	152,871	150,738
Retained earnings	324,745	301,058
Accumulated other comprehensive income	(14,730)	(16,720)
Employee stock ownership plan reserve	(7,977)	(9,497)
Treasury stock, at cost, 1.7 million and .1 million shares at December 31, 1998 and 1997, respectively	(41,651)	(2,188)
Total Stockholders' Equity	413,801	423,933
Total Liabilities and Stockholders' Equity	$895,322	$774,376

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	Accumulated Other Comprehensive Income	Employee Stock Ownership Plan Reserve	Treasury Stock	Total Stockholders' Equity
				(in thousands)			
Balance at December 31, 1995	$ 271	$149,999	$179,231	$ 3,234	$(12,536)	$ (4,277)	$315,922
Comprehensive Income:							
Net income	-	-	67,222	-	-	-	67,222
Other comprehensive income:							
Foreign currency translation adjustment, net of $(2,960) tax	-	-	-	(7,512)	-	-	(7,512)
Comprehensive Income							59,710
Exercise of stock options and warrants	-	(146)	-	-	-	1,384	1,238
Tax benefit related to stock options and warrants exercised	-	218	-	-	-	-	218
Compensatory stock options lapsed	-	(40)	-	-	-	-	(40)
Repurchase of .2 million shares of common stock	-	-	-	-	-	(3,825)	(3,825)
Cash dividends declared, $.17 per common share	-	-	(9,153)	-	-	-	(9,153)
Net change in ESOP reserve	-	-	-	-	1,520	-	1,520
Balance at December 31, 1996	$ 271	$150,031	$237,300	$(4,278)	$(11,016)	$ (6,718)	$365,590

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	Accumulated Other Comprehensive Income	Employee Stock Ownership Plan Reserve	Treasury Stock	Total Stockholders' Equity
				(in thousands)			
Balance at December 31, 1996	$ 271	$150,031	$237,300	$(4,278)	$(11,016)	$ (6,718)	$365,590
Comprehensive Income:							
Net income	-	-	74,554	-	-	-	74,554
Other comprehensive income:							
Foreign currency translation adjustment, net of $(4,839) tax	-	-	-	(12,442)	-	-	(12,442)
Comprehensive Income							62,112
Exercise of stock options and warrants	-	(133)	-	-	-	5,458	5,325
Tax benefit related to stock options and warrants exercised	-	840	-	-	-	-	840
Repurchase of forty thousand shares of common stock	-	-	-	-	-	(928)	(928)
Cash dividends declared, $.195 per common share	-	-	(10,525)	-	-	-	(10,525)
Two-for-one stock split effected in the form of a stock dividend	271	-	(271)	-	-	-	-
et change in ESOP reserve	-	-	-	-	1,519	-	1,519
Balance at December 31, 1997	$ 542	$150,738	$301,058	$(16,720)	$ (9,497)	$ (2,188)	$423,933

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	Accumulated Other Comprehensive Income	Employee Stock Ownership Plan Reserve	Treasury Stock	Total Stockholders' Equity
				(in thousands)			
Balance at December 31, 1997	$ 542	$150,738	$301,058	$(16,720)	$ (9,497)	$ (2,188)	$423,933
Comprehensive Income:							
Net income	-	-	34,825	-	-	-	34,825
Other comprehensive income:							
Foreign currency translation adjustment, net of $732 tax	-	-	-	1,990	-	-	1,990
Comprehensive Income							36,815
Exercise of stock options and warrants	1	1,227	-	-	-	2,586	3,814
Tax benefit related to stock options and warrants exercised	-	906	-	-	-	-	906
Repurchase of 1.76 million shares of common stock	-	-	-	-	-	(42,049)	(42,049)
Cash dividends declared, $.21 per common share	-	-	(11,138)	-	-	-	(11,138)
Net change in ESOP reserve	-	-	-	-	1,520	-	1,520
Balance at December 31, 1998	$ 543	$152,871	$324,745	$(14,730)	$ (7,977)	$(41,651)	$413,801

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,		
	1998	1997	1996
Cash flows from operating activities:	(in thousands)		
Net income	$ 34,825	$ 74,554	$ 67,222
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	17,634	15,341	14,799
Amortization	19,840	17,064	13,309
Deferred income taxes	(22,084)	(1,828)	(3,008)
Restructuring and other costs	71,500	---	---
Other non-cash transactions	(513)	263	289
Loss on disposal of property, plant and equipment	107	559	367
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures of businesses, effects of exchange, and restructuring and other costs:			
Accounts and notes receivable-trade, net	(7,305)	(13,080)	(6,777)
Inventories	(5,605)	1,694	256
Prepaid expenses and other current assets	(3,990)	(305)	(4,574)
Other noncurrent assets, net	1,167	(82)	497
Accounts payable	(2,932)	(1,795)	472
Accrued liabilities	(10,171)	(483)	945
Income taxes payable	1,462	4,250	1,467
Other liabilities	(193)	(1,864)	(2,075)
Net cash provided by operating activities	93,742	94,288	83,189

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,		
	1998	1997	1996
Cash flows from investing activities:		(in thousands)	
Proceeds from disposal of Medical business	---	---	7,500
Proceeds from sale of property, plant and equipment, net	1,114	1,257	351
Capital expenditures	(31,430)	(27,660)	(20,804)
Expenditures for identifiable intangible assets	(5,247)	(3,382)	(3,000)
Acquisitions of businesses, net of cash acquired	(103,250)	(78,822)	(82,181)
Other direct costs of acquisition and divestiture activities	(63)	(2,395)	(259)
Additional consideration for prior purchased business	(3,522)	---	---
Other, net	---	(155)	(355)
Net cash used in investing activities	(142,398)	(111,157)	(98,748)

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,		
	1998	1997	1996
Cash flows from financing activities:		(in thousands)	
Proceeds from exercise of stock options and warrants, including tax benefit	4,721	6,165	1,456
Cash paid for treasury stock	(42,049)	(928)	(3,825)
Cash dividends paid	(10,954)	(10,238)	(8,893)
Increase (decrease) in bank overdrafts	2,552	886	(2,357)
Proceeds from long-term borrowings, net of deferred financing costs	159,898	218,449	87,499
Payments on long-term borrowings	(60,337)	(184,524)	(67,490)
Increase (decrease) in short-term borrowings	(3,962)	(7,605)	11,382
Decrease in employee stock ownership plan reserve	1,520	1,519	1,520
Net cash provided by financing activities	51,389	23,724	19,292
Effect of exchange rate changes on cash and cash equivalents	(3,891)	(2,626)	(2,088)
Net increase (decrease) in cash and cash equivalents	(1,158)	4,229	1,645
Cash and cash equivalents at beginning of period	9,848	5,619	3,974
Cash and cash equivalents at end of period	$ 8,690	$ 9,848	$ 5,619

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,		
	1998	1997	1996
Supplemental disclosures of cash flow information:	(in thousands)		
Interest paid	$ 12,215	$ 9,024	$ 7,484
Income taxes paid	40,048	43,840	43,879
Supplemental disclosures of non-cash transactions:			
Note receivable for fixed assets associated with arbitration ruling terminating the Implant Distribution Agreement	---	389	---
Assumption of debt in connection with acquisitions	---	4,310	---

The Company assumed liabilities in conjunction with the following acquisitions:

	Date Acquired	Fair Value of Assets Acquired	Cash Paid for Assets or Capital Stock	Liabilities Assumed
			(in thousands)	
Vereingte Dentalwerke GmbH	December 1998	(*)	$50,895	(*)
Herpo Productos Dentarios Ltda.	May 1998	$13,842	7,395	$ 6,447
Crescent Dental Manufacturing Co.	May 1998	5,783	5,214	569
GAC, Inc.	April-Dec 1998	38,439	26,485	11,954
InfoSoft, Inc.	March 1998	10,497	8,645	1,852
Blendax	January 1998	7,556	6,893	663
MPL Technologies, Inc.	November 1997	5,452	4,425	1,027
EFOS Corporation	July 1997	15,032	14,988	44
SIMFRA S.A.	July 1997	8,431	5,464	2,967
New Image Industries, Inc.	March 1997	35,643	10,957	24,686
DW Industries, Inc.	January 1997	18,956	16,253	2,703
Laboratoire SPAD, S.A.	January 1997	47,054	35,992	11,062
CeraMed Dental, LLC	August 1996	5,000	5,000	0
Tulsa Dental Products LLC	January 1996	78,662	75,114	3,548

(*) Allocation of the purchase price to the fair value of assets acquired and liabilities assumed will be completed in 1999.

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 dental prosthetics, endodontic instruments and 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, intraoral cameras, dental x-ray film holders, film mounts and bone substitute/grafting materials; and a leading United States manufacturer or distributor of impression materials, dental operatory software systems, dental cutting instruments and orthodontic appliances. The Company distributes its dental products in over 100 countries under some of the most well-established brand names in the industry. DENTSPLY is committed to the development of innovative, high quality, cost-effective new products for the dental market.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. Intercompany accounts and transactions are eliminated. Minority interests in net income of consolidated subsidiaries are not material and are 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 $7.9 million and $4.6 million at December 31, 1998 and 1997, respectively.

Inventories
- -----------

Inventories are stated at the lower of cost or market. At December 31, 1998 and 1997, the cost of $15.3 million, or 11% and $14.9 million, or 12%, 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 - 4 to 15 years. The cost of leasehold improvements is amortized over the shorter of the estimated useful life or the term of the lease. For income tax purposes, depreciation is computed using various methods.

Identifiable Intangible Assets
- ------------------------------

Identifiable intangible assets include patents, trademarks, non-compete agreements, licensing agreements, and product manufacturing rights and customer lists 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 $44.2 million and $36.9 million at December 31, 1998 and 1997, 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 $43.6 million and $34.0 million at December 31, 1998 and 1997, 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.

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 certain assets and liabilities denominated in foreign currencies and interest rate swaps to convert floating rate debt to fixed rate.

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, 1998, the Company had contracts outstanding for the purchase of 7.9 million Swiss francs (approximately $5.7 million), and the sale of 1.9 million Australian dollars (approximately $1.2 million). As of December 31, 1997, the Company had contracts outstanding for the purchase of 29.7 million Swiss francs (approximately $20.7 million) and 13.7 million French francs (approximately $2.3 million), and the sale of 1.4 million Australian dollars (approximately $.9 million). These foreign exchange contracts generally have maturities of less than six months and counterparties to the transactions are typically large international financial institutions.

Interest Rate Risk Management

In July 1998, the Company entered into interest rate swap agreements totaling $80.0 million which converts a portion of the Company's variable rate financing to fixed rates. The average fixed rate of these agreements is 5.7% and fixes the rate for an average of five years.

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 losses of $1.7 million in 1998 and $.3 million in 1996 and gains of $.3 million in 1997 are included in other (income) expense, net.

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 $18.2 million, $16.8 million and $14.7 million for 1998, 1997 and 1996, respectively.

NOTE 2 - EARNINGS PER COMMON SHARE

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

	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share amounts)		
Year Ended December 31, 1998			
Basic EPS	$ 34,825	53,330	$ .65
Incremental shares from assumed exercise of dilutive options and warrants	-	267	
Diluted EPS	$ 34,825	53,597	$ .65
Year Ended December 31, 1997			
Basic EPS	$ 74,554	53,937	$1.38
Incremental shares from assumed exercise of dilutive options and warrants	-	292	
Diluted EPS	$ 74,554	54,229	$1.37
Year Ended December 31, 1996			
Basic EPS	$ 67,222	53,840	$1.25
Incremental shares from assumed exercise of dilutive options and warrants	-	154	
Diluted EPS	$ 67,222	53,994	$1.25

NOTE 3 - BUSINESS ACQUISITIONS

In December 1998, the Company purchased 100% of the capital stock of Vereingte Dentalwerke GmbH ("VDW") and related companies for $50.9 million with an additional payment of $.9 million to be paid in 1999. The transaction is valued at $57.1 million. The allocation of the purchase price to the fair value of assets acquired has yet to be determined. Headquartered in Munich, Germany, VDW manufactures endodontic files and accessory products, marketed worldwide under the Antaeos, Beutelrock and Zipperer trade names. The company's Munich, Germany production facility is a new, ultra-modern, fully automated manufacturing facility.

In May 1998, the Company purchased 100% of the capital stock of Herpo Productos Dentarios Ltda. ("Herpo") for $7.4 million. Herpo has a broad product line focusing on alginate impression materials, artificial teeth and dental anesthetics. Herpo operates a modern dental anesthetic production plant in Bonsucesso, Brazil.

In May 1998, the Company purchased 100% of the capital stock of Crescent Dental Manufacturing Co. ("Crescent") for $5.2 million. Crescent has a diverse product offering and is one of the leading United States manufacturers of prophy cups and brushes, amalgamators and other professional dental equipment and supplies.

In April and December 1998, the Company purchased 100% of the capital stock of GAC International Inc. ("GAC") for approximately $26.5 million. Located in Islip, New York, GAC provides a full line of high quality orthodontic products.

In March 1998, the Company purchased the assets of InfoSoft Inc. ("InfoSoft") for $8.6 million. Located in White Marsh, Maryland, the primary business of InfoSoft is the development and sale of full-featured, dental practice management software. The Company believes InfoSoft is one of the largest dental practice management claims processor in the United States.

In January 1998, the Company purchased the assets of Blendax Professional Dental Business ("Blendax") from Procter & Gamble in a cash transaction valued at approximately DM13 million or $6.9 million. The Blendax product line consists of rotary cutting instruments, impression materials, composite filling material and fluoride rinses and gels.

Each 1998 acquisition was accounted for under the purchase method of accounting; accordingly, the results of their operations are included in the accompanying financial statements since the respective dates of the acquisitions. Except for VDW, the purchase prices plus direct acquisition costs have been allocated on the basis of preliminary estimates of the fair values of assets acquired and liabilities assumed. The excess of acquisition cost over net assets acquired of $8.9 million for Herpo, $2.6 million for Crescent, $16.2 million for GAC, $6.5 million for InfoSoft and $6.7 million for Blendax is being amortized over 25 to 40 years. Assuming that all acquisitions had occurred on January 1, 1997, consolidated net sales would have been $834 million for 1998 and $817 million for 1997. Consolidated pro forma net income and earnings per common share would not have been materially different from the reported amounts for 1998 and 1997. Such unaudited pro forma amounts are not indicative of what the actual consolidated results of operations might have been if the acquisitions had been effective at the beginning of 1997, nor are they necessarily indicative of future consolidated results.

In November 1997, the Company purchased certain assets of MPL Technologies, Inc. ("MPL"), a wholly-owned subsidiary of SoloPak Pharmaceuticals, for $4.4 million in cash. Located in Franklin Park, Illinois, MPL is a leading manufacturer and distributor of needles and needle-related products, primarily for the dental profession.

In July 1997, the Company purchased the dental assets of EFOS Corporation ("EFOS") for Canadian $20.7 million in a cash transaction valued at approximately $15.0 million. Prior to acquisition, EFOS was the developer and manufacturer of DENTSPLY's dental curing lights and amalgamators. Additionally, the EFOS product line includes protective eyewear products, replacement parts and curing light repair and service.

Also in July 1997, the Company purchased the outstanding capital stock of SIMFRA S.A. ("SIMFRA") for FF32.1 million in a cash transaction valued at approximately $5.5 million and assumption of $1.4 million of debt. Located in Paris, SIMFRA is the exclusive importer of Maillefer Instruments, S.A. in France.

In March 1997, the Company purchased all of the capital stock of New Image Industries, Inc. ("New Image") for $2.00 per share or approximately $11.0 million and assumed $2.9 million of debt and other liabilities of $21.8 million. Subsequently, assumed liabilities were increased to $32.1 million for recognition of liabilities associated with certain legal cases. The primary product line for New Image is intraoral cameras exclusively for the dental market.

In January 1997, the Company purchased the assets of DW Industries, Inc. ("DW") in a cash transaction valued at approximately $16.3 million and an earn-out based on future sales growth of the business. No payment of earn-out has been required to date. Through this acquisition the Company acquired the leading disposable air-water syringe tip for use in clinical dental office procedures.

Also in January 1997, the Company purchased all of the outstanding capital stock of Laboratoire SPAD, S.A. ("SPAD") for FF199.5 million or $36.0 million in cash and a deferred payment of FF 21.5 million or $3.5 million which was paid in January 1998. SPAD is a leading French distributor of dental anesthetic and other dental products.

Each 1997 acquisition was accounted for under the purchase method of accounting; accordingly, the results of their operations are included in the accompanying financial statements since the respective dates of the acquisitions. The purchase prices plus direct acquisition costs have been allocated on the basis of the fair values of assets acquired and liabilities assumed. The excess of acquisition cost over net assets acquired of $4.2 million for DW, $33.5 million for SPAD, $3.8 million for SIMFRA, $2.8 million for EFOS and $.1 million for MPL is being amortized over 25 years. The excess of acquisition cost over net assets acquired of New Image was considered impaired and was written-off with the restructuring charge in December 1998 (See Note 15).

In August 1996, the Company paid $5.0 million for a 51% interest in CeraMed Dental, LLC ("CeraMed") and the right to acquire the remaining 49% interest at a later date. The Company believes that CeraMed, located in Lakewood, Colorado, is the leading US manufacturer and distributor of bone grafting materials and HA plasma-feed coating materials to dental markets.

In January 1996, the Company purchased certain assets of Tulsa Dental Products LLC ("Tulsa Dental") in a cash transaction valued at $75.1 million and an earn-out based on future operating performance of the business. While an earn-out payment is expected, no payment of earn-out has been required to date. Based in Tulsa, Oklahoma, Tulsa Dental is a manufacturer and distributor of endodontic instruments and materials.

Each 1996 acquisition was accounted for under the purchase method of accounting; accordingly, the results of their operations are included in the accompanying financial statements since the respective dates of the acquisitions. The purchase prices plus direct acquisition costs have been allocated on the basis of the fair values of assets acquired and liabilities assumed. The excess of acquisition cost over net assets acquired of $.9 million for CeraMed and $53.7 million for Tulsa Dental is being amortized over 25 years.

NOTE 4 - SEGMENT AND GEOGRAPHIC INFORMATION

As of January 1, 1998, the Company adopted SFAS 131, Disclosures about Segments of an Enterprise and Related Information. SFAS 131 establishes standards for reporting information about operating segments in financial statements. Since the Company operates in one operating segment as a designer, manufacturer and distributor of dental products, the Company presents Enterprise-wide Disclosures. Dental products represented approximately 95% of sales in 1998, 1997 and 1996.

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.

The following table sets forth information about the Company's operations in different geographic areas for 1998, 1997, and 1996. Net sales reported below represents revenues from external customers of operations resident in the country or territory identified. Assets by geographic area are those used in the operations in the geographic area.

	United States	Foreign	Consolidated
		(in thousands)	
1998			
Net Sales	$470,947	$324,175	$795,122
Long-lived Assets	77,668	94,696	172,364
1997			
Net Sales	$402,743	$318,017	$720,760
Long-lived Assets	69,127	90,917	160,044
1996			
Net Sales	$364,221	$292,336	$656,557
Long-lived Assets	56,736	97,786	154,522

Third party export sales from the United States are less than ten percent of consolidated net sales. One customer accounted for 13% and 12% of consolidated net sales in 1998 and 1997, respectively. No customer accounted for 10% or more of consolidated net sales in 1996.

NOTE 5 - INVENTORIES

Inventories consist of the following:

	December 31, 1998	December 31, 1997
	(in thousands)	
Finished goods	$ 75,637	$ 63,987
Work-in-process	27,632	24,844
Raw materials and supplies	35,966	35,917
	$139,235	$124,748

Pre-tax income was $.2 million, $.4 million, and $.3 million lower in 1998, 1997,and 1996, respectively 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, 1998 and 1997 by $1.0 million and $1.3 million, respectively.

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	December 31, 1998	December 31, 1997
	(in thousands)	
Assets, at cost:		
Land	$ 12,315	$ 15,045
Buildings and improvements	74,966	68,009
Machinery and equipment	138,644	117,243
Construction in progress	13,262	11,856
	239,187	212,153
Less: Accumulated depreciation	80,189	65,023
	$158,998	$147,130

NOTE 7 - OTHER NONCURRENT ASSETS

Other noncurrent assets consist of the following:

	December 31, 1998	December 31, 1997
	(in thousands)	
Investment in VDW	$ 50,895	$ ---
Noncurrent deferred tax assets	3,538	400
Other	13,366	12,914
	$ 67,799	$ 13,314

VDW was purchased in late December 1998. The allocation of the purchase price to the fair value of assets acquired and liabilities assumed will be completed in 1999.

NOTE 8 - IDENTIFIABLE INTANGIBLE ASSETS

Identifiable intangible assets consist of the following:

	1998	1997
	(in thousands)	
Patents	$ 45,330	$ 47,519
Trademarks	26,060	47,440
Non-compete agreements	22,816	22,816
Licensing agreements	11,040	10,540
Product manufacturing rights	6,829	3,310
Customer lists	4,422	4,422
Other	8,256	4,381
	124,753	140,428
Less: Accumulated amortization	44,216	36,915
	$ 80,537	$103,513

NOTE 9 - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31,	
	1998	1997
	(in thousands)	
Payroll, commissions, bonuses and other cash compensation	$ 17,480	$ 16,554
Employee benefits	7,015	6,803
General insurance	10,021	7,313
Restructuring and other costs	19,800	-
Other	45,111	40,893
	$ 99,427	$ 71,563

NOTE 10 - FINANCING ARRANGEMENTS

Short-Term Borrowings

Short-term bank borrowings amounted to $15.4 million and $23.4 million at December 31, 1998 and 1997, respectively. Unused lines of credit for short-term financing at December 31, 1998 and 1997 were $70.0 million and $54.0 million, respectively. Substantially all unused lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institution. Interest is charged on borrowings under these lines of credit at various rates, generally under prime or equivalent money rates.

Long-Term Borrowings

	December 31, 1998	December 31, 1997
	(in thousands)	
$175.0 million revolving credit agreement maturing October 2002, Swiss Francs 22.7 million, Pounds Sterling 4.2 million, and $130.0 million outstanding at December 31, 1998, bearing interest at a weighted average of 1.8% for Swiss Francs borrowings, 7.1% for Pounds Sterling borrowings, and 5.6% for dollar borrowings	$153,021	$ 91,737
$125.0 million revolving credit agreement maturing October 1999, $50 million outstanding at December 31, 1998, bearing interest at a weighted average of 5.3%	50,000	---
$25.0 million bank multi-currency revolving credit agreement maturing October 1999, various currencies outstanding at December 31, 1998, bearing interest at a weighted average of 7.7%	13,450	12,981
Other borrowings, various currencies and rates	1,851	1,370
	218,322	106,088
Less: Current portion (included in notes payable and current portion of long-term debt)	831	583
	$217,491	$105,505

In July 1998, the Company entered into interest rate swap agreements totaling $80.0 million which converts a portion of the Company's variable rate financing to fixed rates. The average fixed rate of these agreements is 5.7% and fixes the rate for an average of five years.

The revolving credit agreements contain 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 .125 percent annually on the amount of the commitment under the $175.0 million five-year facility and .08 percent annually under the 364-day facility. Interest rates on amounts borrowed under the facility will depend on the maturity of the borrowing, the currency borrowed, the interest rate option selected, and, in the event of a LIBOR borrowing, the ratio of interest expense to operating income.

The bank multi-currency revolving credit agreement contains affirmative and negative covenants as to the operations and financial condition of the Company, which are substantially equivalent to those in the revolving credit agreements. The Company pays a facility fee of .08 percent annually on the entire amount of the bank multi-currency revolving credit agreement commitment.

The $ 125.0 million and $25.0 million facilities contain a one-year term-out provision and may be extended, subject to certain conditions, for additional periods of 364 days. The Company intends to extend the $125.0 million and $25.0 million facilities each year for an additional period of 364 days.

NOTE 11 - OTHER LIABILITIES

Other liabilities consist of the following:

	December 31, 1998	December 31, 1997
	(in thousands)	
Pension	$ 33,648	$ 29,357
Medical and other postretirement benefits	10,102	10,307
Other	4,363	4,290
	$ 48,113	$ 43,954

NOTE 12 - STOCKHOLDERS' EQUITY

The Board of Directors authorized the repurchase of 2.5 million, .5 million and 5.4 million shares of common stock for the years ended December 31, 1998, 1997 and 1996, respectively, on the open market or in negotiated transactions. Each of these authorizations to repurchase shares expired on December 31 of those years. The Company repurchased 1.8 million shares for $42.0 million, forty thousand shares for $.9 million and .2 million shares for $3.8 million in 1998, 1997 and 1996, respectively. Additionally, .5 million shares of common stock were authorized by the Board of Directors in December 1998 for repurchase in 1999.

A former Chairman of the Board holds options to purchase 30,000 shares of common stock at an exercise price of $22.25, which was equal to the market price on the date of grant. The options are exercisable at any time through January 2004.

The Company issued 360,000 stock purchase warrants in August 1990 in connection with an acquisition to the principals of an investment banking firm, one of whom is a former director of the Company. The warrants are exercisable at any time through August 28, 2000, at an exercise price of $3.06 per share (market price at date issued). During 1998, 18,000 of the warrants were exercised and 34,000 remain outstanding at December 31, 1998.

The Company has four stock option plans (1987 Plan, 1992 Plan, 1993 Plan and 1998 Plan). Under the 1987, 1992 and 1993 Plans, a committee appointed by the Board of Directors granted to key employees and directors of the Company options to purchase shares of common stock at an exercise price determined by 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. Options generally expire ten years after the date of grant under the 1993 Plan. For the 1987 Plan, 1992 Plan, and 1993 Plan, grants become exercisable over a period of three years after the date of grant at the rate of one-third per year, except that they become immediately exercisable upon death, disability or retirement.

The 1998 Plan authorized that 4.3 million shares of common stock may be granted under the plan. Each January, if 7% of the outstanding common shares of the Company exceed 4,300,000, the excess becomes available for grant under the plan. The 1998 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 6,000 shares of common stock on the date he or she becomes a non-employee director and an additional 6,000 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 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 not less than 110% of fair market value and expire five years from the date of grant.

The following is a summary of the status of the Plans as of December 31, 1998, 1997, and 1996 and changes during the years ending on those dates:

	Outstanding		Exercisable		
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Available for Grant Shares
December 31, 1995	1,732,122	$18.96	393,126	$16.74	1,894,378
Authorized	---				(80,612)
Granted	363,600	22.66			(363,600)
Exercised	(71,878)	16.71			---
Expired/Canceled	(105,856)	20.38			102,334
December 31, 1996	1,917,988	19.66	805,848	18.64	1,552,500
Authorized	---				(5,586)
Granted	489,300	28.00			(489,300)
Exercised	(288,235)	18.26			---
Expired/Canceled	(82,456)	19.60			82,456
December 31, 1997	2,036,597	21.87	1,090,921	19.71	1,140,070
Authorized	---				3,140,466
Granted	699,900	25.81			(699,900)
Exercised	(201,522)	18.66			---
Expired/Canceled	(73,264)	23.87			73,264
December 31, 1998	2,461,711	$23.19	1,360,967	$20.83	3,653,900

The following table summarizes information about stock options outstanding under the Plans at December 31, 1998:

	-------Options Outstanding--------			-Options Exercisable-	
Range of Exercise Prices	Number Outstanding at December 31, 1998	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable at December 31, 1998	Weighted Average Exercise Price
$ 2.60 - $10.00	36,000	2.6	$ 6.54	36,000	$ 6.54
10.01 - 18.00	167,665	6.4	17.48	167,665	17.48
18.01 - 20.00	486,406	6.5	19.02	481,872	19.01
20.01 - 22.50	426,242	5.6	22.06	391,510	22.12
22.51 - 25.00	888,998	9.3	24.49	157,530	23.50
25.01 - 29.50	381,200	8.9	28.89	126,390	28.89
29.51 - 33.70	75,200	9.3	32.97	---	--
	2,461,711	7.7	$23.19	1,360,967	20.83

The per share weighted average fair value of stock options granted during 1998, 1997 and 1996 was $9.41, $10.43 and $8.65, respectively, on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions: 1998-expected dividend yield 0.8%, risk-free interest rate 4.7%, expected volatility 29%, and an expected life of 6.5 years; 1997-expected dividend yield 0.8%, risk-free interest rate 6.0%, expected volatility 26%, and an expected life of 6.5 years; and 1996-expected dividend yield 0.8%, risk-free interest rate 6.4%, expected volatility 26%, and an expected life of 6.5 years. The Black-Scholes option pricing model was developed for tradable options with short exercise periods and is therefore not necessarily an accurate measure of the fair value of compensatory stock options.

The Company applies APB 25 in accounting for the Plans and, accordingly, no compensation cost has been recognized for stock options in the financial statements. Had the Company determined compensation cost based on the fair value of stock options at the grant date under SFAS 123, the Company's net income and earnings per common share would have been reduced as indicated below:

	Year Ended December 31,		
	1998	1997	1996
	(in thousands, except per share amounts)		
Net income			
As reported	$ 34,825	$ 74,554	$ 67,222
Pro forma under SFAS 123	32,244	72,851	66,109
Basic earnings per common share			
As reported	.65	1.38	1.25
Pro forma under SFAS 123	.60	1.35	1.23
Diluted earnings per common share			
As reported	.65	1.37	1.25
Pro forma under SFAS 123	.60	1.34	1.22

Pro forma net income reflects only options granted since January 1995. Therefore, the full impact of calculating compensation cost for stock options under SFAS 123 is not reflected in the pro forma net income amounts presented above because compensation cost is reflected over the options' vesting period of

3 years and compensation cost for options granted prior to January 1, 1995 is not considered.

NOTE 13 - INCOME TAXES

The components of income before income taxes are as follows:

	Year Ended December 31, 1998	1997	1996
	(in thousands)		
United States	$ 47,416	$ 77,398	$ 77,619
Foreign	7,685	44,608	33,341
	$ 55,101	$122,006	$110,960

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

	Year Ended December 31, 1998	1997	1996
Current:	(in thousands)		
U.S. federal	$ 29,225	$ 27,407	$ 26,715
U.S. state	589	4,350	4,401
Foreign	10,906	17,523	15,630
Total	40,720	49,280	46,746
Deferred:			
U.S. federal	(14,401)	(1,671)	(886)
U.S. state	(924)	(191)	(139)
Foreign	(5,119)	34	(1,983)
Total	(20,444)	(1,828)	(3,008)
	$ 20,276	$ 47,452	$ 43,738

The reconciliation of the U.S. federal statutory tax rate to the actual rate is as follows:

	Year Ended December 31, 1998	1997	1996
Statutory federal income tax rate	35.0%	35.0%	35.0%
Effect of:			
State income taxes, net of federal benefit	0.7	2.3	2.3
Nondeductible amortization of goodwill	3.4	1.3	1.2
Foreign losses with no tax benefit	1.7	1.2	.9
Foreign sales corporation	(2.4)	(0.2)	---
Other	(1.6)	(0.7)	---
Actual income tax rate	36.8%	38.9%	39.4%

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

	December 31, 1998		December 31, 1997	
	Current Asset (Liability)	Noncurrent Asset (Liability)	Current Asset (Liability)	Noncurrent Asset (Liability)
	(in thousands)			
Employee benefit accruals	$ 1,075	$ 5,988	$ 952	$ 5,185
Product warranty accruals	1,204	---	1,016	---
Facility relocation accruals	261	128	425	1,040
Insurance premium accruals	3,060	---	2,515	---
Restructuring and other cost accruals	7,269	14,164	---	---
Differences in financial reporting and tax basis for:				
Inventory	(286)	---	851	---
Property, plant and equipment	---	(25,283)	---	(24,043)
Identifiable intangible assets	---	(10,377)	---	(10,126)
Other	5,255	115	2,685	697
Tax loss carryforwards in foreign jurisdictions	---	7,834	---	6,520
Valuation allowance for foreign tax credit and tax loss carryforwards	---	(7,834)	---	(6,520)
	$ 17,838	$(15,265)	$ 8,444	$(27,247)

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

	December 31,	
	1998	1997
	(in thousands)	
Prepaid expenses and other current assets	$ 19,697	$ 11,096
Income taxes payable	(1,859)	(2,652)
Other noncurrent assets, net	3,538	400
Deferred income taxes	(18,803)	(27,647)

The provision for income taxes was reduced due to utilization of tax loss carryforwards by $297,000 in 1998. Certain foreign subsidiaries of the Company have tax loss carryforwards of $22.6 million at December 31, 1998, of which $12.3 million expire through 2006 and $10.3 million may be carried forward indefinitely. The tax benefit of these tax loss carryforwards has been offset by a valuation allowance.

Income taxes have not been provided on $64.5 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 14 - BENEFIT PLANS

Substantially all of the employees of the Company and its subsidiaries are covered by government or Company-sponsored benefit plans. Total costs for Company-sponsored defined benefit, defined contribution and employee stock ownership plans amounted to $7.6 million in 1998, $7.1 million in 1997 and $7.8 million in 1996. The DENTSPLY Employee Stock Ownership Plan ("ESOP") covers substantially all the U.S. non-union employees of DENTSPLY. Contributions to the ESOP for 1998, 1997 and 1996 were $2.1 million, $2.1 million and $2.0 million, respectively.

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 totaling at least $2.6 million over the next five 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, 1998, the ESOP held 7.6 million shares, of which 6.4 million shares were allocated to Plan participants and 1.2 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. Accordingly, all shares held by the ESOP are considered outstanding and are included in the earnings per common share computations.

The Employee Stock Ownership Plan reserve consists of a loan receivable from the ESOP 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 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,		
	1998	1997	1996
	(in thousands)		
Service cost	$ 2,295	$ 1,995	$ 2,464
Interest cost on projected benefit obligations	2,780	2,622	3,171
Net investment return on plan assets	(2,112)	(1,317)	(1,296)
Net amortization and deferral	(709)	(651)	(412)
	$ 2,254	$ 2,649	$ 3,927

The benefit obligation reconciliation, plan asset reconciliation, and fund status reconciliation for these retirement plans were as follows:

	December 31, 1998	December 31, 1997
	(in thousands)	
Reconciliation of Benefit Obligation:		
Benefit obligation at beginning of year	$ 47,655	$ 47,792
Service cost	2,295	1,995
Interest cost	2,780	2,622
Employer contributions	937	851
Participant contributions	781	710
Actuarial (gains)losses	(2,433)	1,657
Effect of exchange rate changes	2,865	(5,888)
Benefits paid	(2,438)	(2,084)
Benefit obligation at end of year	$ 52,442	$ 47,655
Reconciliation of Plan Assets:		
Fair value of plan assets at beginning of year	$ 27,508	$ 25,557
Actual return on assets	4,307	3,403
Foreign currency exchange rate changes	1,072	(2,181)
Employer contributions	937	851
Participant contributions	781	710
Benefits paid	(1,171)	(832)
Plan assets at fair value	$ 33,434	$ 27,508
Reconciliation of Fund Status:		
Actuarial present value of projected benefit obligations	$ 52,442	$ 47,655
Plan assets at fair value	33,434	27,508
Plan assets less than projected benefit obligations	19,008	20,147
Unrecognized obligation	(1,320)	(1,314)
Unrecognized net gain	11,265	7,180
Pension liability	$ 28,953	$ 26,013

The projected benefit obligations for these plans were determined using discount rates of 6.5 percent as of December 31, 1998 and 7.0 percent as of December 31, 1997 in Germany and 4.5 percent as of December 31, 1998 and 1997 in Switzerland. The assumed long-term rate of return on Swiss plan assets for 1998 and 1997 was 5.0 percent. The weighted average rate of increase used for future compensation levels was 3.0 percent for 1998 and 1997 and 5.0 percent for 1996 in Germany and 3.0 percent for 1998, 1997 and 1996 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, 1998	December 31, 1997
Accumulated postretirement benefit obligation:	(in thousands)	
Retirees	$ 5,592	$ 5,839
Fully eligible active plan participants	255	283
Other active plan participants	943	813
Accumulated postretirement benefit obligation at end of period	6,790	6,935
Unrecognized gain	3,312	3,372
Net postretirement benefit liability	$ 10,102	$ 10,307
Reconciliation of benefit obligation:		
Accrued postretirement obligation at beginning of year	$ 10,307	$ 10,299
Net periodic postretirement benefit cost	478	634
Benefit payments for year	683	626
Accrued postretirement benefit cost	$ 10,102	$ 10,307

	Year Ended December 31, 1998	1997	1996
Net periodic postretirement benefit cost included the following components:		(in thousands)	
Service cost - benefits attributed to service during the period	$ 124	$ 159	$ 188
Interest cost on accumulated Postretirement benefit obligation	478	605	764
Net amortization and deferral	(124)	(130)	---
Net periodic postretirement benefit cost	$ 478	$ 634	$ 952

For measurement purposes, the annual rate of increase in the per capita cost of covered healthcare benefits assumed for 1998 and thereafter was 7% in 1998 and 1997 and 10% in 1996. The healthcare cost trend rate assumption can have 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, 1998 by $.5 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. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated postretirement benefit obligation at December 31, 1998 by $.4 million and the aggregate of the service and interest cost components of the net periodic postretirement benefit cost by less than $.1 million for the year then ended.

The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 7.25% for 1998 and 1997.

NOTE 15 - RESTRUCTURING AND OTHER COSTS

In the second quarter of 1998, the Company recorded a pre-tax charge of $29.0 million for restructuring and other costs. This charge included costs of $26.0 million to rationalize and restructure the Company's worldwide laboratory business, primarily for the closure of the Company's German tooth manufacturing facility. The remaining $3.0 million of the charge was recorded to cover termination costs associated with its former implant products. Included in the $26.0 million restructuring charge are costs to cover severance, the write-down of property, plant and equipment, and tooth product rationalization. The principal actions involve the closure of the Company's Dreieich, Germany tooth facility and rationalization of certain tooth products in Europe, North America and Australia. The Company anticipates the restructuring will reduce production costs and increase operational efficiencies, contributing to future earnings. The restructuring results in the elimination of approximately 275 administrative and manufacturing positions, mostly in Germany. The closure of the German tooth facility should be complete by the second quarter of 1999 with benefits of the restructuring beginning to be realized by the end of 1999.

At December 31, 1998, $16.5 million remained in the restructuring accrual. Through the fourth quarter 1998, the Company has paid approximately $3.5 million for legal and professional service fees and employee related costs for the German workforce. The Company also paid approximately $.2 million for implant related termination costs. During this same period, the reserve has also been reduced by approximately $2.8 million for non-cash implant termination costs and approximately $6.0 million for a non-cash write-down of property, plant and equipment.

The major components of the charge and remaining accruals follow:

	Provision	Amounts applied	Balance Dec. 31, 1998
	(in thousands)		
Severance	$ 13,400	$ 1,300	$ 12,100
Write-down of property, plant, and equipment	6,000	6,000	---
Implant termination costs	3,000	3,000	---
Other	6,600	2,200	4,400
	$ 29,000	$12,500	$ 16,500

In the fourth quarter of 1998, the Company recorded a pre-tax charge of $42.5 million for restructuring the New Image business. This charge includes the write-off of intangibles, including goodwill associated with the business, write-off of discontinued products, write-down of fixed assets and other assets, and severance and other costs associated with the discontinuance of the New Image division in Carlsbad, California. Following the restructuring, certain intraoral camera products will be sold and supported by the Gendex Dental X-ray division in Des Plaines, Illinois. The restructuring includes the elimination of approximately 115 administrative and manufacturing positions in California. The Company plans to complete the restructuring by the end of the second quarter of 1999 with the facility in California being closed by the end of the first quarter of 1999.

The major components of the charge and remaining accruals follow:

	Provision	Amounts applied	Balance Dec. 31, 1998
		(in thousands)	
Write-off of intangibles including goodwill	$ 33,200	$ 33,200	$ -
Discontinued products	3,800	3,800	-
Write-down of fixed assets	1,500	1,500	-
Severance	1,000	-	1,000
Write-down of other assets	700	700	-
Other costs	2,300	-	2,300
	$42,500	$39,200	$ 3,300

NOTE 16 - COMMITMENTS AND CONTINGENCIES

The Company leases automobiles and certain office, warehouse, machinery and equipment and manufacturing facilities under non-cancelable 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 $10.0 million for 1998, $8.8 million for 1997 and $9.2 million for 1996.

Rental commitments, principally for real estate (exclusive of taxes, insurance and maintenance), automobiles and office equipment amount to: $7.6 million for 1999, $5.8 million for 2000, $3.1 million for 2001, $1.7 million for 2002, $1.4 million for 2003, and $8.0 million thereafter (net of sublease rentals of $1.0 million in 1999, $.3 million in 2000, $.2 million in 2001, $.1 million in 2002, $.1 million in 2003, and $.4 million thereafter).

The Company has no material noncancelable purchase commitments.

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 $6.4 million at December 31, 1998.

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.

In June 1995, the Antitrust Division of the United States Department of Justice initiated an antitrust investigation regarding the policies and conduct undertaken by the Company's Trubyte Division with respect to the distribution of artificial teeth and related products. On January 5, 1999, the Department of Justice filed a complaint against the company in the U.S. District Court in Wilmington, Delaware alleging that the Company's tooth distribution practices violate the antitrust laws and are seeking an order for the Company to discontinue its practices. A follow on private class action suit on behalf of dentists was filed January 12, 1999 in the Supreme Court of the State of New York for New York County. It is the Company's position that the conduct and activities of the Trubyte Division do not violate the antitrust laws and any outcome will not have a material adverse effect on the financial position or results of operations of the Company.

NOTE 17 - QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
1998	(in thousands, except per share amounts)				
Net sales	$180,706	$197,126	$196,995	$220,295	$795,122
Gross profit	95,337	103,851	103,111	114,124	416,423
Operating income	31,552	6,321(1)	31,949	30(2)	69,852(1)(2)
Net income (loss)	18,997	584(1)	17,627	(2,383)(2)	34,825(1)(2)
Earnings (loss) per common share-basic	.35	.01(1)	.33	(.04)(2)	.65(1)(2)
Earnings (loss) per common share-diluted	.35	.01(1)	.33	(.04)(2)	.65(1)(2)
Cash dividends declared per common share	.05125	.05125	.05125	.05625	.21000
1997					
Net sales	$172,359	$178,307	$172,674	$197,420	$720,760
Gross profit	88,050	90,771	87,802	102,103	368,726
Operating income	28,055	32,519	29,888	41,994	132,456
Net income	16,924	17,843	16,256	23,531	74,554
Earnings per common share-basic	.31	.33	.30	.44	1.38
Earnings per common share-diluted	.31	.33	.30	.43	1.37
Cash dividends declared per common share	.04625	.04625	.05125	.05125	.19500

(1) Includes restructuring and other costs of $29 million ($18.8 million after tax or $0.35 per basic and diluted common share).
(2) Includes a restructuring charge of $42.5 million ($26.6 million after tax or $0.50 per basic and diluted common share).

Schedule II

DENTSPLY INTERNATIONAL INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE THREE YEARS ENDED DECEMBER 31, 1998

Description	Balance at Beginning of Period	Additions: Charged (Credited) To Costs And Expenses	Additions: Charged to Other Accounts	Write-offs Net of Recoveries	Translation Adjustment	Balance at End of Period
			(in thousands)			
Allowance for doubtful accounts:						
For Year Ended December 31,						
1996	$ 2,254	$ 498	$ 20 (a)	$ (224)	$ (73)	$ 2,475
1997	2,475	590	2,496 (b)	(746)	(178)	4,637
1998	4,637	4,484	454 (c)	(1,773)	89	7,891
Allowance for trade discounts:						
For Year Ended December 31,						
1996	737	2,693	-	(2,920)	(3)	507
1997	507	2,904	-	(1,214)	(71)	2,126
1998	2,126	2,297	-	(2,556)	87	1,954
Inventory valuation reserves:						
For Year Ended December 31,						
1996	20,728	(569)	167 (a)	(1,380)	(2,128)	16,818
1997	16,818	(2,178)	2,282 (d)	(1,679)	(1,169)	14,074
1998	14,074	(5,295)	5,125 (e)	(1,780)	191	12,315

(a) Tulsa acquisition.
(b) Includes $2,498 from acquisitions of MPL, New Image, SIMFRA and SPAD. (c) Includes $454 from acquisitions of Crescent and GAC. (d) Includes $2,128 from acquisitions of MPL, New Image, SIMFRA and SPAD. (e) Includes $680 from acquisitions of Crescent and GAC and $4,445 for restructuring.

SIGNATURES

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

DENTSPLY INTERNATIONAL INC.

By:/s/ John C. Miles II
John C. Miles II
Chairman of the Board
and Chief Executive Officer

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

/s/ John C. Miles II John C. Miles II	Chairman of the Board and Chief Executive Officer and a Director (Principal Executive Officer)	March 26, 1999
/s/ Gerald K. Kunkle Gerald K. Kunkle	President and Chief Operating Officer	March 26, 1999
/s/ William R. Jellison William R. Jellison	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 26, 1999
/s/ Burton C. Borgelt Burton C. Borgelt	Director	March 26, 1999
/s/ Douglas K. Chapman Douglas K. Chapman	Director	March 26, 1999
/s/ Michael J. Coleman Michael J. Coleman	Director	March 26, 1999
/s/ Arthur A. Dugoni Arthur A. Dugoni, D.D.S., M.S.D.	Director	March 26, 1999

/s/ C. Frederick Fetterolf - -------------------------- C. Frederick Fetterolf	Director	March 26, 1999
/s/ Leslie A. Jones - ------------------------- Leslie A. Jones	Director	March 26, 1999
/s/ Edgar H. Schollmaier - ------------------------- Edgar H. Schollmaier	Director	March 26, 1999
/s/ W. Keith Smith - ------------------------- W. Keith Smith	Director	March 26, 1999

EXHIBIT INDEX

Exhibit No.		Description	Sequential Page No.
3.1		Restated Certificate of Incorporation	(1)
3.2		By-Laws, as amended	(2)
4.1		364-Day and 5-Year Competitive Advance, Revolving Credit and Guaranty Agreements dated as of October 23, 1997 among the Company, the guarantors named therein, the Chase Manhattan Bank as Administrative Agent, and ABN Amro Bank, N.V. as Documentation Agent.	(11)
10.1		1992 Stock Option Plan adopted May 26, 1992	(4)
10.2		1993 Stock Option Plan	(2)
10.3		1998 Stock Option Plan	(1)
10.4		Nonstatutory Stock Option Agreement between the Company and Burton C. Borgelt	(3)
10.5	(a)	Employee Stock Ownership Plan as amended effective as of December 1, 1982, restated as of January 1, 1991	(7)
	(b)	Second Amendment to the DENTSPLY Employee Stock Ownership Plan	(10)
	(c)	Third Amendment to the DENTSPLY Employee Stock Ownership Plan	83
10.6	(a)	Retainer Agreement dated December 29, 1992 between the Company and State Street Bank and Trust Company ("State Street")	(5)
	(b)	Trust Agreement between the Company and State Street Bank and Trust Company dated as of August 11, 1993	(6)
	(c)	Amendment to Trust Agreement between the Company and State Street Bank and Trust Company effective August 11, 1993	(6)
10.7		Employment Agreement dated January 1, 1996 between the Company and Burton C. Borgelt	(9)
10.8	(a)	Employment Agreement dated as of December 31, 1987 between the Company and John C. Miles II	(5)
	(b)	Amendment to Employment Agreement between the Company and John C. Miles II dated February 16, 1996, effective January 1, 1996	(9)

10.9	Employment Agreement dated as of December 31, 1987, as amended as of February 8, 1990, between the Company and Leslie A. Jones	(5)
10.10	Employment Agreement dated as of December 10, 1992 between the Company and Michael R. Crane	(5)
10.11	Employment Agreement dated as of December 10, 1992 between the Company and Edward D. Yates	(5)
10.12	Employment Agreement dated January 1, 1996 between the Company and W. William Weston	(9)
10.13	Employment Agreement dated January 1, 1996 between the Company and Thomas L. Whiting	(9)
10.14	Employment Agreement dated October 11, 1996 between the Company and Gerald K. Kunkle Jr.	(10)
10.15	Employment Agreement dated April 20, 1998 between the Company and William R. Jellison	85
10.16	Employment Agreement dated September 10, 1998 between the Company and Brian M. Addison	92
10.17	Midwest Dental Products Corporation Pension Plan as amended and re-stated effective January 1, 1989	(7)
10.18	Revised Ransom & Randolph Pension Plan, as amended effective as of September 1, 1985, restated as of January 1, 1989	(7)
10.19	DENTSPLY International Inc. Directors' Deferred Compensation Plan effective January 1, 1997	(10)
10.20	Asset Purchase and Sale Agreement, dated January 10, 1996, between Tulsa Dental Products, L.L.C. and DENTSPLY International Inc.	(8)
10.21	Supplemental Executive Retirement Plan effective January 1, 1999	98
21.1	Subsidiaries of the Company	115
23.1	Consent of KPMG LLP	118
27	Financial Data Schedule	119

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

(2) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-71792).

(3) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-79094).

(4) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-52616).

(5) 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.

(6) 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.

(7) 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.

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

(9) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, File No. 0-16211.

(10) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31,1996, 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, 1997, File No. 0-16211.

THIRD AMENDMENT TO THE DENTSPLY EMPLOYEE STOCK OWNERSHIP PLAN

The DENTSPLY Employee Stock Ownership Plan, as amended, effective as of December 1, 1982 and restated as of January 1, 1991, (the "Plan"), is hereby amended effective as of January 1, 1996 (unless otherwise noted) in the following manner:

1. Section 2.14 of the Plan is hereby amended by adding thereto the following language at the end of the third paragraph thereof:

   Effective for plan years beginning after December 31, 1996, the family aggregation rules required by IRC ss. 414(q)(6) of the Code have been deleted from the plan. This subsection is subject to the plan amendment rules of ss. 1.401(a) 4-5(a) of the regulations.

   The plan is amended to delete the provision of family aggregation as described in ss. 401 (a)(17)(A) of the Code, which requires a plan participant, the spouse of such participant, and any lineal descendants who have not attained age 19 before the close of the plan year to be treated as a single participant for purposes of applying the limitation on compensation for a plan year.

2. Section 2.15 of the Plan is hereby amended by adding thereto new subsections (d), (e), (f), (g), and (h), to read, in their entirety, as follows:

   (d) Employees of Tulsa Dental Products for all prior service with Tulsa Dental Products, L.L.C. and Quality Dental Products, Inc.
   (e) Employees of New Image Industries for all prior service with New Image Industries, Inc. and Insight Imaging Systems, Inc.
   (f) Employees of MPL Technologies for all prior service with MPL Technologies, Inc.
   (g) Employees of InfoSoft for all prior service with InfoSoft Inc.
   (h) Employees of GAC International for all prior service with GAC

International, Inc.

   Notwithstanding any provision of this plan to the contrary, contribution, benefits, and service credit with respect to qualified military service will be provided in accordance with ss. 414(u) of the Internal Revenue Code.

3. Section 10.03(c) of the Plan is hereby amended by adding thereto the following language immediately following the language added by the First Amendment to the Plan:

   Effective January 1, 1998 for Participants incurring a Termination of Service after January 1, 1998, the Capital Accumulation of $3,500 shall be increased to $5,000 for purposes of immediate distribution without the written consent of the Participant.

4. Section 10.03(c) of the Plan is hereby amended by adding thereto the following language at the end of the last paragraph thereof:

   For Participants who are active Employees and reach age 70 1/2 during 1996 to 1998, the right to receive a distribution according to the terms of this paragraph shall be an optional form of benefit. This paragraph shall not apply to Participants who are active Employees (excluding 5% owners) and reach age 70 1/2 in 1999 and thereafter.

5. Article XV shall be amended by adding thereto a new Section 15.04 to read, in its entirety, as follows:

   Any contribution to this plan on behalf of any owner- employee may be made only with respect to the earned income of the owner-employee that is derived from the trade or business with respect to which the plan is established.

6. In all other respects, the Plan shall remain unchanged by this amendment.

EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

WILLIAM R. JELLISON

THIS AGREEMENT is entered into as of April 20, 1998, by and between DENTSPLY INTERNATIONAL INC., a Delaware corporation (the "Company") and WILLIAM R. JELLISON, ("Employee").

WHEREAS, it is in the best interest of the Company and Employee that the terms and conditions of Employee's 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 and Chief Financial Officer, of the Company 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, the Chief Executive Officer 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.

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

2. Period of Employment. Employment shall continue from April 20, 1998 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 $210,000 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 accordance with the Company's normal pay schedule.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its domestic executive employees, including (without limitation) benefits under any pension, profit sharing, employee stock ownership, stock option, bonus, performance stock appreciation right, management incentive, vacation, disability, annuity or insurance plans or programs. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 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 (or its successor) 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 (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement. During the Period of Employment and

for a period of 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 except with respect to matters addressed in the offer letter dated February 11, 1998 between the parties to the extent such matters are not covered in this Agreement. 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 the address set forth below or the most recent address as may be on the Company records for the Employee:

William R. Jellison 365 Erin Isle Road
Holland, MI 49424

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

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.

Attest:	DENTSPLY INTERNATIONAL INC.
	By:
------------------------------	--
Secretary	Vice-Chairman and Chief Executive Officer
	--
	WILLIAM R. JELLISON

EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

BRIAN M. ADDISON

THIS AGREEMENT is entered into as of September 10, 1998, by and between DENTSPLY International Inc., a Delaware corporation (the "Company") and BRIAN M. ADDISON, ("Employee").

WHEREAS, it is in the best interest of the Company and Employee that the terms and conditions of Employee's 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 Vice President, Secretary and General Counsel, of the Company 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 this position. 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, the Chief Executive Officer 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.

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

2. Period of Employment. Employment shall continue from September 10, 1998 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

(c) any substantial and uncorrected breach of the Agreement by the Company.

2.5 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 $150,000 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 accordance with the Company's normal pay schedule.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its domestic executive employees, including (without limitation) benefits under any pension, profit sharing, employee stock ownership, stock option, bonus, performance stock appreciation right, management incentive, vacation, disability, annuity or insurance plans or programs. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 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 (or its successor) 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 (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement. During the Period of Employment and for a period of 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 the address set forth below or the most recent address as may be on the Company records for the Employee:

Brian M. Addison	2769 Chestnut Run Road York, PA 17402
DENTSPLY International Inc.	570 West College Avenue York, PA 17405

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.

Attest:	DENTSPLY INTERNATIONAL INC.
	By:
------------------------------	--
Secretary	Chairman and Chief Executive Officer
	--
	BRIAN M. ADDISON

DENTSPLY INTERNATIONAL, INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

(Effective January 1, 1999)

DENTSPLY INTERNATIONAL
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

DENTSPLY INTERNATIONAL
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

(Effective January 1, 1999)

ARTICLE I
INTRODUCTION

1.1. Name. The name of this Plan is the DENTSPLY International Supplemental Executive Retirement Plan ("The Plan").

1.2. Effective Date. The effective date of the Plan is January 1, 1999.

1.3. Purpose. This Plan is established, effective January 1, 1999, by DENTSPLY International Inc. ("DENTSPLY") for the purposes of providing additional retirement benefits for a select group of management and/or highly compensated employees of the Employer.

This Plan provides for the crediting by the Employer of retirement funds to accounts established under this plan for Eligible Employees. All contributions under this Plan credited to Participants shall be in the form of unfunded recordkeeping entries that shall be credited with earnings as specified in the Plan.

ARTICLE II
DEFINITIONS

Whenever the following initially capitalized words and phrases are used in this Plan, they shall have the meanings specified below unless the context clearly indicates to the contrary:

2.1. "Administrator" shall be the individual or individuals appointed by the Committee to assist in administration of this Plan.

2.2. "Beneficiary" shall mean such person or legal entity as may be designated by a Participant under Section 5.3 to receive benefits hereunder after such Participant's death.

2.3. "Board" shall mean the Board of Directors of DENTSPLY, as constituted from time to time.

2.4. "Change in Control" shall mean the occurrence, at any time during the term of the Plan of any of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Section 12(d)(3) of the Exchange Act) (a "Person") (other than the Company or any benefit plan sponsored by the Company) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 20% or more of either (i) the then outstanding shares of the Common Stock (the "Outstanding Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Voting Securities"); or (b) Individuals who, as of the effective date of the Plan, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least one-third (1/3) of the Board (rounded down to the nearest whole number), provided that any individual whose election or nomination for election was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the

Company (as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act); or

(c) Consummation by the Company of a reorganization, merger or consolidation (a "Business Combination"), in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the outstanding common stock and voting securities immediately prior to such Business Combination do not, following such Business Combination, beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of the outstanding common stock and voting securities, as the case may be; or

(d) Consummation of a complete liquidation or dissolution of the Company, or sale or other disposition of all or substantially all of the assets of the Company other than to a corporation with respect to which, following such sale or disposition, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding common stock and voting securities immediately prior to such sale or disposition in substantially the same proportions as their ownership of the outstanding common stock and voting securities, as the case may be, immediately prior to such sale or disposition.

2.5. "Committee" shall mean the Human Resources Committee of the Board.

2.6. "Compensation" shall mean a Participant's base salary plus any incentive awards and bonuses payable for a Plan Year but not including any income from or pertaining to stock options.

2.7 "Credited Service" shall have the same meaning as defined in the DENTSPLY Employee Stock Ownership Plan; however, Credited Service prior to January 1, 1999 shall be ignored for purposes of this Plan.

2.8. "DENTSPLY Contribution Account" shall mean the recordkeeping account established by the Administrator for each Participant to which the DENTSPLY contribution on each participant's behalf shall be allocated. A Participant shall immediately become 100% vested in his/her DENTSPLY Contribution Account if there is a Change in Control.

2.9. "Disability" shall mean a Participant is unable to perform his/her duties for six months and the Committee reasonably determines the Participant is unlikely to return to his/her regular duties.

2.10. "Eligible Employee" shall mean a Vice President or General Manager employed by the Employer in the United States and any Corporate Officer who has been designated by the Board of Directors to be eligible to participate in the Plan.

2.11. "Employer" shall mean DENTSPLY International ("DENTSPLY") and any of its subsidiaries.

2.12 "Participant" shall mean an individual on whose behalf employer contributions have been credited under this Plan.

2.13. "Plan Year" shall mean the calendar year.

2.14. "Plan" shall mean the DENTSPLY Supplemental Executive Retirement Plan.

ARTICLE III
PARTICIPATION BY ELIGIBLE EMPLOYEES

3.1. Participation. Participation in this Plan is limited to Eligible Employees. Employees who were previously eligible to participate in this Plan may continue to maintain account balances under this Plan. An Eligible Employee shall participate in the Plan as determined by the Board. A Participant who separates from service with the Employer will cease participation hereunder.

3.2. Immediate Cash-Out of Ineligible Employee. This Supplemental Executive Retirement Plan is intended to be an unfunded "top-hat" plan, maintained primarily for the purpose of providing retirement benefits for a select group of management or highly compensated employees. If a Participant ceases to be an Eligible Employee, the Participant's account balance shall continue to be deferred until the earliest occurrence of an event specified in Section 5. Notwithstanding the foregoing, if the continued deferral of any Participant jeopardizes the "top-hat" status of the Plan, in the Committee 's sole discretion, one hundred percent (100%) of such Participant's vested DENTSPLY Contribution Account shall be paid to the Participant immediately.

ARTICLE IV
DENTSPLY CONTRIBUTIONS

4.1. Annual DENTSPLY Contributions. The following contributions shall be made to the DENTSPLY Contribution Account of each Participant for each Plan Year:

(i) A contribution equal to the percentage allocated under the DENTSPLY International Employee Stock Ownership Plan for the same Plan Year. For purposes of the allocation under this Section 4.1(i) only Compensation in excess of the limitation on Compensation imposed by Internal Revenue Code 401(a)(17) for a Plan Year ($160,000 in 1998) shall be taken into account.

(ii) A contribution equal to 11.7% of Compensation. For purposes of the allocation under this Section 4.1(ii), total Compensation shall be taken into account. The contribution provided by this Section 4.1(ii) shall be reduced by the contribution provided by the sum of Section 4.1(i) above, plus the contribution provided to the Participant under the DENTSPLY International Employee Stock Ownership Plan for the Plan Year.

4.2. Vesting of DENTSPLY Contributions. A Participant as of January 1, 1999 will become 100% vested in his DENTSPLY Contribution Account upon the completion of three years of Credited Service. A Participant who first becomes a Participant after January 1, 1999 shall be 100% vested in his DENTSPLY Contribution Account following the Participant's completion of seven years of Credited Service. A Participant who terminates employment prior to completing seven years of Credited Service shall be partially vested in his DENTSPLY Contribution Account, in accordance with the following schedule:

Total Credited Service	Vested Percentage
Less than 3 years	0%
3 years	20%
4 years	40%
5 years	60%
6 years	80%
7 years	100%

Notwithstanding the above, a Participant shall become 100% vested upon Disability or death while actively employed.

4.3. Forfeiture of Benefits. Notwithstanding anything herein contained to the contrary, no payment of any retirement benefits hereunder shall be made and all rights under this Plan shall be forfeited if the Committee unanimously determines that any of the following events occur:

(a) The Participant is terminated for gross or willful misconduct or becomes employed with a competitor within two years of termination of employment;

(b) The Participant has committed or participated in an act of fraud or dishonesty against DENTSPLY; or

(c) The Participant has willfully and intentionally engaged in any activity or conduct which is adverse to the best interests of DENTSPLY and could result in a material loss to DENTSPLY or its business.

ARTICLE V
DISTRIBUTIONS

5.1. Distribution Date. Distribution of a Participant's vested DENTSPLY Contribution Account shall commence as of the earlier of the Participant's death, Disability or termination of employment for any reason.

5.2. Method of Payment. Distributions under this Plan shall be paid in cash in the form of a lump sum and/or in annual installments for a period not to exceed five years. Notwithstanding the preceding sentence, a distribution of the value of a Participant's vested account balance invested in DENTSPLY Common Stock shall be paid in such Common Stock. The Participant may elect to have his or her benefit distributed in installments by submitting a completed Election of Payment Form to the Administrator no less than ninety (90) days prior to the event giving rise to the need for the distribution and no later than the Plan Year prior to the Plan Year in which the distribution shall commence. In the absence of a timely election, distributions shall be paid in the form of a lump sum.

5.3. Distributions on Death. In the event of a Participant's death before his DENTSPLY Contribution Account has been distributed, distribution shall be made to the Beneficiary selected by the Participant within thirty (30) days after the date of death (or, if later, after the proper Beneficiary has been identified). A Participant may from time to time change his designated Beneficiary without the consent of such Beneficiary by filing a new designation in writing with the Administrator. If no Beneficiary designation is in effect at the time of the Participant's death, or if the designated Beneficiary is missing or has predeceased the Participant, distribution shall be made to the Participant's surviving spouse, or if none, to his surviving children per stirpes, and if none, to his estate.

5.4. Distribution on Change in Control. In the event of a change in control as defined in this Plan, each Participant will be given the option to receive the value of his DENTSPLY Contribution Account in a lump sum no later than sixty (60) days after the Change in Control. An optional distribution received subject to this Section 5.4 must represent the entire DENTSPLY Contribution Account and will be subject to a five percent (5%) penalty reduction.

5.5. Valuation of Distributions. All distributions under this Plan shall be based upon the amount credited to a Participant's DENTSPLY Contribution Account as of the last business day of the month immediately preceding the date of the distribution. The amount of installments payable to a Participant electing such method of payment shall be determined by dividing the amount credited to the Participant's vested DENTSPLY Contribution Account by the remaining number of installments, including the current installment, to be paid. It is understood that administrative requirements may lead to a delay between such valuation date and the date of distribution, not to exceed thirty (30) days.

ARTICLE VI
ACCOUNTS

6.1. DENTSPLY Contribution Account . The Administrator shall establish and maintain, or cause to be established and maintained, a separate DENTSPLY Contribution Account for each Participant. Each Participant's account shall be credited with earnings, for recordkeeping purposes only, as provided in Section 6.2. A Participant's DENTSPLY Contribution Account shall be maintained solely for the purposes of measuring the amounts to be paid under this Supplemental Executive Retirement Plan. The Employer shall not be required to fund or secure the Account in any way. The Employer's obligation to Participants hereunder is purely contractual.

6.2. Crediting of Earnings and Statement of Account. The Participant's DENTSPLY Contribution Account shall be credited with Employer contribution credits and earnings annually or, as applicable, upon a Distribution. The amount of earnings to be credited each year shall be based on the investment selected by the Participant. The Participant may choose from the following investments with respect to contributions credited for each Plan Year: (i) DENTSPLY Common Stock (any dividends will be reinvested in the Participant's DENTSPLY Contribution Account), or (ii) U.S. Government 30-year Treasury bonds (average yield for the month of January used for each Plan Year).

The Participant must submit an Investment Election Form to the Administrator no later than 30 days prior to the beginning of each Plan Year specifying the investment election for the following Plan Year. Each such election shall be irrevocable. In the absence of the timely submission of an investment election, the immediately preceding election shall be followed. In the absence of a prior election form, the Participant's account shall be deemed to be invested in DENTSPLY Common Stock. Investment exchanges of a Participant's existing DENTSPLY Contribution Account shall not be permitted.

Earnings will be credited for whole years only, except for the year of distribution for which earnings will be credited up to the last business day of the month immediately preceding the date of distribution. As soon as practicable after the end of each Plan Year (and at such additional times as the Administrator may determine), the Administrator shall furnish each Participant with a statement of the balance credited to the Participant's DENTSPLY Contribution Account. Upon a Change in Control, as defined in 2.4, the method of crediting earnings may not be modified or amended.

ARTICLE VII
FUNDING AND PARTICIPANT'S INTEREST

7.1. Supplemental Executive Retirement Plan Unfunded. This Supplemental Executive Retirement Plan shall be unfunded and no trust shall be created by or for the Plan. The crediting to each Participant's DENTSPLY Contribution Account, as the case may be, shall be made through recordkeeping entries. No actual funds shall be set aside; provided, however, that nothing herein shall prevent the Employer from establishing one or more grantor trusts from which benefits due under this Supplemental Executive Retirement Plan may be paid in certain instances. The Employer shall pay all distributions from its general assets and a Participant (or his or her Beneficiary) shall have the rights of a general, unsecured creditor against the Employer for any distributions due hereunder. The Supplemental Executive Retirement Plan constitutes a mere promise by the Employer to make benefit payments in the future.

7.2. Participant's Interest in Plan. A Participant has an interest only in the cash value of the amount credited to his account. A Participant has no rights or interests in any specific funds, DENTSPLY stock or other securities.

ARTICLE VIII
ADMINISTRATION AND INTERPRETATION

8.1. Administration. The Committee shall be in charge of the overall operation and administration of this Supplemental Executive Retirement Plan. The Committee has, to the extent appropriate and in addition to the powers described elsewhere in this Plan, full discretionary authority to construe and interpret the terms and provisions of the Plan; to adopt, alter and repeal administrative rules, guidelines and practices governing the Plan; to perform all acts, including the delegation of its administrative responsibilities to advisors or other persons who may or may not be employees of the Employer; and to rely upon the information or opinions of legal counsel or experts selected to render advice with respect to the Plan, as it shall deem advisable, with respect to the administration of the Plan.

8.2. Interpretation. The Committee may take any action, correct any defect, supply any omission or reconcile any inconsistency in the Supplemental Executive Retirement Plan, or in any election hereunder, in the manner and to the extent it shall deem necessary to carry the Supplemental Executive Retirement Plan into effect or to carry out the Employer's purposes in adopting the Plan. Any decision, interpretation or other action made or taken in good faith by or at the direction of the Employer or the Committee arising out of or in connection with the Supplemental Executive Retirement Plan, shall be within the absolute discretion of each of them, and shall be final, binding and conclusive on the Employer, and all Participants and Beneficiaries and their respective heirs, executors, administrators, successors and assigns. The Committee's determinations hereunder need not be uniform, and may be made selectively among Eligible Employees, whether or not they are similarly situated.

8.3. Records and Reports. The Administrator shall keep a record of proceedings and actions and shall maintain or cause to be maintained all such books of account, records, and other data as shall be necessary for the proper administration of the Plan. Such records shall contain all relevant data pertaining to individual Participants and their rights under this Plan. The Committee shall have the duty to carry into effect all rights or benefits provided hereunder to the extent assets of the Employer are properly available.

8.4. Payment of Expenses.

(a) Claims: The Employer shall bear all expenses incurred by the Committee or the Administrator in administering this Plan. If a claim or dispute arises concerning the Committee or the rights of a Participant or Beneficiary to amounts contributed under this Plan, regardless of the party by whom such claim or dispute is initiated, each party shall bear their own costs and expenses in asserting or defending against such claim, except that, if a Participant is the prevailing party in such matter, the Employer shall, upon presentation of appropriate vouchers, pay all costs and expenses of the Participant, including reasonable attorneys' fees, court costs, and ordinary and necessary out-of-pocket costs of attorneys, billed to and payable by the Participant or by anyone claiming under or through the Participant (such person being hereinafter referred to as the "Participant's Claimant"), in connection with the bringing, prosecuting, defending, litigating, negotiating, or setting of such claim or dispute.

(b) In the case of any claim or dispute initiated by a Participant or the Participant's Claimant, such claim shall be made, or notice of such dispute given, with specific reference to the provisions of this Plan, to the Administrator within two (2) years (three (3) years, in the event of a Change in Control) after the occurrence of the event giving rise to such claim or dispute.

8.5. Indemnification for Liability. The Employer shall indemnify the Committee and the Administrator and the employees of the Employer to whom the Administrator delegates duties under this Plan, against any and all claims, losses, damages, expenses and liabilities arising from their responsibilities in connection with this Plan, unless the same is determined to be due to gross negligence or willful misconduct.

8.6. Claims Procedure. If a claim for benefits or for participation under this Plan is denied in whole or in part, a Participant will receive written notification. The notification will include specific reasons for the denial, specific reference to pertinent provisions of this Plan, a description of any additional material or information necessary to process the claim and why such material or information is necessary, and an explanation of the claims review procedure.

8.7. Review Procedure. Within ninety (90) days after the claim is denied, a Participant (or his duly authorized representative) may file a written request with the Administrator for a review of his denied claim. The Participant may review pertinent documents that were used in processing his claim, submit pertinent documents, and address issues and comments in writing to the Administrator. The Administrator will notify the Participant of the Committee's final decision in writing. In such response, the Administrator will explain the reason for the decision, with specific references to pertinent Supplemental Executive Retirement Plan provisions on which the decision was based.

ARTICLE IX
AMENDMENT AND TERMINATION

9.1. Amendment and Termination. The Committee shall have the right, at any time, to amend or terminate this Supplemental Executive Retirement Plan in whole or in part or to discontinue contributions, provided that such amendment or termination shall not adversely affect any Participant or Beneficiary under the Supplemental Executive Retirement Plan on the basis of amounts allocated to the Participant's DENTSPLY Contribution Account. If the Supplemental Executive Retirement Plan is discontinued with respect to future contributions, Participants' vested DENTSPLY Contribution Accounts shall be distributed in accordance with the provisions of Section 5.1, unless the Committee designates that distributions shall be made on an earlier date. If the Committee designates such earlier date, each Participant shall receive distribution of his vested DENTSPLY Contribution Account, as specified by the Committee. If the Supplemental Executive Retirement Plan is completely terminated by the Committee, each Participant shall receive distribution of his vested DENTSPLY Contribution Account in one lump sum payment in cash or in kind as of the date of the Supplemental Executive Retirement Plan termination, or in accordance with the Plan.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1. Right of Employer to Take Employment Actions. The adoption and maintenance of this Supplemental Executive Retirement Plan shall not be deemed to constitute an employment contract between the Employer and any Eligible Employee, nor to be a consideration for, nor an inducement or condition of, the employment of any person. Nothing herein contained, or any action taken hereunder, shall be deemed to give any Eligible Employee the right to be retained in the employ of the Employer or to interfere with the right of the Employer to discharge any Eligible Employees at any time, nor shall it be deemed to give to the Employer the right to require the Eligible Employee to remain in its employ, nor shall it interfere with the Eligible Employee's right to terminate his or her employment at any time. Nothing in this Plan shall prevent the Employer from amending, modifying, or terminating any other benefit plan.

10.2. Alienation or Assignment of Benefits. A Participant's rights and interest under the Supplemental Executive Retirement Plan shall not be assigned or transferred except as otherwise provided herein, and the Participant's rights to benefit payments under the Supplemental Executive Retirement Plan shall not be subject to alienation, pledge or garnishment by or on behalf of creditors (including heirs, beneficiaries, or dependents) of the Participant or of a Beneficiary. Notwithstanding the preceding, the Administrator may direct distributions in accordance with the Plan to an alternate payee pursuant to a Qualified Domestic Relations Order (QDRO), as defined in Section 414(p) of the Internal Revenue Code of 1986, as amended, prior to any distribution date described in Article V.

10.3. Right to Withhold. To the extent required by law in effect at the time a distribution is made from the Supplemental Executive Retirement Plan, the Employer or its agents shall have the right to withhold or deduct from any distributions or payments any taxes required to be withheld by federal, state or local governments.

10.4. Construction. All legal questions pertaining to the Supplemental Executive Retirement Plan shall be determined in accordance with the laws of the State of Pennsylvania, to the extent such laws are not superseded by the Employee Retirement Income Security Act of 1974, as amended, or any other federal law.

10.5. Headings. The headings of the Articles and Sections of this Supplemental Executive Retirement Plan are for reference only. In the event of a conflict between a heading and the contents of an Article or Section, the contents of the Article or Section shall control.

10.6. Number and Gender. Whenever any words used herein are in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply, and references to the male gender shall be construed as applicable to the female gender where applicable, and vice versa.

EXHIBIT 21.1

Subsidiaries of the Company

I. Direct Subsidiaries of the Company

A. Ceramco Inc. (Delaware)

B. Ceramco Europe Ltd. (Cayman Islands)
i) Ceramco U.K. Ltd. (Dormant)

C. Ceramco Manufacturing Co. (Delaware)

D. CeraMed Dental, L.L.C. (Delaware)

E. Dentsply Argentina S.A.C.e.I. (Argentina)

F. DENTSPLY ASH Inc. (formerly DENTSPLY Manufacturing Inc.) (Delaware)

G. Dentsply Dental (Tianjin) Co. Ltd. (China)

H. DENTSPLY Equipment Inc. (Delaware)

I. DENTSPLY Finance Co. (Delaware)

J. Dentsply India Pvt. Ltd. (India)

K. Dentsply Industria e Comercio Ltda. (Brazil)

L. Dentsply International Preventive Care Division, L.P. (PA Limited Partnership)

M. Dentsply Japan Limited, L.L.C. (Japan)

N. Dentsply Philippines, Inc. (Philippines)

O. Dentsply Research & Development Corp. ("Dentsply R&D") (Delaware)

P. Dentsply Thailand Ltd. (Thailand)

Q. DeTrey do Brasil Industria e Comercio Ltda. (Brazil)

R. Dentsply Industria e Comercio Ltda. (Brazil)

S. Gendex Dental Systems Sr.L. (Italy)

T. Midwest Dental Products Corp. (Delaware)

U. Stomatologia Dentsply (a/k/a Stomadent) (Russia)

V. Dentsply de Colombia, S.A. (Colombia)

W. Dentsply International, Inc. (Chile) Limitada (Chile)

X. Eureka X-Ray Tube Corporation

II. Indirect Subsidiaries of the Company

A. Subsidiaries of Dentsply Research & Development Corp.

1. Dentsply A.G. (Switzerland)

2. Dentsply Australia Pty. Ltd. (Australia (Victoria))
a) Dentsply New Zealand Ltd.

3. Dentsply Canada Ltd. (Canada (Ontario))

4. Dentsply DeTrey GmbH (Germany)

5. Dentsply Export Sales Corporation (Barbados)

6. Dentsply de Mexico S.A. de C.V. (Mexico)

7. The International Tooth Co. Limited (United Kingdom)

8. Ransom & Randolph Company (Delaware)

9. Tulsa Dental Products Inc. (Delaware)

B. Subsidiaries of Dentsply DeTrey GmbH

1. Dentsply Limited (Cayman Islands)
a) Keith Wilson Limited (U.K.)
b) Amalco Holdings Ltd. (U.K.)
c) Oral Topics Limited (U.K.)

2. Dentsply Holdings Unlimited (U.K.)

3. Dentsply Holdings France SEP
a) Laboratoire SPAD S.A. (France)

C. Subsidiaries of Dentsply Ltd.

1. Dentsply Italia Sr.L.

2. Dentsply Russia Ltd.

3. Dentsply South Africa (Pty) Ltd.

4. Maillefer Instruments, S.A.
    a) Societe Immobiliere du Champs des Echelles (a/k/a SICDE)
    b) Manuplast (Switzerland)

5. Dentsply DeTrey, S.A. a) SIMFRA, S.A.

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
DENTSPLY International Inc.

We consent to incorporation by reference in the registration statements (Nos. 333-56093, 33-61780, 33-52616, 33-41775, 33-71792, 33-79094 and 33-89786) on Form S-8 of DENTSPLY International Inc. of our report dated January 21, 1999, relating to the consolidated balance sheets of DENTSPLY International Inc. and subsidiaries as of December 31, 1998 and 1997, 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, 1998, which report appears in the December 31, 1998 annual report on Form 10-K of DENTSPLY International Inc.

KPMG LLP

Philadelphia, Pennsylvania
March 26, 1999

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
AUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS OF DENTSPLY INTERNATIONAL,
INC. AT DECEMBER 31, 1998 AND FOR THE FISCAL YEAR THEN ENDED, AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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