

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

(Mark One)

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

For the fiscal year ended December 31, 2004

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 (IRS Employer
incorporation or organization) Identification No.)

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

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

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

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

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

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

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

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

Yes [X] No []

The aggregate market value of the voting common stock held by non-affiliates of the registrant computed by reference to the closing price as of the last business day of the registrants most recently completed second quarter June 25, 2004, was \$3,961,313,243.

The number of shares of the registrant's Common Stock outstanding as of the close of business on March 1, 2005 was 80,734,518.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the definitive Proxy Statement of DENTSPLY International Inc. to be used in connection with the 2005 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent provided herein. Except as specifically incorporated by reference herein the Proxy Statement is not deemed to be filed as part of this Annual Report on Form 10-K.

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PART I

Item 1. Business

Certain statements made by the Company, 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.

History and Overview

DENTSPLY International Inc. ("DENTSPLY" or the "Company"), a Delaware corporation, was created by a merger of Dentsply International Inc. ("Old Dentsply") and GENDEX Corporation in 1993. Old Dentsply, founded in 1899, was a manufacturer and distributor of artificial teeth, dental equipment, and dental consumable products. GENDEX, founded in 1983, was a manufacturer of dental x-ray equipment and handpieces. On February 27, 2004 the Company sold the x-ray equipment business of the former GENDEX Corporation to Danaher Corporation for \$102.5 million. Reference is made to the information about discontinued operations set forth in Note 6 of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

DENTSPLY is the world's largest designer, developer, manufacturer and marketer of a broad range of products for the dental market. The Company's worldwide headquarters and executive offices are located in York, Pennsylvania.

Through the year ended December 31, 2004, the Company operated within five operating segments all of which were primarily engaged in the design, manufacture and distribution of dental products in three principal categories: 1) Dental consumables, 2) Dental laboratory products, and 3) Specialty dental products. In January 2005, the Company reorganized its operating group structure by consolidating into four operating groups. Sales of the Company's dental products accounted for approximately 98% of DENTSPLY's consolidated sales for the year ended December 31, 2004. The remaining 2% of consolidated sales are primarily related to materials sold to the investment casting industry.

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

For 2004, 2003, and 2002, the Company's sales to customers outside the United States, including export sales, accounted for approximately 60%, 58% and 56%, respectively, of consolidated net sales. Reference is made to the information about the Company's United States and foreign sales by shipment origin and assets set forth in Note 4 of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

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. The Company enters into forward foreign exchange contracts to selectively hedge assets, liabilities and purchases denominated in foreign currencies. Reference is made to the information regarding foreign exchange risk management activities set forth in Quantitative and Qualitative Disclosure About Market Risk under Item 7A and Note 16 of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

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

Certain provisions of DENTSPLY's Certificate of Incorporation and By-laws and of Delaware law could have the effect of making it difficult for a third party to acquire control of DENTSPLY. Such provisions include the division of the Board of Directors of DENTSPLY into three classes, with the three-year term of a class expiring each year, a provision allowing the Board of Directors to issue preferred stock having rights senior to those of the common stock and certain procedural requirements which make it difficult for stockholders to amend DENTSPLY's By-laws and call special meetings of stockholders. In addition, members of DENTSPLY's management and participants in its Employee Stock Ownership Plan collectively own approximately 10% of the outstanding common stock of DENTSPLY, which may discourage a third party from attempting to acquire control of DENTSPLY in a transaction that is opposed by DENTSPLY's management and employees.

Principal Products

The worldwide professional dental industry encompasses the diagnosis, treatment and prevention of disease and ailments of the teeth, gums and supporting bone. DENTSPLY's principal dental product categories are dental

consumables, dental laboratory products and dental specialty products. These products are produced by the Company in the United States and internationally and are distributed throughout the world under some of the most well-established brand names and trademarks in the industry, including ANKYLOS(R), AQUASIL(TM), CAULK(R), CAVITRON(R), CERAMCO(R), CERCON(R), CITANEST(R), DELTON(R), DENTSPLY(R), DETREY(R), ELEPHANT(R), ESTHET.X(R), FRIALIT(R), GAC ORTHOWORKS(TM), GOLDEN GATE(R), IN-OVATION(TM), MAILLEFER(R), MIDWEST(R), MYSTIQUE(TM), NUPRO(R), ORAQIX(R), PEPGEN P-15(TM), POLOCAINE(R), PROFILE(R), PROTAPER(TM), RINN(R), R&R(R), SANI-TIP(R), THERMAFIL(R), TRUBYTE(R) and XYLOCAINE(R).

Dental Consumables. Consumable products consist of dental sundries used in dental offices in the treatment of patients and small equipment used by the dental professional. DENTSPLY's products in this category include dental anesthetics, prophylaxis paste, dental sealants, impression materials, restorative materials, bone grafting materials, tooth whiteners, and topical fluoride. The Company manufactures thousands of different consumable products marketed under more than a hundred brand names. Small equipment products consist of various durable goods used in dental offices for treatment of patients. DENTSPLY's small equipment products include high and low speed handpieces, intraoral curing light systems and ultrasonic scalers and polishers. Sales of general dental consumables accounted for approximately 34% of the Company's consolidated sales for the year ended December 31, 2004.

Dental Laboratory Products. Laboratory products are used in dental laboratories in the preparation of dental appliances. DENTSPLY's products in this category include dental prosthetics, including artificial teeth, precious metal dental alloys, dental ceramics, and crown and bridge materials. Equipment in this category includes computer aided machining (CAM) ceramics systems and porcelain furnaces. Sales of dental laboratory products accounted for approximately 33% of the Company's consolidated sales for the year ended December 31, 2004.

Dental Specialty Products. Specialty dental products are used for specific purposes within the dental office and laboratory settings. DENTSPLY's products in this category include endodontic (root canal) instruments and materials, implants, and orthodontic appliances and accessories. Sales of specialty products accounted for approximately 31% of the Company's consolidated sales for the year ended December 31, 2004.

Markets, Sales and Distribution

DENTSPLY distributes approximately 55% of its dental products through domestic and foreign distributors, dealers and importers. However, certain highly technical products such as precious metal dental alloys, dental ceramics, crown and bridge porcelain products, endodontic instruments and materials, orthodontic appliances, implants and bone substitute and grafting materials are sold directly to the dental laboratory or dental professional in some markets. No single customer accounted for more than ten percent of consolidated net sales in 2004.

Reference is made to the information about the Company's foreign and domestic operations and export sales set forth in Note 4 of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Although much of its sales are made to distributors, dealers, and importers, DENTSPLY focuses its marketing efforts on the dentists, dental hygienists, dental assistants, dental laboratories and dental schools who are the end users of its products. As part of this end-user "pull through" marketing approach, DENTSPLY employs approximately 1,700 highly trained, product-specific sales and technical staff to provide

comprehensive marketing and service tailored to the particular sales and technical support requirements of the dealers and the end users. The Company conducts extensive distributor and end-user marketing programs and trains laboratory technicians and dentists in the proper use of its products, introducing them to the latest technological developments at its Educational Centers located throughout the world in key dental markets. The Company also maintains ongoing relationships with various dental associations and recognized worldwide opinion leaders in the dental field, although there is no assurance that these influential dental professionals will continue to support our products.

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 following three stages of development:

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 expenditures on dental care. In these markets, the focus of dental care is increasingly upon preventive care and specialized dentistry. In addition to basic procedures such as the excavation and filling of cavities and tooth extraction and denture replacement, dental professionals perform an increasing volume of preventive and cosmetic procedures. These markets require varied and complex dental products, utilize sophisticated diagnostic and imaging equipment, and demand high levels of attention to 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.

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 develop, 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.

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

- o Increasing worldwide population.
- o Growth of the population 65 or older - The percentage of the United States, European and Japanese population over age 65 is expected to nearly double by the year 2030. In addition to having significant needs for dental care, the elderly are well positioned to pay for the required procedures since they control sizable amounts of discretionary income.

- o Natural teeth are being retained longer - Individuals with natural teeth are much more likely to visit a dentist in a given year than those without any natural teeth remaining.
- o The Changing Dental Practice in the U.S. - Dentistry in North America has been transformed from a profession primarily dealing with pain, infections and tooth decay to one with increased emphasis on preventive care and cosmetic dentistry.
- o Per capita and discretionary incomes are increasing in emerging nations - As personal incomes continue to rise in the emerging nations of the Pacific Rim and Latin America, healthcare, including dental services, are a growing priority.
- o The Company's business is less susceptible than other industries to general downturns in the economies in which it operates. Several of the products the Company offers relate to dental procedures that are considered necessary by patients regardless of the economic environment.

Product Development

Technological innovation and successful product development are critical to strengthening the Company's prominent position in worldwide dental markets, maintaining its leadership positions in product categories where it has a high market share, and increasing market share in product categories where gains are possible. While many of DENTSPLY's innovations represent evolutionary improvements of existing products, the Company also continues to successfully launch products that represent fundamental change. Its research centers throughout the world employ approximately 400 scientists, Ph.D.'s, engineers, technicians and support staff dedicated to research and product development. Approximately \$44.6 million, \$43.3 million, and \$39.9 million, respectively, was internally invested by the Company in connection with the development of new products and in the improvement of existing products in the years ended 2004, 2003, and 2002, respectively. In addition, the Company licenses and purchases technologies developed by other third parties as part of these activities.

In 2004, the Company established an Office of Advanced Technology which will focus on new and emerging technologies in dentistry. The creation of this function is a critical step in meeting the Company's strategic goal of taking a leadership role in defining the future of dentistry.

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

Operating and Technical Expertise

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

The Company has constructed a major dental anesthetic filling plant outside Chicago which was completed in 2004. The Company believes that this plant will become operational, following the approval and validation

of the manufacturing practices by the Medicines and Healthcare products Regulatory Agency ("MHRA"), the agency responsible for drug products approvals in the United Kingdom. The MHRA inspected the plant in November 2004 and we are awaiting their approval. Upon approval by the MHRA and subsequent approval by the relative health authorities, the Plant will begin to supply injectible anesthetic product to the Company's markets in the United Kingdom, Ireland, Australia, and New Zealand. We also anticipate making our formal submission for approval to the FDA for the U.S. and Canadian markets in the first quarter of 2005. Upon receipt of FDA approval, the plant is expected to supply these markets with injectible anesthetic product. This initiative is very important to the Company since the assets acquired from AstraZeneca did not include production facilities. Since the purchase, the Company has contracted with AstraZeneca and other third party manufacturers to produce the Company's injectible anesthetic product requirements at their facilities on a contract manufacturing basis until this plant can produce for the respective markets. The supply contracts with AstraZeneca for the markets in the United Kingdom, Ireland, Australia, and New Zealand have expired in April 2004 and the contracts with AstraZeneca for the U.S. and Canadian markets will expire in June 2005. The Company has built inventory of products from the contracted manufacturers in an effort to meet anticipated needs of the market until the Company's plant is approved; however, there is no assurance that the approvals from the MHRA or the FDA will be received in a timely manner to prevent an interruption of the supply of inventory.

The Company has completed or has in progress a number of other key initiatives around the world that are focused on helping the Company improve its operating margins.

- o A Corporate Purchasing office has been established to leverage the buying power of Dentsply around the world and reduce our product costs through lower prices and reduced related overhead.
- o The Company has centralized its warehousing and distribution in North America and Europe. While the initial gains from this strategy have been realized, ongoing efforts are in place to maximize additional opportunities that can be gained through improving our functional expertise in supply chain management. In an effort to improve customer service levels and reduce costs, the Company relocated its European warehouse from Nijmegen, The Netherlands to Radolfzell, Germany in the first quarter of 2004.
- o The Company considers the implementation of lean manufacturing techniques as a fundamental part of its supply chain strategy. With a focus on reducing non-value added activities, numerous manufacturing sites have dramatically reduced inventory levels, increased space utilization and improved labor productivity. This was accomplished while reducing manufacturing lead times and improving the Company's delivery performance to dealers and end-users.
- o DENTSPLY has seen improved productivity and cost reductions from the formation of a North American Shared Services group. As a result, the Company is currently in the process of establishing a European Shared Services group in Yverdon, Switzerland which it expects to be fully implemented by the first quarter of 2006.
- o Information technology initiatives are underway to generate enhanced worldwide financial data, to standardize worldwide telecommunications, implement improved manufacturing and financial accounting systems and an ongoing training of IT users to maximize the capabilities of global systems.
- o DENTSPLY continues to pursue opportunities to leverage its assets by consolidating business units where appropriate and to optimize its diversity of worldwide manufacturing capabilities.

Financing

DENTSPLY's long-term debt at December 31, 2004 was \$781.5 million and the ratio of long-term debt to total capitalization was 35.1%. This capitalization ratio is down from 54.3% at December 31, 2001, the quarter in which the Degussa Dental acquisition was completed. DENTSPLY may incur additional debt in the future, including the funding of additional acquisitions and capital expenditures. DENTSPLY's ability to make payments on its indebtedness, and to fund its operations depends on its future performance and financial results, which, to a certain extent, are subject to general economic, financial, competitive, regulatory and other factors and the interest rate environment that are beyond its control. Although Management believes that the Company has and will continue to have sufficient liquidity, there can be no assurance that DENTSPLY's business will generate sufficient cash flow from operations in the future to service its debt and operate its business.

The Company's cash increased \$342.6 million during the year ended December 31, 2004 to \$506.4 million. The Company has continued to accumulate cash in 2004 rather than reduce debt due to pre-payment penalties that would be incurred in retiring debt and the related interest rate swap agreements in addition to the low cost of this debt, net of earnings on the cash.

DENTSPLY's existing borrowing documentation contains a number of covenants and financial ratios which it is required to satisfy. The most restrictive of these covenants pertain to asset dispositions, maintenance of certain levels of net worth, and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. Any breach of any such covenants or restrictions would result in a default under the existing borrowing documentation that would permit the lenders to declare all borrowings under such documentation to be immediately due and payable and, through cross default provisions, would entitle DENTSPLY's other lenders to accelerate their loans. DENTSPLY may not be able to meet its obligations under its outstanding indebtedness in the event that any cross default provision is triggered. At December 31, 2004, the Company was in compliance with these covenants.

The Company has \$69.8 million of long-term borrowings coming due in 2005. Additional information about DENTSPLY's working capital, liquidity and capital resources is provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K.

Competition

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

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

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

Regulation

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

Dental devices of the types sold by DENTSPLY are generally classified by the FDA into a category that renders them subject only to general controls that apply to all medical devices, including regulations regarding alteration, misbranding, notification, record-keeping and good manufacturing practices. DENTSPLY's facilities are subject to periodic inspection by the FDA to monitor DENTSPLY's compliance with these regulations. There can be no assurance that the FDA will not raise compliance concerns. Failure to satisfy FDA requirements can result in FDA enforcement actions, including product seizure, injunction and/or criminal or civil proceedings. In the European Union, DENTSPLY's products are subject to the medical devices laws of the various member states which are based on a Directive of the European Commission. Such laws generally regulate the safety of the products in a similar way to the FDA regulations. DENTSPLY products in Europe bear the CE sign showing that such products adhere to the European regulations.

All dental amalgam filling materials, including those manufactured and sold by DENTSPLY, contain mercury. Various groups have alleged that dental amalgam containing mercury is harmful to human health and have actively lobbied state and federal lawmakers and regulators to pass laws or adopt regulatory changes restricting the use, or requiring a warning against alleged potential risks, of dental amalgams. The FDA's Dental Devices Classification Panel, the National Institutes of Health and the United States Public Health Service have each indicated that no direct hazard to humans from exposure to dental amalgams has been demonstrated. If the FDA were to reclassify dental mercury and amalgam filling materials as classes of products requiring FDA pre-market approval, there can be no assurance that the required approval would be obtained or that the FDA would permit the continued sale of amalgam filling materials pending its determination. In Europe, in particular in Scandinavia and Germany, the contents of mercury in amalgam filling materials has been the subject of public discussion. As a consequence, in 1994 the German health authorities required suppliers of dental amalgam to amend the instructions for use for amalgam filling materials, to include a precaution against the use of amalgam for children under eighteen years of age and to women of childbearing age. DENTSPLY also manufactures and sells non-amalgam dental filling materials that do not contain mercury.

The introduction and sale of dental products of the types produced by the Company are also subject to government regulation in the various foreign countries in which they are produced or sold. DENTSPLY believes

that it is in substantial compliance with the 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.

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Intellectual Property

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

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

Employees

As of December 31, 2004, the Company and its subsidiaries employed approximately 7,700 employees. A small percentage of the Company's employees are represented by labor unions. Hourly workers at the Company's Ransom & Randolph facility in Maumee, Ohio are represented by Local No. 12 of the International Union, United Automobile, Aerospace and Agriculture Implement Workers of America under a collective bargaining agreement that expires on January 31, 2008. Hourly workers at the Company's Midwest Dental Products facility in Des Plaines, Illinois are represented by International Association of Machinists and Aerospace Workers, AFL-CIO in Chicago under a collective bargaining agreement that expires on May 31, 2006. In addition, approximately 30% of DeguDent and 25% of DeDent, two of the Company's German operating units, are represented by labor unions. The Company provides pension and postretirement benefits to many of these employees (see Note 14 to the consolidated financial statements). The Company believes that its relationship with its employees is good.

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.

Acquisition Activities

DENTSPLY believes that the dental products industry continues to experience consolidation with respect to both product manufacturing and distribution, although it continues to be fragmented creating a number of acquisition opportunities. As a result, during the past five years, the Company has made several acquisitions including three significant acquisitions made during 2001. These acquisitions included the Degussa

Dental Group, Friadent GmbH and the dental injectible anaesthetic assets of AstraZeneca. The Company continues to view acquisitions as a key part of its growth strategy. These acquisition activities are intended to supplement the Company's core growth and assure ongoing expansion of its business. In addition, acquisitions have provided DENTSPLY with new technologies and additional product and geographic breadth. The Company continues to be active in evaluating potential acquisitions although there is no assurance that these efforts will result in completed transactions as there are many factors that affect the success of such activities. If we do succeed in acquiring a business or product, there can be no assurance that we will achieve any of the benefits that we might anticipate from such an acquisition and the attention and effort devoted to the integration of an acquired business could divert management's attention from normal business operations. If we make acquisitions, we may incur debt, assume contingent liabilities or create additional expenses, any of which might adversely effect our financial results. Any financing that we might need for acquisitions may only be available to us on terms that restrict our business or that impose additional costs that reduce our operating results.

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Environmental Matters

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

Securities and Exchange Act Reports

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

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

450 Fifth Street, NW
Washington, D.C. 20549

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

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Item 2. Properties

The following is a current list of DENTSPLY's principal manufacturing and operating locations as of December 31, 2004:

Location	Function	Leased or Owned
United States:		
Los Angeles, California	Manufacture and distribution of investment casting products	Leased
Yucaipa, California	Manufacture and distribution of dental laboratory products and dental ceramics	Owned
Lakewood, Colorado	Manufacture and distribution of bone grafting materials and hydroxylapatite plasma-feed coating materials and distribution of dental implant products	Leased
Milford, Delaware	Manufacture of consumable dental products	Owned
Des Plaines, Illinois	Manufacture and assembly of dental handpieces	Leased
Elk Grove Village, Illinois	Future manufacture of anesthetic products	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
York, Pennsylvania	Manufacture and distribution of artificial teeth and other dental laboratory products;	Owned
York, Pennsylvania	Manufacture of small dental equipment and preventive dental products	Owned
Johnson City, Tennessee	Manufacture and distribution of endodontic instruments and materials	Leased
Foreign:		
Catanduva, Brazil	Manufacture and distribution of consumable dental products	Owned
Petropolis, Brazil	Manufacture and distribution of artificial teeth and consumable dental products	Owned

Location	Function	Leased or Owned
Bonsucesso, Brazil	Manufacture and distribution of dental anesthetics	Owned
Tianjin, China	Manufacture and distribution of dental products	Leased
Plymouth, England	Manufacture of dental hand instruments	Leased
Ivry Sur-Seine, France	Manufacture and distribution of investment casting products	Leased
Bohmte, Germany	Manufacture and distribution of dental laboratory products	Owned
Hanau, Germany	Manufacture and distribution of precious metal dental alloys, dental ceramics and dental implant products	Owned
Konstanz, Germany	Manufacture and distribution of consumable dental products	Owned
Mannheim, Germany	Manufacture and distribution of dental implant products	Owned
Munich, Germany	Manufacture and distribution of endodontic instruments and materials	Owned
Radolfzell, Germany	Distribution of dental products	Leased
Rosbach, Germany	Manufacture and distribution of dental ceramics	Owned
Nasu, Japan	Manufacture and distribution of precious metal dental alloys, consumable dental products and orthodontic products	Owned
Hoorn, Netherlands	Manufacture and distribution of precious metal dental alloys and dental ceramics	Owned
Las Piedras, Puerto Rico	Manufacture of crown and bridge materials	Owned
Ballaigues, Switzerland	Manufacture and distribution of endodontic instruments	Owned

Ballaigues, Switzerland	Manufacture and distribution of endodontic instruments, plastic components and packaging material	Owned
Le Creux, Switzerland	Manufacture and distribution of endodontic instruments	Owned

In addition, the Company maintains sales and distribution offices at certain of its foreign and domestic manufacturing facilities, as well as at various other United States and international locations. Most of the various sites around the world that are used exclusively for sales and distribution are leased.

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 it is unlikely that pending litigation to which DENTSPLY is a party will 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 seeking an order for the Company to discontinue its practices. The trial in the government's case was held in April and May 2002. On August 14, 2003, the Judge entered a decision that the Company's tooth distribution practices do not violate the antitrust laws. The Department of Justice appealed this decision to the U.S. Third Circuit Court of Appeals. The Third Circuit Court issued its decision on February 22, 2005 and reversed the decision of the District Court. The effect of this decision, if it withstands any appeal challenge by the Company, will be the issuance of an injunction requiring DENTSPLY to discontinue its policy of not allowing its tooth dealers to take on new competitive teeth lines. This decision relates only to the distribution of artificial teeth sold in the U.S., which affects less than 2.5% of the Company's sales. While the Company believes its tooth distribution practices do not violate the antitrust laws, we are confident that we can continue to develop this business regardless of the final legal outcome. The Company is currently evaluating its legal options as well as its marketing and sales strategies in light of the current court ruling.

Subsequent to the filing of the Department of Justice Complaint in 1999, several private party class actions were filed based on allegations similar to those in the Department of Justice case, on behalf of laboratories, and denture patients in seventeen states who purchased Trubyte teeth or products containing Trubyte teeth. These cases were transferred to the U.S. District Court in Wilmington, Delaware. The private party suits seek damages in an unspecified amount. The Court has granted the Company's Motion on the lack of standing of the laboratory and patient class actions to pursue damage claims. The Plaintiffs in the laboratory case have appealed this decision to the Third Circuit and briefs of the parties have been submitted. Also, private party class actions on behalf of indirect purchasers were filed in California and

Florida state courts. The California and Florida cases have been dismissed by the Plaintiffs following the decision by the Federal District Court Judge issued in August 2003.

On March 27, 2002, a Complaint was filed in Alameda County, California (which was transferred to Los Angeles County) by Bruce Glover, D.D.S. alleging, inter alia, breach of express and implied warranties, fraud, unfair trade practices and negligent misrepresentation in the Company's manufacture and sale of Advance(R) cement. The Complaint seeks damages in an unspecified amount for costs incurred in repairing dental work in which the Advance(R) product allegedly failed. The Judge has entered an Order granting class certification, as an Opt-in class (this means that after Notice of the class action is sent to possible class members, a party will have to determine they meet the class definition and take affirmative action in order to join the class) on the claims of breach of warranty and fraud. In general, the Class is defined as California dentists who purchased and used Advance(R) cement and were required, because of failures of the cement, to repair or reperform dental procedures. The Notice of the class action was sent on February 23, 2005 to dentists licensed to practice in California during the relevant period. The Advance(R) cement product was sold from 1994 through 2000 and total sales in the United States during that period were approximately \$5.2 million. The Company's insurance carrier has confirmed coverage for the breach of warranty claims in this matter.

On July 13, 2004, the Company was served with a Complaint filed by 3M Innovative Properties Company in the U.S. District Court for the Western District of Wisconsin, alleging that the Company's Aquasil(R) Ultra silicone impression material, introduced in late 2002, infringes a 3M patent. This case was settled in the first quarter of 2005, which was within the range of loss for which the Company had previously recorded accruals, and DENTSPLY obtained a paid up license under the 3M patent.

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

Not applicable.

Executive Officers of the Registrant

The following table sets forth certain information regarding the executive officers of the Company as of February 28, 2005.

Name	Age	Position
Gerald K. Kunkle Jr.	58	Vice Chairman of the Board and Chief Executive Officer
Thomas L. Whiting	62	President and Chief Operating Officer
Bret W. Wise	44	Executive Vice President
Christopher T. Clark	43	Senior Vice President
William R. Jellison	47	Senior Vice President and Chief Financial Officer
Rudolf Lehner	47	Senior Vice President
James G. Mosch	47	Senior Vice President
J. Henrik Roos	47	Senior Vice President
Brian M. Addison	50	Vice President, Secretary and General Counsel

Gerald K. Kunkle Jr. was named Vice Chairman of the Board and Chief Executive Officer of the Company effective January 1, 2004. Prior thereto, Mr. Kunkle served as President and Chief Operating Officer since January, 1997. Prior to joining DENTSPLY, 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.

Thomas L. Whiting was named President and Chief Operating Officer of the Company effective January 1, 2004. Prior thereto, Mr. Whiting served as Executive Vice President since November, 2002. Prior to this appointment, Mr. Whiting served as Senior Vice President since early 1995. Prior to his Senior Vice President appointment, Mr. Whiting was Vice President and General Manager of the Company's L.D. Caulk Operating unit from March 1987 to early 1995. Prior to that time, Mr. Whiting held management positions with Deseret Medical and the Parke-Davis Company.

Bret W. Wise was named Executive Vice President effective January 10, 2005 and oversees the Operating Groups headed by Christopher Clark and Rudolf Lehner in addition to the Corporate Planning and Business Development and Corporate Research and Development functions. Prior to that time, he was Senior Vice President and Chief Financial Officer of the Company since December 2002. Prior to that time, Mr. Wise was Senior Vice President and Chief Financial Officer with Ferro Corporation of Cleveland, OH. Prior to joining Ferro Corporation in 1999, Mr. Wise held the position of Vice President and Chief Financial Officer at WCI Steel, Inc., of Warren, OH, from 1994 to 1999. Prior to joining WCI Steel, Inc., Mr. Wise was a partner with KPMG LLP. Mr. Wise is a Certified Public Accountant.

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Christopher T. Clark was named Senior Vice President effective November 1, 2002 and oversees the following areas: North American Group Marketing and Administration; Alliance and Government Sales; and the DENTSPLY Canada, DENTSPLY Pharmaceutical, DENTSPLY Professional, Dentsply Rinn, L.D. Caulk and Maillefer North America operating units. Through December 31, 2004, he was responsible for the following areas: North American Group Marketing and Administration; Alliance and Government Sales; and the Ransom and Randolph, DENTSPLY Sankin, L.D. Caulk, and DeDent operating units. Prior to this appointment, Mr. Clark served as Vice President and General Manager of the Gendex operating unit since June 1999. Prior to that time, he served as Vice President and General Manager of the Trubyte operating unit since July of 1996. Prior to that, Mr. Clark was Director of Marketing of the Trubyte Operating Unit since September 1992 when he started with the Company.

William R. Jellison was named Senior Vice President and Chief Financial Officer of the Company effective January 10, 2005. In this position, he is also responsible for Accounting, Treasury, Tax, Information Technology and Internal Audit. Prior to that and through December 31, 2004 he was Senior Vice President since November 1, 2002, responsible for the following operating units: DENTSPLY Asia, DENTSPLY Professional, Dentsply Endodontics, including Tulsa Dental Products, Maillefer, and Vereinigte Dentalwerke ("VDW"). From the period April 1998 to November 1, 2002, Mr. Jellison served as Senior Vice President and Chief Financial Officer of the Company. Prior to that time, Mr. Jellison held various financial management positions including Vice President of Finance, Treasurer and Corporate Controller for Donnelly Corporation of Holland, Michigan since 1980. Mr. Jellison is a Certified Management Accountant.

Rudolf Lehner was named Senior Vice President effective December 12,

2001 and oversees the following operating units: DeDent, DeguDent Germany, DeguDent Austria, DENTSPLY France, DENTSPLY Italy, DENTSPLY Russia, DENTSPLY United Kingdom, Elephant Dental and Middle East/Africa. Through December 31, 2004, he was responsible for the following operating units: DeguDent Germany, DeguDent Austria, DENTSPLY France, DENTSPLY Italy, DENTSPLY Russia, DENTSPLY United Kingdom, Elephant Dental and Middle East/Africa. Prior to that time, Mr. Lehner was Chief Operating Officer of Degussa Dental since mid-2000. From 1999 to mid 2000, he had the overall responsibilities for Sales & Marketing at Degussa Dental. From 1994 to 1999, Mr. Lehner held the position of Chief Executive Officer of Elephant Dental. From 1990 to 1994, he had overall responsibility for international activities at Degussa Dental. Prior to that, Mr. Lehner held various positions at Degussa Dental and its parent, Degussa AG, since starting in 1984.

James G. Mosch was named Senior Vice President effective November 1, 2002 and oversees the following operating units: DENTSPLY Australia, DENTSPLY Brazil, DENTSPLY Latin America, DENTSPLY Mexico, Maillefer, Ransom and Randolph, Tulsa Dental Products and Vereinigte Dentalwerke ("VDW"). Through December 31, 2004, he was responsible for the following operating units: DENTSPLY Pharmaceutical, DENTSPLY Australia, DENTSPLY Brazil, DENTSPLY Canada, DENTSPLY Latin America and DENTSPLY Mexico. Prior to this appointment, Mr. Mosch served as Vice President and General Manager of the DENTSPLY Professional operating unit since July 1994 when he started with the Company.

J. Henrik Roos was named Senior Vice President effective June 1, 1999 and oversees the following operating units: CeraMed, Dentsply Asia, Dentsply Prosthetics, Dentsply Sankin, Friadent and GAC. Through December 31, 2004, he was responsible for the following operating units: CeraMed, Dentsply Prosthetics, Friadent and GAC. Prior to his Senior Vice President appointment, Mr. Roos served as Vice President and General Manager of the Company's Gendex division from June 1995 to June 1999. Prior to that, he served as President of Gendex European operations in Frankfurt, Germany since joining the Company in August 1993.

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.

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PART II

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

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

In December 2003, the Board of Directors authorized the repurchase of up to 1.0 million shares of common stock for the year ended December 31, 2004 on the open market, with authorization expiring at the end of the year. The table below contains certain information with respect to the repurchase of shares of the Company's common stock during the quarter ended December 31, 2004.

Number Of
Shares That

Period	Total Number Of Shares Purchased	Total Cost Of Shares Purchased (in thousands, except per share amounts)	Average Price Paid Per Share	May be Purchased Under The Share Repurchase Program
October 1-31, 2004	-	\$ -	\$ -	460.0
November 1-30, 2004	185.0	9,579	51.78	275.0
December 1-31, 2004 (1)	90.0	5,020	55.78	-
	275.0	\$ 14,599	\$ 53.09	

<FN>

(1) Of these shares purchased, 30,000 shares at a total cost of \$1,695,000, settled in January 2005.

</FN>

Item 6. Selected Financial Data

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

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

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

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

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

Item 8. Financial Statements and Supplementary Data

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

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

Not applicable.

Item 9A. Controls and Procedures

(a) Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures as of the end of the period covered by this report were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

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

Management's report on the Company's internal control over financial reporting is included in this Annual Report on Form 10-K and is incorporated herein by reference. The Company's independent registered public accounting firm has issued a report on management's assessment of the Company's internal control over financial reporting, as stated in their report which is included in this Annual Report on Form 10-K.

(c) Changes in Internal Controls Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the quarter ended December 31, 2004 that have materially affected, or are likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable.

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PART III

Item 10. Directors and Executive Officers of the Registrant

The information (i) set forth under the caption "Executive Officers of the Registrant" in Part I of this Annual Report on Form 10-K and (ii) set forth under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the 2005 Proxy Statement is incorporated herein by reference.

Code of Ethics

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

Item 11. Executive Compensation

The information set forth under the caption "Executive Compensation" in the 2005 Proxy Statement is incorporated herein by reference.

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

The information set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" and "Securities Authorized for Issuance Under Equity Compensation Plans" in the 2005 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

No relationships or transactions are required to be reported.

Item 14. Principal Accountant Fees and Services

The information set forth under the caption "Relationship with Independent Registered Public Accounting Firm" in the 2005 Proxy

Statement is incorporated herein by reference.

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PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) Documents filed as part of this Report

1 Financial Statements

The following consolidated financial statements of the Company are filed as part of this Annual Report on Form 10-K and are covered by the Report of Independent Registered Public Accounting Firm also filed as part of this report:

Consolidated Statements of Income - Years ended December 31, 2004, 2003 and 2002
Consolidated Balance Sheets - December 31, 2004 and 2003
Consolidated Statements of Stockholders' Equity - Years ended December 31, 2004, 2003 and 2002
Consolidated Statements of Cash Flows - Years ended December 31, 2004, 2003 and 2002
Notes to Consolidated Financial Statements

2 Financial Statement Schedule

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

Schedule II -- Valuation and Qualifying Accounts.

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

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

Exhibit Number	Description
3.1	Restated Certificate of Incorporation (10)
3.2	By-Laws, as amended (9)
4.1.	(a) United States Commercial Paper Issuing and paying Agency Agreement dated as of August 12, 1999 between the Company and the Chase Manhattan Bank. (7)
	(b) United States Commercial Paper Dealer Agreement dated as of March 28, 2002 between the Company and Salomon Smith Barney Inc. (11)
	(c) United States Commercial Paper Dealer Agreement dated as of April 30, 2002 between the Company and Credit Suisse First Boston Corporation. (11)
	(d) Euro Commercial Paper Note Agreement dated as of July 18, 2002 between the Company and Citibank International plc. (11)
	(e) Euro Commercial Paper Dealer Agreement dated as of July 18, 2002 between the Company and Citibank International plc and Credit Suisse First Boston (Europe) Limited. (11)
4.2	(a) Note Agreement (governing Series A, Series B and Series C Notes) dated March 1, 2001 between the Company and Prudential Insurance Company of America. (8)
	(b) First Amendment to Note Agreement dated September 1, 2001 between the Company and Prudential Insurance Company of America. (9)
4.3	(a) 5-Year Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 25, 2001 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and

- (b) Harris Trust and Savings Bank as Documentation Agents. (9)
364-Day Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 25, 2001 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents. (9)
- (c) Amendment to the 5-Year Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 25, 2001 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents. (11)
- (d) Amendment to the 364-Day Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 25, 2001 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents. (11)
- (e) Amendment to the 5-Year Competitive Advance, Revolving Credit and Guaranty Agreements dated as of August 30, 2001 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents. (11)
- (f) Amendment to the 364-Day Competitive Advance, Revolving Credit and Guaranty Agreements dated as of August 30, 2001 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents. (11)
- (g) Amendment to the 364-Day Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 24, 2002 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents. (11)

Exhibit Number	Description
(h)	Amendment to the 364-Day Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 23, 2003 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents. (12)
(i)	Amendment to the 364-Day Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 21, 2004 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and Wachovia Bank, Fleet National Bank and Harris Trust and Savings Bank as Documentation Agents.
4.4	Private placement note dated December 28, 2001 between the Company and Massachusetts Mutual Life Insurance Company and Nationwide Life Insurance Company. (9)
4.5	(a) Eurobonds Agency Agreement dated December 13, 2001 between the Company and Citibank, N.A. (9) (b) Eurobond Subscription Agreement dated December 11, 2001 between the Company and Credit Suisse First Boston (Europe) Limited, UBS AG, ABN AMRO Bank N.V., First Union Securities, Inc.; and Tokyo-Mitsubishi International plc (the Managers). (9)
10.1	(c) Pages 4 through 16 of the Company's Eurobond Offering Circular dated December 11, 2001. (9)
10.2	1993 Stock Option Plan (2)
10.3	1998 Stock Option Plan (1)
10.4	2002 Stock Option Plan (10)
(a)	Trust Agreement for the Company's Employee Stock Ownership Plan between the Company and T. Rowe Price Trust Company dated as of November 1, 2000. (8)
(b)	Plan Recordkeeping Agreement for the Company's Employee Stock Ownership Plan between the Company and T. Rowe Price Trust Company dated as of November 1, 2000. (8)
10.5	Written Description of the Chairman's Agreement between the Company and John C. Miles II. (12)
10.6	Employment Agreement dated January 1, 1996 between the Company and W. William Weston (4)*
10.7	Employment Agreement dated January 1, 1996 between the Company and Thomas L. Whiting (4)*
10.8	Employment Agreement dated October 11, 1996 between the Company and Gerald K. Kunkle Jr. (5)*
10.9	Employment Agreement dated April 20, 1998 between the Company and William R. Jellison (6)*
10.10	Employment Agreement dated September 10, 1998 between the Company and Brian M. Addison (6)*
10.11	Employment Agreement dated June 1, 1999 between the Company and J. Henrik Roos (7)*
10.12	Employment Agreement dated October 1, 2001 between the Company and Rudolf Lehner (9)*
10.13	Employment Agreement dated November 1, 2002 between the Company and Christopher T. Clark (11)*
10.14	Employment Agreement dated November 1, 2002 between the Company and James G. Mosch (11)*
10.15	Employment Agreement dated December 1, 2002 between the Company and Bret W. Wise (11)*
10.16	DENTSPLY International Inc. Directors' Deferred Compensation Plan effective January 1, 1997 (5)*
10.17	Supplemental Executive Retirement Plan effective January 1, 1999 *
10.18	Written Description of Year 2004 Incentive Compensation Plan.
10.19	(a) AZLAD Products Agreement, dated January 18, 2001 between AstraZeneca AB and Maillefer Instruments Holdings, S.A. (a subsidiary of the Company). (8) (b) AZLAD Products Manufacturing Agreement, dated January 18, 2001 between AstraZeneca AB and Maillefer Instruments Holdings, S.A. (8) (c) AZ Trade Marks License Agreement, dated January 18, 2001 between AstraZeneca AB and Maillefer Instruments Holdings, S.A. (8) (d) AZLAD Products Manufacturing Agreement, effective March 1, 2004 between AstraZeneca AB and Maillefer Instruments Holdings, S.A. (12)

Exhibit

Number

Description

10.20		Sale and Purchase Agreement of Gendex Equipment Business between the Company and Danaher Corporation Dated December 11, 2003. (12)
10.21	(a)	Precious metal inventory Purchase and Sale Agreement dated November 30, 2001 between Fleet Precious Metal Inc. and the Company. (9)
	(b)	Precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between JPMorgan Chase Bank and the Company. (9)
	(c)	Precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between Mitsui & Co., Precious Metals Inc. and the Company. (9)
10.22		Rental Contract between Hesta Beteiligungsgesellschaft mbH and Dentsply DeTrey GmbH effective January 1, 2004.
14		DENTSPLY International Inc. Code of Business Conduct and Ethics
21.1		Subsidiaries of the Company
23.1		Consent of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP
31		Section 302 Certification Statements
32		Section 906 Certification Statement

* 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 Annual Report on Form 10-K for the fiscal year ended December 31, 1995, File No. 0-16211.
- (5) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, 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, 1998, File No. 0-16211.
- (7) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, File No. 0-16211.
- (8) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, 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, 2001, File No. 0-16211.
- (10) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 333-101548).
- (11) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, File No. 0-16211.
- (12) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, File No. 0-16211.

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 JPMorganChase Bank.

(2) Agreement dated June 11, 2004 in the principal amount of \$3,000,000 between Dentsply Research and Development Corp, Hong Kong Branch and Bank of Tokyo Mitsubishi.

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

(b) Reports on Form 8-K

On October 26, 2004, the Company filed a Form 8-K, under item 2.02, furnishing the press release issued on October 26, 2004 regarding its third quarter 2004 sales and earnings.

On November 1, 2004, the Company filed a Form 8-K, under item 2.02, furnishing a transcript of its October 27, 2004 conference call regarding the Company's discussion of its third quarter 2004 sales and earnings.

On November 5, 2004, the Company filed a Form 8-K, under item 5.02, disclosing the Company's appointment of a new Director to the Board of Directors.

SCHEDULE II

DENTSPLY INTERNATIONAL INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE THREE YEARS ENDED DECEMBER 31, 2004

Description	Balance at Beginning of Period	Additions			Write-offs Net of Recoveries	Translation Adjustment	Balance at End of Period
		Charged (Credited) To Costs And Expenses	Charged to Other Accounts				
(in thousands)							
Allowance for doubtful accounts:							
For Year Ended December 31,							
	2002	\$ 12,602	\$ 2,904	\$ 3,560 (a)	\$ (1,987)	\$ 1,413	\$ 18,492
	2003	18,492	569	(29)	(4,771)	2,041	16,302
	2004	16,302	2,126	(133) (c)	(1,997)	926	17,224
Allowance for trade discounts:							
For Year Ended December 31,							
	2002	913	988	-	(871)	61	1,091
	2003	1,091	1,494	19	(1,681)	139	1,062
	2004	1,062	1,655	(24)	(1,605)	70	1,158
Inventory valuation reserves:							
For Year Ended December 31,							

2002	24,359	4,855	4,671	(b)	(5,581)	2,366	30,670
2003	30,670	2,845	(22)		(3,418)	3,037	33,112
2004	33,112	3,173	(2,357)	(c)	(7,308)	1,278	27,898

Deferred tax asset valuation allowance:

For Year Ended December 31,	2002	2,864	3,431	-	(1,129)	176	5,342
	2003	5,342	5,764	-	(2,596)	1,139	9,649
	2004	9,649	11,951	-	(375)	1,582	22,807

<FN>

(a) Includes \$797 from acquisition of Austenal and \$2,763 related to the acquisition of Degussa Dental.

(b) Includes \$588 from acquisition of Austenal and \$4,083 related to the acquisition of Degussa Dental.

(c) Related primarily to the sale of Gendex.

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DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
SELECTED FINANCIAL DATA

	Year ended December 31,				
	2004	2003	2002	2001	2000
Statement of Income Data:	(dollars in thousands, except per share amounts)				
Net sales	\$ 1,694,232	\$ 1,567,994	\$ 1,415,893	\$ 1,044,252	\$ 810,409
Net sales without precious metal content	1,481,872	1,364,346	1,230,371	993,956	810,409
Gross profit	846,518	770,533	703,714	542,281	438,728
Restructuring and other costs (income)	7,124	3,700	(2,732)	5,073	(56)
Operating income	295,130	267,983	249,452	170,209	155,571
Income before income taxes	274,155	251,196	214,090	179,522	146,907
Net income from continuing operations	\$ 210,286	\$ 169,853	\$ 143,641	\$ 117,714	\$ 97,822
Net income from discontinued operations	42,879	4,330	4,311	3,782	3,194
Total net income	\$ 253,165	\$ 174,183	\$ 147,952	\$ 121,496	\$ 101,016
Earnings per common share - basic:					
Continuing operations	\$ 2.61	\$ 2.16	\$ 1.84	\$ 1.51	\$ 1.26
Discontinued operations	0.54	0.05	0.05	0.05	0.04
Total earnings per common share - basic	\$ 3.15	\$ 2.21	\$ 1.89	\$ 1.56	\$ 1.30
Earnings per common share - diluted					
Continuing operations	\$ 2.56	\$ 2.11	\$ 1.80	\$ 1.49	\$ 1.25
Discontinued operations	0.53	0.05	0.05	0.05	0.04
Total earnings per common share - diluted	\$ 3.09	\$ 2.16	\$ 1.85	\$ 1.54	\$ 1.29
Cash dividends declared per common share	\$ 0.21750	\$ 0.19700	\$ 0.18400	\$ 0.18333	\$ 0.17083
Weighted Average Common Shares Outstanding:					
Basic	80,387	78,823	78,180	77,671	77,785
Diluted	82,014	80,647	79,994	78,975	78,560
Balance Sheet Data:					
Cash and cash equivalents	\$ 506,369	\$ 163,755	\$ 25,652	\$ 33,710	\$ 15,433
Total assets	2,798,145	2,445,587	2,087,033	1,798,151	866,615
Total debt	852,819	812,175	774,373	731,158	110,294
Stockholders' equity	1,443,973	1,122,069	835,928	609,519	520,370
Return on average stockholders' equity	19.7%	17.8%	20.5%	21.5%	20.4%
Long-term debt to total capitalization	35.1%	41.3%	47.9%	54.3%	17.4%
Other Data:					
Depreciation and amortization	\$ 49,296	\$ 45,661	\$ 41,352	\$ 51,512	\$ 39,170
Capital expenditures	56,257	76,583	55,476	47,529	26,885
Property, plant and equipment, net	407,527	376,211	313,178	240,890	181,341
Goodwill and other intangibles, net	1,254,346	1,209,739	1,134,506	1,012,160	344,753
Interest expense, net	19,629	24,205	27,389	18,256	6,735
Cash flows from operating activities	306,259	257,992	172,983	211,068	145,622
Inventory days	92	93	100	93	114
Receivable days	47	50	49	46	52
Income tax rate	23.3%	32.4%	32.9%	34.4%	33.4%

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

Certain statements made by the Company, including without limitation, statements in the Overview section below and other 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 and uncertainties discussed within Item I, Part I of this Annual Report on Form 10-K.

OVERVIEW

Dentsply International Inc. is the world's largest manufacturer of professional dental products. The Company is headquartered in the United States, and operates in more than 120 other countries, principally through its foreign subsidiaries. While the United States and Europe are the Company's largest markets, the Company serves all of the major professional dental markets worldwide.

The Company monitors numerous benchmarks in evaluating its business, including: (1) internal growth in the United States, Europe and all other regions; (2) the development, introduction and contribution of innovative new products; (3) growth through acquisition; and (4) continued focus on controlling costs and enhancing efficiency. We define "internal growth" as the increase in our net sales from period to period, excluding precious metal content, the impact of changes in currency exchange rates, and the net sales, for a period of twelve months following the transaction date, of businesses that we have acquired or divested.

Management believes that an average overall internal growth rate of 4-6% is a long-term sustainable rate for the Company. During 2004, the Company's overall internal growth was approximately 4.0% compared to 4.4% in 2003. Our internal growth rates in the United States (43% of sales) and Europe (38% of sales), the largest dental markets in the world, were 3.4% and 4.1%, respectively during 2004 compared to 3.3% and 8.3%, respectively for 2003. Our internal growth rate in all other regions during 2004, which represents approximately 19% of our sales, was 5.2%, compared to 0.4% in 2003. Among the other regions, the Asian region, has historically been one of our highest growth markets and management believes it represents a long-term growth opportunity for the industry and the Company. Also within the other region is the Japanese market, which represents the third largest dental market in the world behind the United States and Europe. Although Japan's dental market growth has been weak in the past few years, as it closely parallels its economic growth, the Company also views this market as an important long-term growth opportunity, both in terms of a recovery in the Japanese economy and the opportunity to increase our market share. There can be no assurance that the Company's assumptions concerning the growth rates in its markets or the dental market generally will be correct and if such rates are less than expected, the Company's projected growth rates and results of operations may be adversely effected.

Product innovation is a key component of the Company's overall growth strategy. Historically, the company has introduced in excess of twenty new products each year. During 2004, approximately 25 new products were introduced around the world and the Company expects approximately 20 new products to be introduced in 2005. Of specific note, in the fourth quarter of 2004, the Company introduced its Oraqix(R) anesthetic gel product, a revolutionary new non-injectible anesthetic for use in scaling and root planing procedures. In addition, during 2004 the Company introduced BioPure MTAD, an irrigant that is used to disinfect the tooth canal as well as remove the smear layer that's created in a root canal

procedure.

New advances in technology are anticipated to have a significant influence on future products in dentistry. In anticipation of this, the Company has pursued several new research and development initiatives to support this development. Specifically, in 2004 the Company entered into a five-year agreement with the Georgia Institute of Technology's Research Institute to pursue potential new advances in dentistry. In addition, we recently completed an agreement with Doxa AB to develop and commercialize products within the dental field based upon Doxa's bioactive ceramic technology. The Doxa technology is designed to induce chemical integration between the material and dentition or bone structure. These agreements are consistent with the Company's strategy of being the leading innovator in the industry. In addition, the Company licenses and purchases technologies developed by other third parties. Specifically, in 2004, the Company purchased the rights to a unique compound called SATIF from Sanofi-Aventis. The Company believes that this technology will provide enhancements to future products with such benefits as greater protection against enamel caries, the ability to desensitize exposed dentin and the ability to retard, or to inhibit the formation of staining on the enamel.

Although the professional dental market in which the Company operates has experienced consolidation, it is still a fragmented industry. The Company continues to focus on opportunities to expand the Company's product offerings through acquisition. Management believes that there will continue to be adequate opportunities to participate as a consolidator in the industry for the foreseeable future (See also Acquisition Activity in Part I, Item 1 of this Form 10-K).

The Company also remains focused on reducing costs and improving competitiveness. Management expects to continue to consolidate operations or functions and reduce the cost of those operations and functions while improving service levels. In addition, the Company remains focused on enhancing efficiency through expanded use of technology and process improvement initiatives. The Company believes that the benefits from these opportunities will improve the cost structure and offset areas of rising costs such as energy, benefits, regulatory oversight and compliance and financial reporting in the United States.

FACTORS IMPACTING COMPARABILITY BETWEEN YEARS

In the first and second quarters of 2003, the Company recorded charges and reserve reversals which represented corrections of errors from prior periods ("Charge and Reserve Errors"). Had the Charge and Reserve Errors been recorded in the proper periods, reported net income from continuing operations would have been higher by \$1.3 million in 2003 and lower by \$3.4 million in 2002 (see Note 19 of the Consolidated Financial Statements included in the Company's Form 10-K for the period ended December 31, 2003).

Discontinued Operations

In February 2004, the Company sold its Gendex equipment business to Danaher Corporation. Additionally, in the first quarter of 2004 the Company discontinued production of dental needles. The sale of the Gendex business and discontinuance of dental needle production have been accounted for as discontinued operations pursuant to Statement of Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". The results of operations for all periods

presented have been restated to reclassify the results of operations for both the Gendex equipment and the dental needle businesses as discontinued operations.

Reclassifications

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

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RESULTS OF CONTINUING OPERATIONS, 2004 COMPARED TO 2003

Net Sales

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

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

	Year Ended December 31,		
	2004	2003	2002
	(in millions)		
Net Sales	\$ 1,694.2	\$ 1,568.0	\$ 1,415.9
Precious Metal Content of Sales	(212.3)	(203.7)	(185.5)
Net Sales Excluding Precious Metal Content	\$ 1,481.9	\$ 1,364.3	\$ 1,230.4

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

Net sales in 2004 increased \$126.2 million, or 8.1%, to \$1,694.2 million. Net sales, excluding precious metal content, increased \$117.5 million, or 8.6%, to \$1,481.9 million. Sales growth excluding precious metal content was comprised of 4.0% internal growth and 4.6% of foreign currency translation. The 4.0% internal growth was comprised of 3.4% in the United States, 4.1% in Europe and 5.2% for all other regions

combined.

The internal sales growth, excluding precious metal content, in the United States was driven by strong growth in specialty dental products, offset by negative growth in anesthetic products due to competitive pressures and in equipment products within the dental laboratory category. In Europe strong internal sales growth in specialty dental products was offset by flat growth in the dental consumable category. The internal growth of 5.2% in all other regions was largely the result of strong growth in the Asian region, Canada and the Middle East/Africa, offset by lower sales in Japan.

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Gross Profit

Gross profit was \$846.5 million in 2004 compared to \$770.5 million in 2003, an increase of \$76.0 million, or 9.9%. Gross profit, measured against sales including precious metal content, represented 50.0% of net sales in 2004 compared to 49.1% in 2003. The gross profit for 2004, measured against sales excluding precious metal content, represented 57.1% of net sales compared to 56.5% in 2003. This margin improvement from 2003 to 2004 was due primarily to favorable geographic and product mix shifts in addition to ongoing operational improvements related to the Company's restructuring and process improvement initiatives.

Operating Expenses

Selling, general and administrative ("SG&A") expense increased \$45.4 million, or 9.1%, to \$544.3 million during 2004 from \$498.9 million in 2003. The 9.1% increase in expenses reflects increases for the translation impact from a weaker U.S. dollar of approximately \$25.3 million. SG&A expenses, measured against sales including precious metal content, increased to 32.1% compared to 31.8% in 2003. SG&A expenses, as measured against sales excluding precious metal content, increased to 36.7% compared to 36.6% in 2003. The higher expense level in 2004 was primarily related to litigation settlement costs, additional costs related to the Sarbanes-Oxley compliance and costs related to the launch of the Oraqix(R) product. In addition, the Company continued to leverage expenses, including research and development costs, which served to partially offset these additional costs. Moving forward, as the Company leverages expenses, it expects to reinvest a portion of these savings to further strengthen research and development and selling activities.

During 2004, the Company recorded restructuring and other costs of \$7.1 million (\$5.0 million net of tax). These costs were primarily related to the creation of a European Shared Services Center in Yverdon, Switzerland, and the consolidation of certain sales/customer service and distribution facilities in Europe and Japan. The primary objective of these restructuring initiatives is to improve operational efficiencies and to reduce costs within the related businesses. These plans are expected to be fully complete by the first quarter of 2006. In addition, restructuring costs were incurred related to the closure of the Company's European central warehouse in Nijmegen, The Netherlands, and transfer of this function to a Company-owned facility in Radolfzell, Germany, which was substantially completed during the first quarter of 2004. This transfer was completed in an effort to improve customer service levels and reduce costs. The Company also incurred additional charges related to the consolidation of its U.S. laboratory businesses, which was initiated in the fourth quarter of 2003. The Company made the decision to consolidate the United States laboratory businesses in order to improve operational efficiencies, to broaden customer penetration and to

strengthen customer service. This plan was substantially complete at the end of 2004.

The Company anticipates the remaining costs to complete these restructuring initiatives will be approximately \$1.5 million which will be expensed primarily during the first half of 2005 as the related costs are incurred. These plans are projected to result in future annual expense reductions of \$5 to \$7 million when fully implemented in 2006.

During 2003, the Company recorded restructuring and other costs of \$3.7 million (\$2.3 million net of tax). The largest portion of this was an impairment charge related to certain investments made in emerging technologies that the Company no longer viewed as recoverable. In addition, as noted above, in December 2003, the Company commenced the consolidation of its U.S. laboratory businesses and recorded a charge for a portion of the costs to complete the consolidation (see Note 15 to the Consolidated Financial Statements).

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Other Income and Expenses

Net interest expense and other expenses were \$21.0 million during 2004 compared to \$16.8 million in 2003. The 2004 period included \$19.6 million of net interest expense, \$1.2 million of currency transaction losses and \$0.2 million of other nonoperating costs. The 2003 period included \$24.2 million of net interest expense, \$0.3 million of currency transaction gains and \$7.1 million of other nonoperating income, which included gains on the PracticeWorks common stock and warrants sold in the fourth quarter of 2003 of \$7.4 million (\$4.7 million net of tax). The decrease in net interest expense was primarily due to increased interest income generated from the Company's higher cash levels.

Income Taxes

The effective tax rate decreased to 23.3% in 2004 from 32.4% in 2003. During 2004, the Company recorded a tax benefit of \$19.5 million primarily from the reversal of previously accrued taxes from the settlement of prior years' domestic and foreign tax audits, benefits of additional R&D credits and other adjustments. The impact of this benefit on the effective tax rate for 2004 was 7.1%. Management believes that the effective tax rate for 2005 will be in the range of 31% to 32%.

Earnings

Income from continuing operations increased \$40.4 million, or 23.8%, to \$210.3 million in 2004 from \$169.9 million in 2003. Fully diluted earnings per share from continuing operations were \$2.56 in 2004, an increase of 21.3% from \$2.11 in 2003. Income from continuing operations and diluted earnings per share from continuing operations in 2004 included the benefit of the tax adjustments (\$19.5 million and \$0.24 per share) and the restructuring and other costs (\$5.0 million and \$0.06 per share) described above. In addition, income from continuing operations and diluted earnings per share from continuing operations in 2003 included the gain on the sale of the PracticeWorks securities (\$4.7 million and \$0.06 per share) and the restructuring and other costs (\$2.3 million and \$0.03 per share) described above.

Discontinued Operations

In February 2004, the Company sold its Gendex equipment business to Danaher Corporation. Also in the first quarter of 2004, the Company

discontinued production of dental needles. Accordingly, the Gendex equipment and needle businesses have been reported as discontinued operations for all periods presented.

Income from discontinued operations was \$42.9 million during 2004 and \$4.3 million in 2003. Fully diluted earnings per share from discontinued operations were \$0.53 and \$0.05 for 2004 and 2003, respectively. The income from discontinued operations in 2004 was almost entirely related to the gain realized on the sale of Gendex business.

Operating Segment Results

Through December 31, 2004, the Company had five operating groups, which were managed by five Senior Vice Presidents and represented our operating segments. Each of these operating groups covered a wide range of product categories and geographic regions. The product categories and geographic regions often overlap across the groups. Further information regarding the details of each group is presented in Note 4 of the Consolidated Financial Statements. The management of each group is evaluated for performance and incentive compensation purposes on net third party sales, excluding precious metal content and segment operating income.

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Dental Consumables--U.S. and Europe/Japan/Non-dental

Net sales for this group were \$284.6 million in 2004, a 7.5% increase compared to \$264.6 million in 2003. Internal growth was 3.3% and currency translation added 4.2% to sales in 2004. The U.S. and European consumables businesses had the highest growth in the group, which was offset by lower sales in the Japanese market.

Operating profit increased \$4.7 million during 2004 to \$87.1 million from \$82.4 million in 2003. Sales growth was the most significant contributor to the increase. Operating profit also benefited from currency translation.

Endodontics/Professional Division Dental Consumables/Asia

Net sales for this group increased \$25.2 million during 2004, or 6.6%, to \$406.7 million up from \$381.5 million in 2003. Internal sales growth was 4.9% and currency translation added 1.7% to 2004 sales. Sales growth was driven by higher sales in the Endodontics and Asian businesses.

Operating profit was \$163.0 million in 2004, an increase of \$9.0 million from \$154.0 million in 2003. This increase was driven by continued sales growth in the group's businesses. In addition, operating profit benefited from currency translation.

Dental Consumables--United Kingdom, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business

Net sales for this group was \$344.5 million in 2004, an increase of \$37.9 million, or 12.4%, compared to \$306.6 million in 2003. Internal growth was 2.1% and currency translation added 10.3% to sales in 2004. The sales growth was driven by the Italian, Middle East, Africa and France consumable businesses, offset by lower sales in the European Dental Laboratory businesses, primarily in Germany, and lower sales in the United Kingdom consumables business.

Operating profit increased \$13.3 million in 2004 to \$43.8 million from \$30.5 million in 2003. The operating profit improvement was primarily related to the sales growth and lower SG&A expenses as a percentage of

sales. In addition, operating profit benefited from currency translation.

Australia/Canada/Latin America/U.S. Pharmaceutical

Net sales for this group increased \$5.4 million during 2004, or 4.8%, to \$118.6 million compared to \$113.2 million in 2003. Internal growth was negative 0.7% and currency translation added 5.5%. The lower internal sales growth was primarily driven by lower sales in the U.S. Pharmaceutical business and flat growth in the Latin American businesses offset by the sales growth of the Canadian and Australian businesses.

Operating profit was \$15.6 million in 2004, a \$3.6 million increase from \$12.0 million in 2003. This increase was driven by improved sales and higher margins in the international operations in the group. In addition, operating profit benefited from currency translation.

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U.S. Dental Laboratory Business/Implants/Orthodontics

Net sales for this group was \$306.7 million in 2004, a 10.5% increase compared to \$277.6 million in 2003. Internal growth was 7.7% and currency translation added 2.8% to sales in 2004. The internal growth increase was primarily due to strong growth in the orthodontics and dental implants businesses, offset by slower growth in the U.S. dental laboratory business.

Operating profit increased \$12.4 million during 2004, to \$53.8 million from \$41.4 million in 2003. This increase was driven by improved sales of the orthodontics and dental implants businesses and lower SG&A expenses at the U.S. dental laboratory business. In addition, operating profit benefited from currency translation.

RESULTS OF CONTINUING OPERATIONS, 2003 COMPARED TO 2002

Net Sales

Net sales in 2003 increased \$152.1 million, or 10.7%, to \$1,568.0 million. Net sales, excluding precious metal content, increased \$134.0 million, or 10.9%, to \$1,364.3 million. Sales growth excluding precious metal content was comprised of 4.4% internal growth, 6.6% foreign currency translation less 0.1% for net acquisitions/divestitures. The 4.4% internal growth was comprised of 8.3% in Europe, 3.3% in the United States and 0.4% for all other regions combined.

The internal sales growth in 2003, excluding precious metal content, was highest in Europe with strong growth in the specialty dental category and certain products within the dental laboratory category. In the United States internal sales growth was strongest in the specialty dental category and in certain products within the dental consumable category, offset by a softening in sales in the dental laboratory category.

Gross Profit

Gross profit was \$770.5 million in 2003 compared to \$703.7 million in 2002, an increase of \$66.8 million, or 9.5%. Gross profit, measured against sales including precious metal content, represented 49.1% of net sales in 2003 compared to 49.7% in 2002. The gross profit for 2003, measured against sales excluding precious metal content, represented 56.5% of net sales compared to 57.2% in 2002. Gross profit as reported would have been higher by \$2.8 million in 2003 and lower by \$5.4 million

in 2002 had the Charge and Reserve Errors been recorded in the proper periods. In addition, geographic mix negatively influenced gross margins in 2003 compared to 2002.

Operating Expenses

SG&A expense increased \$41.9 million, or 9.2%, to \$498.9 million in 2003 from \$457.0 million in 2002. The 9.2% increase in expenses, as reported, reflects increases for the translation impact from a weaker U.S. dollar of approximately \$35.2 million. SG&A expenses, measured against sales including precious metal content, decreased to 31.8% compared to 32.3% in 2002. SG&A expenses, as measured against sales excluding precious metal content, decreased to 36.6% compared to 37.1% in 2002. SG&A would have been higher by \$0.8 million in 2003 and lower by \$0.3 million in 2002, had the Charge and Reserve Errors been recorded in the proper periods. The leveraging of general and administrative expenses was the primary reason for the percentage decrease in SG&A expenses from 2002 to 2003.

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During 2003, the Company recorded restructuring and other costs of \$3.7 million. The largest portion of this was an impairment charge related to certain investments made in emerging technologies that the Company no longer viewed as recoverable. In addition, in December 2003, the Company commenced the consolidation of its U.S. laboratory businesses and recorded a charge for a portion of the costs to complete the consolidation.

During 2002, the Company recorded restructuring and other income of \$2.7 million, including a \$3.7 million benefit which resulted from changes in estimates related to prior period restructuring initiatives, offset somewhat by a restructuring charge for the combination of the CeraMed and U.S. Friadent divisions of \$1.7 million. In addition, the Company recognized a gain of \$0.7 million related to the insurance settlement for fire damages sustained at the Company's Maillefer facility. (see Note 15 to the Consolidated Financial Statements).

Other Income and Expenses

Net interest expense and other expenses were \$16.8 million in 2003 compared to \$35.4 million in 2002. The 2003 period included \$24.2 million of net interest expense, \$0.3 million of currency transaction gains and \$7.1 million of other nonoperating income, which included gains on the PracticeWorks common stock and warrants sold in the fourth quarter of 2003 of \$7.4 million. The year 2002 included: \$27.4 million of net interest; \$3.5 million of currency transaction losses; a \$1.1 million loss realized on the share exchange with PracticeWorks, Inc.; and a \$2.6 million mark-to-market loss related to PracticeWorks warrants.

Income Taxes/Earnings

The effective tax rate decreased to 32.4% in 2003 from 32.9% in 2002.

Income from continuing operations increased \$26.3 million, or 18.3%, to \$169.9 million in 2003 from \$143.6 million in 2002. Fully diluted earnings per share from continuing operations were \$2.11 in 2003, an increase of 17.2% from \$1.80 in 2002. Had the Charge and Reserve Errors described above been recorded in the proper periods, income from continuing operations would have been higher by \$1.3 million (\$.02 per diluted share) in 2003 and lower by \$3.4 million (\$.04 per diluted share) in 2002.

Discontinued Operations

Income from discontinued operations was \$4.3 million in both 2003 and 2002. Fully diluted earnings per share from discontinued operations were \$.05 in both 2003 and 2002.

Operating Segment Results

Dental Consumables--U.S. and Europe/Japan/Non-dental

Net sales for this group were \$264.6 million in 2003, a 9.3% increase compared to \$242.1 million in 2002. Internal growth was 2.8% and currency translation added 6.5% to sales in 2003. The U.S. consumables business had the highest growth in the group, which was offset by lower sales in the Japanese market and low growth in the non-dental business.

Operating profit increased \$11.5 million to \$82.4 million from \$70.9 million in 2002. Sales growth in the U.S. dental consumable business and gross margin improvement in the European dental consumable business were the most significant contributors to the increase. Operating profit benefited from currency translation. Operating profit would have been lower by \$2.7 million in 2003 and higher by \$1.6 million in 2002 if the Charge and Reserve Errors had been recorded in the proper period.

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Endodontics/Professional Division Dental Consumables/Asia

Net sales for this group increased \$23.9 million, or 6.7%, up from \$357.6 million in 2002. Internal growth was 3.8% and currency translation added 2.9% to 2003 sales. Sales growth was strongest in the endodontic business. This was offset by lower sales in the dental consumables business primarily in the U.S. market.

Operating profit was \$154.0 million, an increase of \$12.4 million from \$141.6 million in 2002. Continued growth in the endodontic business was primarily responsible for the increase. In addition, operating profit benefited from currency translation partially offset by the negative currency impact of intercompany transactions. Operating profit would have been lower by \$0.7 million in 2003 and lower by \$0.6 million in 2002 if the Charge and Reserve Errors had been recorded in the proper period.

Dental Consumables--United Kingdom, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business

Net sales for this group were \$306.6 million in 2003, a 26.9% increase compared to \$241.6 million in 2002. Internal growth was 6.7% and currency translation added 20.2% to sales in 2003. The primary reason for the sales growth was strong sales performance in Germany, France, CIS and Africa.

Operating profit increased \$19.2 million to \$30.6 million from \$11.4 million in 2002. The primary reason for the profit improvement was sales increases and margin improvement in the European dental laboratory business including improvements from the consolidation of the historical Dentsply tooth business in Europe into the DeguDent business. In addition, operating profit benefited from currency translation. Operating profit would have been lower by \$0.3 million in 2003 if the Charge and Reserve Errors had been recorded in the proper period.

Australia/Canada/Latin America/Pharmaceutical

Net sales for this group increased \$4.8 million, or 4.4%, compared to \$108.5 million in 2002. Internal growth was 3.6% and currency translation added 0.8% to 2003 sales. Sales were strongest in the U.S.

pharmaceutical business and in Latin America. Canada and Australia experienced slower sales growth.

Operating profit was \$12.0 million, a \$2.8 million decrease from \$14.8 million in 2002. Lower operating margins in Latin America hurt profitability. Operating profit would have been higher by \$1.0 million in 2003 and lower by \$0.7 million in 2002 if the Charge and Reserve Errors had been recorded in the proper period.

U.S. Dental Laboratory Business/Implants/Orthodontics

Net sales for this group were \$277.6 million in 2003, a 6.7% increase compared to \$260.1 million in 2002. Internal growth was 3.0% and currency translation added 3.7% to sales in 2003. Sales growth was adversely impacted by the soft U.S. dental laboratory market. Sales growth for implants in Europe and the orthodontic business showed continued strong sales growth.

Operating profit decreased \$8.8 million to \$41.4 million from \$50.2 million in 2002. The soft U.S. dental laboratory market and the negative currency impact of intercompany transactions adversely impacted operating profit. Operating profit would have been higher by \$4.7 million in 2003 and lower by \$5.3 million in 2002 if the Charge and Reserve Errors had been recorded in the proper period.

FOREIGN CURRENCY

Since approximately 55% of the Company's 2004 revenues were generated in currencies other than the U.S. dollar, the value of the U.S. dollar in relation to those currencies affects the results of operations of the Company. The impact of currency fluctuations in any given period can be favorable or unfavorable. The impact of foreign currency fluctuations of European currencies on operating income is partially offset by sales in the U.S. of products sourced from plants and third party suppliers located overseas, principally in Germany and Switzerland. On a net basis, net income benefited from changes in currency translation in both 2004 and 2003 compared to the prior years.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Goodwill and Other Long-Lived Assets

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets". This statement requires that the amortization of goodwill and indefinite-lived intangible assets be discontinued and instead an annual impairment approach be applied. The Company performed the annual impairment tests of goodwill and indefinite-lived intangible assets during 2004, as required, and no impairment was identified. These impairment tests are based upon a fair value approach rather than an evaluation of the undiscounted cash flows. If impairment is identified under SFAS 142, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill. If impairment is identified on indefinite-lived intangibles, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

Other long-lived assets, such as identifiable intangible assets and fixed assets, are amortized or depreciated over their estimated useful lives. These assets are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable with impairment being based upon an evaluation of the identifiable undiscounted cash flows. If impaired, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

If market conditions become less favorable, future cash flows, the key variable in assessing the impairment of these assets, may decrease and as a result the Company may be required to recognize impairment charges. Market conditions can change due to many factors including increased competition, downturns in the economic environment and introductions of new technologies.

The Company's impairment tests relating to the perpetual license rights to the trademarks and formulations for dental anaesthetic products acquired from AstraZeneca in 2001 are highly sensitive to cash flow assumptions resulting from the sale of these products and the Company's success in completing and the timing of starting up the greenfield sterile filling plant to produce these products in the United States.

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Inventories

Inventories are stated at the lower of cost or market. The cost of inventories is determined primarily by the first-in, first-out ("FIFO") or average cost methods, with a small portion being determined by the last-in, first-out ("LIFO") method. The Company establishes reserves for inventory estimated to be obsolete or unmarketable equal to the difference between the cost of inventory and estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those anticipated, additional inventory reserves may be required.

Accounts Receivable

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

Accruals for Product Returns, Customer Rebates and Product Warranties

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

Income Taxes

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

Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes. Deferred tax assets are recognized if it is more likely than not that the assets will be realized in future years. The Company establishes a valuation allowance for deferred tax assets for which realization is not likely. As of December 31, 2004, the Company recorded a valuation allowance of \$22.8 million against the benefit of the net operating loss carryforwards of foreign subsidiaries.

The Company operates within multiple taxing jurisdictions and in the normal course of business is examined in various jurisdictions. Tax accruals related to the estimated outcome of these examinations are recorded in accordance with Statement of Financial Standards No. 5 "Accounting for Contingencies" ("SFAS 5"). The reversal of the accruals is recorded when examinations are completed, statutes of limitation close or tax laws change. A net benefit of \$5.5 million was recorded from the release of previously accrued taxes related to domestic and foreign examinations that were concluded in 2004, less current year tax accruals for existing examination risks. Tax credits and other incentives reduce tax expense in the year the credits are claimed. In 2004, the Company filed amended returns for prior years and received federal and state refunds of \$4.3 million for additional R&D credits.

On October 22, 2004, the American Jobs Creation Act of 2004 (the "AJCA") was signed into law. The AJCA enacted a provision that provides the Company with the opportunity to repatriate up to \$500 million of reinvested earnings and to claim a deduction equal to 85% of the repatriated amount. The Company did not elect the benefit of this provision in 2004. The Company has not determined whether, and to what extent, an election will be made in 2005.

Litigation

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

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities during the year ended December 31, 2004 were \$306.3 million compared to \$258.0 million during the year ended December 31, 2003. The increase of \$48.3 million results primarily from increased earnings, favorable working capital changes and increased tax benefits related to the higher level of stock option exercise activity

versus the prior year.

Investing activities during 2004 include capital expenditures of \$56.3 million. The Company expects that capital expenditures will range from \$55 million to \$60 million in 2005. Acquisition-related activity for the year ended December 31, 2004 was \$20.5 million which was primarily due to the final payment to AstraZeneca related to the Oraqix(R) product (see Note 4 to the Consolidated Condensed Financial Statements) and an investment in new technology. Additionally, in February 2004, the Company completed the sale of its Gendex equipment business and received cash proceeds of \$102.5 million.

In December 2003, the Board of Directors authorized the repurchase of up to 1.0 million shares of common stock for the year ended December 31, 2004 on the open market, with authorization expiring at the end of the year. As a result of this program, the company repurchased 815,000 shares at an average cost per share of \$48.34 and a total cost of \$39.4 million. Of these shares purchased, 30,000, at a cost of \$1.7 million, will settle in 2005. In addition, in December 2004 the Board of Directors approved a stock repurchase program under which the Company may repurchase shares of stock in an amount to maintain up to 3,000,000 shares of treasury stock. As of December 31, 2004, the Company held 757,000 shares of treasury stock. The Company also received proceeds of \$45.3 million as a result of the exercise of 2,165,000 stock options during the year ended December 31, 2004.

The Company's long-term borrowings increased by a net of \$39.9 million during the year ended December 31, 2004. This net change included an increase of \$62.1 million due to exchange rate fluctuations on debt denominated in foreign currencies and changes in the value of interest rate swaps and net repayments of \$22.2 million of debt payments made during the year. During the year ended December 31, 2003, the Company's ratio of long-term debt to total capitalization decreased to 35.1% compared to 41.3% at December 31, 2003.

Under its multi-currency revolving credit agreement, the Company is able to borrow up to \$250 million through May 2006 ("the five-year facility") and \$125 million through May 2005 ("the 364 day facility"). The 364-day facility terminates in May 2005, but may be extended, subject to certain conditions, for additional periods of 364 days. This revolving credit agreement is unsecured and contains various financial and other covenants. The Company also has available an aggregate \$250 million under two commercial paper facilities; a \$250 million U.S. facility and a \$250 million U.S. dollar equivalent European facility ("Euro CP facility"). Under the Euro CP facility, borrowings can be denominated in Swiss francs, Japanese yen, Euros, British pounds and U.S. dollars. The multi-currency revolving credit facility serves as a back-up to these commercial paper facilities. The total available credit under the commercial paper facilities and the multi-currency facility in the aggregate is \$125 million and no debt was outstanding under the commercial paper facilities at December 31, 2004.

The Company also has access to \$54.0 million in uncommitted short-term financing under lines of credit from various financial institutions. The lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institutions.

The Company had unused lines of credit of \$307.0 million available at December 31, 2004 subject to the Company's compliance with certain affirmative and negative covenants relating to its operations and financial condition. The most restrictive of these covenants pertain to asset dispositions, maintenance of certain levels of net worth, and

prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. At December 31, 2004, the Company was in compliance with these covenants.

At December 31, 2004, the Company held \$60.1 million of precious metals on consignment from several financial institutions. These consignment agreements allow the Company to acquire the precious metal at approximately the same time and for the same price as alloys are sold to the Company's customers. In the event that the financial institutions would discontinue offering these consignment arrangements, and if the Company could not obtain other comparable arrangements, the Company may be required to obtain third party financing to fund an ownership position in the required precious metal inventory levels.

The Company's cash increased \$342.6 million during the year ended December 31, 2004 to \$506.4 million. The Company has continued to accumulate cash in 2004 rather than reduce debt due to pre-payment penalties that would be incurred in retiring debt and the related interest rate swap agreements in addition to the low cost of this debt, net of earnings on the cash. The Company anticipates that cash will continue to build throughout 2005, subject to any uses of cash for acquisitions, stock purchases and potential debt prepayment.

Contractual Obligations	Less Than 1 Year	1-3 Years	3-5 Years	Greater Than 5 Years	Total
	(in thousands)				
Long-term borrowings	\$ 71,346	\$ 779,940	\$ -	\$ -	\$ 851,286
Operating leases	18,725	19,433	7,424	5,207	50,789
Interest on long-term borrowings	25,128	27,131	9,306	12,301	73,866
Precious metal consignment agreements	60,125	-	-	-	60,125
	\$175,324	\$ 826,504	\$ 16,730	\$ 17,508	\$1,036,066

The Company expects on an ongoing basis, to be able to finance cash requirements, including capital expenditures, stock repurchases, debt service, operating leases and potential future acquisitions, from the funds generated from operations and amounts available under its existing credit facilities.

NEW ACCOUNTING PRONOUNCEMENTS

In January 2004, the Financial Accounting Standards Board ("FASB") released FASB Staff Position ("FSP") No. 106-1, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", requires a company to consider current changes in applicable laws when measuring its postretirement benefit costs and accumulated postretirement benefit obligation. However, because of uncertainties of the effect of the provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") on plan sponsors and certain accounting issues raised by the Act, FSP 106-1 allows plan sponsors to elect a one-time deferral of the accounting for the Act. The Company elected the deferral provided by FSP 106-1 to analyze the impact of the Act on prescription drug coverage provided to a limited number of retirees from one of its business units. In May 2004, FASB released FSP 106-2 "Accounting and Disclosure Requirements Related to the Medicare

Prescription Drug, Improvement and Modernization Act of 2003." This FSP provides final guidance on the accounting for the effects of the Act for employers that sponsor postretirement health care plans that provide prescription drug benefits. The FSP also requires those employers to provide certain disclosures regarding the effect of the federal subsidy provided by the Act. FSP 106-2 superceded FSP 106-1 when it became effective on July 1, 2004. The Company has not yet determined whether the benefits provided under its postretirement benefit plans are actuarially equivalent to Medicare Part D under The Act, and as a result, the Company's benefit obligations or its net periodic service cost do not reflect any amount associated with the subsidy. The Company does not expect this act will have a material impact on the Company's postretirement benefits liabilities or on its financial statements.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123R ("SFAS 123R"), "Share-Based Payment". This standard eliminates the guidance of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and amends FASB Statement No. 123, "Accounting for Stock Based Compensation" ("FAS 123"). The standard requires that all public companies report share-based compensation expense at the grant date fair value of the related share-based awards and no longer permits companies to account for options under the intrinsic value approach of APB 25. SFAS 123R is effective for interim and annual periods beginning after June 15, 2005. As the Company has accounted for stock option grants under the APB 25 in the past, this statement is expected to have a material impact on the Company's financial statements once effective (\$0.14 to \$0.16 per diluted share on an annualized basis). The Company is currently assessing its compensation programs, its option valuation techniques and assumptions, and the possible transition alternatives in order to determine the full impact of adopting this standard.

In November 2004, the FASB issued Statement of Financial Accounting Standards No 151, "Inventory Costs - An Amendment of ARB No. 43, Chapter 4". This statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing", to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Under ARB No. 43, in certain circumstances, items such as idle facility expense, excessive spoilage, double freight, and rehandling costs that were considered to be unusually abnormal were required to be treated as period charges. Under FASB No. 151, these charges are required to be treated as period charges regardless of whether they meet the criterion of unusually abnormal. Additionally, FASB No. 151 requires that allocation of fixed production overhead to the cost of conversion be based on the normal capacity of the production facilities. FASB No. 151 is effective for all fiscal years beginning after June 15, 2005. The Company does not expect the application of this standard to have a material impact on the Company's financial statements.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 153, "Exchanges of Nonmonetary Assets an amendment of APB Opinion No. 29". This statement amends Opinion 29 to eliminate the exceptions that allowed for other than fair value measurement when similar productive assets were exchanged, and replaced the exceptions with a general exception for exchanges of nonmonetary assets that do not have commercial substance. FASB Statement No 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not expect the application of this statement to have a material impact on the Company's financial statements.

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

Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. The Company believes the carrying amounts of cash and cash equivalents, accounts receivable (net of allowance for doubtful accounts), prepaid expenses and other current assets, accounts payable, accrued liabilities, income taxes payable and notes payable approximate fair value due to the short-term nature of these instruments. The Company estimates the fair value of its total long-term debt was \$859.9 million versus its carrying value of \$851.3 million as of December 31, 2004. The fair value approximated the carrying value since much of the Company's debt is variable rate and reflects current market rates. The fixed rate Eurobonds are effectively converted to variable rate as a result of an interest rate swap and the interest rates on revolving debt and commercial paper are variable and therefore the fair value of these instruments approximates their carrying values. The Company has fixed rate Swiss franc and Japanese yen denominated notes with estimated fair values that differ from their carrying values. At December 31, 2004, the fair value of these instruments was \$245.7 million versus their carrying values of \$237.0 million. The fair values differ from the carrying values due to lower market interest rates at December 31, 2004 versus the rates at issuance of the notes.

Derivative Financial Instruments

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

Foreign Exchange Risk Management The Company enters into forward foreign exchange contracts to selectively hedge assets and liabilities denominated in foreign currencies. Market value gains and losses are recognized in income currently and the resulting gains or losses offset foreign exchange gains or losses recognized on the foreign currency assets and liabilities hedged. Determination of hedge activity is based upon market conditions, the magnitude of the foreign currency assets and liabilities and perceived risks. The Company's significant

contracts outstanding as of December 31, 2004 are summarized in the table that follows. These foreign exchange contracts generally have maturities of less than twelve months and the counterparties to the transactions are typically large international financial institutions.

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The Company has numerous investments in foreign subsidiaries. The net assets of these subsidiaries are exposed to volatility in currency exchange rates. Currently, the Company uses both non-derivative financial instruments, including foreign currency denominated debt held at the parent company level and long-term intercompany loans, for which settlement is not planned or anticipated in the foreseeable future and derivative financial instruments to hedge some of this exposure. Translation gains and losses related to the net assets of the foreign subsidiaries are offset by gains and losses in the non-derivative and derivative financial instruments designated as hedges of net investments.

At December 31, 2004 and 2003, the Company had Euro-denominated, Swiss franc-denominated, and Japanese yen-denominated debt (at the parent company level) to hedge the currency exposure related to a designated portion of the net assets of its European, Swiss, and Japanese subsidiaries. At December 31, 2004 and 2003, the accumulated translation gains on investments in foreign subsidiaries, primarily denominated in Euros, Swiss francs and Japanese yen, net of these debt hedges, were \$179.4 million and \$109.5 million, respectively, which was included in Accumulated Other Comprehensive income.

Interest Rate Risk Management The Company uses interest rate swaps to convert a portion of its variable rate debt to fixed rate debt. As of December 31, 2004, the Company has two groups of significant variable rate to fixed rate interest rate swaps. One of the groups of swaps was entered into in January 2000 and February 2001, has a notional amount totaling 180 million Swiss francs, and effectively converts the underlying variable interest rates on the debt to a fixed rate of 3.3% for a period of approximately four years. The other significant group of swaps entered into in February 2002, has notional amounts totaling 12.6 billion Japanese yen, and effectively converts the underlying variable interest rates to an average fixed rate of 1.6% for a term of ten years. As part of entering into the Japanese yen swaps in February 2002, the Company entered into reverse swap agreements with the same terms to offset 115 million of the 180 million of Swiss franc swaps. Additionally, in the third quarter of 2003, the Company exchanged the remaining portion of the Swiss franc swaps, 65 million Swiss francs, for a forward-starting variable to fixed interest rate swap at a fixed rate of 4.2% for a term of seven years starting in March 2005.

The Company uses interest rate swaps to convert a portion of its fixed rate debt to variable rate debt. In December 2001, the Company issued 350 million in Eurobonds at a fixed rate of 5.75% maturing in December 2006 to partially finance the Degussa Dental acquisition. Coincident with the issuance of the Eurobonds, the Company entered into two integrated transactions: (a) an interest rate swap agreement with notional amounts totaling Euro 350 million which converted the 5.75% fixed rate Euro-denominated financing to a variable rate (based on the London Interbank Borrowing Rate) Euro-denominated financing; and (b) a cross-currency basis swap which converted this variable rate Euro-denominated financing to variable rate U.S. dollar-denominated financing.

The Euro 350 million interest rate swap agreement was designated as

a fair value hedge of the Euro 350 million in fixed rate debt pursuant to SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). In accordance with SFAS No. 133, the interest rate swap and underlying Eurobond have been marked-to-market via the income statement. As of December 31, 2004 and 2003, the accumulated fair value of the interest rate swap was \$14.7 million and \$14.1 million, respectively, and was recorded in Prepaid Expenses and Other Current Assets and Other Noncurrent Assets. The notional amount of the underlying Eurobond was increased by a corresponding amount at December 31, 2004 and 2003.

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From inception through the first quarter of 2003, the cross-currency element of the integrated transaction was not designated as a hedge and changes in the fair value of the cross-currency element of the integrated transaction were marked-to-market in the income statement, offsetting the impact of the change in exchange rates on the Eurobonds that were also recorded in the income statement. In the first quarter of 2003, the Company amended the cross-currency element of the integrated transaction to realize the \$ 51.8 million of accumulated value of the cross-currency swap. The amendment eliminated the final payment (at a fixed rate of \$.90) of \$315 million by the Company in exchange for the final payment of Euro 350 million by the counterparty in return for the counterparty paying the Company LIBOR plus 4.29% for the remaining term of the agreement or approximately \$14.0 million on an annual basis. Other cash flows associated with the cross-currency element of the integrated transaction, included the Company's obligation to pay on \$315 million LIBOR plus approximately 1.34%. and the counterparty's obligation to pay on Euro 350 million LIBOR plus approximately 1.47%, remained unchanged by the amendment. Additionally, the cross-currency element of the integrated transaction continues to be marked-to-market. As of December 31, 2004 and 2003, the accumulated fair value of the cross-currency element of the integrated transaction was \$33.0 million and \$56.6 million, respectively, and was recorded in Prepaid Expenses and Other Current Assets and Other Noncurrent Assets.

No gain or loss was recognized upon the amendment of the cross currency element of the integrated transaction, as the interest rate of LIBOR plus 4.29% was established to ensure that the fair value of the cash flow streams before and after amendment were equivalent. As a result of the amendment, the Company became economically exposed to the impact of exchange rates on the final principal payment on the Euro 350 million Eurobonds and designated the Euro 350 million Eurobonds as a hedge of net investment, on the date of the amendment and thus the impact of translation changes related to the final principal payment are recorded in accumulated other comprehensive income.

The fair value of these swap agreements is the estimated amount the Company would receive (pay) at the reporting date, taking into account the effective interest rates and foreign exchange rates. As of December 31, 2004 and 2003, the estimated net fair values of the swap agreements was \$35.7 million and \$63.1 million, respectively.

Commodity Price Risk Management The Company selectively enters into commodity price swaps to effectively fix certain variable raw material costs. These swaps are used purely to stabilize the cost of components used in the production of certain of the Company's products. The Company generally accounts for the commodity swaps as cash flow hedges under SFAS 133. As a result, the Company records the fair value of the swap primarily through other comprehensive income based on the tested effectiveness of the commodity swap. Realized gains or losses in other comprehensive income are released and recorded to costs of products sold as the products associated with the commodity swaps are sold.

Consignment Arrangements

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

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

At December 31, 2004, the Company had 142,505 troy ounces of precious metal, primarily gold, platinum and palladium, on consignment for periods of less than one year with a market value of \$60.1 million. Under the terms of the consignment agreements, the Company also makes compensatory payments to the consignor banks based on a percentage of the value of the consigned precious metals inventory. At December 31, 2004, the average annual rate charged by the consignor banks was 1.3%. These compensatory payments are considered to be a cost of the metals purchased and are recorded as part of the cost of products sold.

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	EXPECTED MATURITY DATES					DECEMBER 31, 2004		Fair Value
	2005	2006	2007	2008	2009	2010 and beyond	Carrying Value	
	(represents notional amounts for derivative financial instruments)							
	(dollars in thousands)							
Notes Payable:								
U.S. dollar denominated	\$ 1,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,402	1,402
Average interest rate	3.29%						3.29%	
Denmark krone denominated	48	-	-	-	-	-	48	48
Average interest rate	6.00%						6.00%	
Euro denominated	4	-	-	-	-	-	4	4
Average interest rate	3.17%						3.17%	
Japanese yen denominated	79	-	-	-	-	-	79	79
Average interest rate	1.38%						1.38%	
	1,533	-	-	-	-	-	1,533	1,533
Current Portion of Long-term Debt:	3.28%						3.28%	

U.S. dollar denominated	327	-	-	-	-	-	327	327
Average interest rate	3.67%						3.67%	
Swiss franc denominated	48,759	-	-	-	-	-	48,759	49,008
Average interest rate	4.49%						4.49%	
Japanese yen denominated	22,260	-	-	-	-	-	22,260	22,368
Average interest rate	1.30%						1.30%	
	71,346	-	-	-	-	-	71,346	71,703
	3.49%						3.49%	
Long Term Debt:								
U.S. dollar denominated	-	315	7	-	-	-	322	322
Average interest rate		3.42%	3.44%				3.42%	
Swiss franc denominated	-	119,245	48,759	-	-	-	168,004	176,269
Average interest rate		4.77%	4.49%				4.69%	
Japanese yen denominated	-	122,463	-	-	-	-	122,463	122,463
Average interest rate		0.56%					0.56%	
Euro denominated	-	489,151	-	-	-	-	489,151	489,151
Average interest rate		5.75%					5.75%	
	-	731,174	48,766	-	-	-	779,940	788,205
		4.72%	4.49%				4.71%	
Foreign Exchange								
Forward Contracts:								
Forward sale, 9.2 million								
Australian dollars	7,181	-	-	-	-	-	224	224
Forward purchase, 13.3 million								
Canadian dollars	11,089	-	-	-	-	-	86	86
Forward sale, 2.6 billion								
Japanese yen	25,548	-	-	-	-	-	(133)	(133)
Forward sale, 19.9 million								
Mexican Pesos	1,785	-	-	-	-	-	21	21
Forward sale, 23.0 million								
Canadian dollars	19,100	-	-	-	-	-	(93)	(93)
Forward purchase, 150 million								
Japanese yen	1,405	-	-	-	-	-	59	59
							164	164
Interest Rate Swaps:								
Interest rate swaps - U.S. dollar, terminated 2/2001	(21)	-	-	-	-	-	(21)	(21)
Interest rate swaps - Japanese yen	-	-	-	-	-	122,463	(4,628)	(4,628)
Average interest rate						1.6%		
Interest rate swaps - Swiss francs	-	-	-	-	-	56,985	(7,317)	(7,317)
Average interest rate						4.2%		
Interest rate swaps - Euro	-	474,478	-	-	-	-	14,673	14,673
Average interest rate		3.6%						
Basis swap - Euro-U.S. Dollar	-	315,000	-	-	-	-	32,986	32,986
Average interest rate		3.9%						
							35,693	35,693
Commodity Swaps:								
Platinum Swap - U.S. dollar	1,524	-	-	-	-	-	18	18

Management's Report on Internal Control Over Financial Reporting

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

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

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2004. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control--Integrated Framework. Based on its assessment management concluded that, as of December 31, 2004, the Company's internal control over financial reporting was effective based on those criteria.

Management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2004 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm as stated in their report which is included herein.

/s/ Gerald K. Kunkle, Jr.

/s/William R. Jellison

Gerald K. Kunkle, Jr.
Vice Chairman and
Chief Executive Officer

William R. Jellison
Senior Vice President and
Chief Financial Officer

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
of DENTSPLY International Inc.:

We have completed an integrated audit of DENTSPLY International Inc.'s 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2004 and audits of its 2003 and 2002 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and financial statement schedule

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1), present fairly, in all material respects, the financial position of DENTSPLY International Inc. and its subsidiaries at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in "Management's Report on Internal Control Over Financial Reporting," appearing under Item 9A, that the Company maintained effective internal control over financial reporting as of December 31, 2004 based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control - Integrated Framework issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

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

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

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Philadelphia, PA
March 15, 2005

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31,
2004 2003 2002
(in thousands, except per share amounts)

Net sales (Note 4)	\$1,694,232	\$1,567,994	\$1,415,893
Cost of products sold	847,714	797,461	712,179
Gross profit	846,518	770,533	703,714
Selling, general and administrative expenses	544,264	498,850	456,994
Restructuring and other costs (income)	7,124	3,700	(2,732)
Operating income	295,130	267,983	249,452
Other income and expenses:			
Interest expense	25,098	26,079	29,242
Interest income	(5,469)	(1,874)	(1,853)
Other (income) expense, net (Note 5)	1,346	(7,418)	7,973
Income before income taxes	274,155	251,196	214,090
Provision for income taxes (Note 13)	63,869	81,343	70,449
Income from continuing operations	210,286	169,853	143,641
Income from discontinued operations, net of tax (Note 6)	42,879	4,330	4,311
Net income	\$ 253,165	\$ 174,183	\$ 147,952
Earnings per common share - basic (Note 2)			
Continuing operations	\$ 2.61	\$ 2.16	\$ 1.84
Discontinued operations	\$ 0.54	0.05	0.05
Total earnings per common share - basic	\$ 3.15	\$ 2.21	\$ 1.89
Earnings per common share - diluted (Note 2)			
Continuing operations	\$ 2.56	\$ 2.11	\$ 1.80
Discontinued operations	0.53	0.05	0.05
Total earnings per common share - diluted	\$ 3.09	\$ 2.16	\$ 1.85
Cash dividends declared per common share	\$ 0.21750	\$ 0.19700	\$ 0.18400
Weighted average common shares outstanding (Note 2):			
Basic	80,387	78,823	78,180
Diluted	82,014	80,647	79,994

<FN>
The accompanying notes are an integral part of these financial statements.
</FN>

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31,
2004 2003
(in thousands)

Assets		
Current Assets:		
Cash and cash equivalents	\$ 506,369	\$ 163,755
Accounts and notes receivable-trade, net (Note 1)	238,873	241,385
Inventories, net (Notes 1 and 7)	213,709	205,587
Prepaid expenses and other current assets (Notes 13 and 16)	97,458	88,463
Assets held for sale	--	28,262
Total Current Assets	1,056,409	727,452
Property, plant and equipment, net (Notes 1 and 8)	407,527	376,211
Identifiable intangible assets, net (Notes 1 and 9)	258,084	246,475
Goodwill, net (Notes 1 and 9)	996,262	963,264
Other noncurrent assets (Notes 13, 14 and 16)	79,863	114,736
Noncurrent assets held for sale	--	17,449
Total Assets	\$ 2,798,145	\$ 2,445,587
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 91,576	\$ 86,338
Accrued liabilities (Note 10)	179,765	172,684
Income taxes payable	60,387	66,614
Notes payable and current portion		
of long-term debt (Note 11)	72,879	21,973
Liabilities of discontinued operations	--	20,206
Total Current Liabilities	404,607	367,815
Long-term debt (Note 11)	779,940	790,202
Deferred income taxes	58,196	66,861
Other noncurrent liabilities (Note 14)	110,829	96,953
Noncurrent liabilities of discontinued operations	--	1,269
Total Liabilities	1,353,572	1,323,100
Minority interests in consolidated subsidiaries	600	418
Commitments and contingencies (Note 17)		
Stockholders' Equity:		
Preferred stock, \$.01 par value; .25 million shares authorized; no shares issued	--	--
Common stock, \$.01 par value; 200 million shares authorized; 81.4 million shares issued at December 31, 2004 and December 31, 2003	814	814
Capital in excess of par value	189,277	166,952
Retained earnings	1,126,262	889,601
Accumulated other comprehensive income	164,100	104,920
Unearned ESOP compensation	--	(380)
Treasury stock, at cost, 0.8 million shares at December 31, 2004 and 2.1 million shares at December 31, 2003	(36,480)	(39,838)
Total Stockholders' Equity	1,443,973	1,122,069
Total Liabilities and Stockholders' Equity	\$ 2,798,145	\$ 2,445,587

<FN>
The accompanying notes are an integral part of these financial statements.
</FN>

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (in thousands)	Unearned ESOP Compensation	Treasury Stock	Total Stockholders' Equity
Balance at December 31, 2001	\$ 814	\$ 152,916	\$ 597,414	\$ (77,388)	\$ (3,419)	\$ (60,818)	\$ 609,519
Comprehensive Income:							
Net income	-	-	147,952	-	-	-	147,952
Other comprehensive income (loss), net of tax:							
Foreign currency translation adjustment	-	-	-	88,739	-	-	88,739
Unrealized loss on available-for-sale securities	-	-	-	(4,854)	-	-	(4,854)

Net loss on derivative financial instruments	-	-	-	(4,670)	-	-	(4,670)
Minimum pension liability adjustment	-	-	-	(203)	-	-	(203)
Comprehensive Income							226,964
Exercise of stock options	-	715	-	-	-	8,338	9,053
Tax benefit from stock options exercised	-	3,320	-	-	-	-	3,320
Cash dividends (\$0.184 per share)	-	-	(14,395)	-	-	-	(14,395)
Decrease in unearned ESOP compensation	-	-	-	-	1,520	-	1,520
Fractional share payouts	-	(53)	-	-	-	-	(53)
Balance at December 31, 2002	814	156,898	730,971	1,624	(1,899)	(52,480)	835,928
Comprehensive Income:							
Net income	-	-	174,183	-	-	-	174,183
Other comprehensive income (loss), net of tax:							
Foreign currency translation adjustment	-	-	-	95,984	-	-	95,984
Unrealized gain on available-for-sale securities	-	-	-	5,005	-	-	5,005
Net gain on derivative financial instruments	-	-	-	2,430	-	-	2,430
Minimum pension liability adjustment	-	-	-	(123)	-	-	(123)
Comprehensive Income							277,479
Exercise of stock options	-	4,229	-	-	-	12,642	16,871
Tax benefit from stock options exercised	-	5,825	-	-	-	-	5,825
Cash dividends (\$0.197 per share)	-	-	(15,553)	-	-	-	(15,553)
Decrease in unearned ESOP compensation	-	-	-	-	1,519	-	1,519
Balance at December 31, 2003	814	166,952	889,601	104,920	(380)	(39,838)	1,122,069
Comprehensive Income:							
Net income	-	-	253,165	-	-	-	253,165
Other comprehensive income (loss), net of tax:							
Foreign currency translation adjustment	-	-	-	69,884	-	-	69,884
Unrealized gain on available-for-sale securities	-	-	-	191	-	-	191
Net loss on derivative financial instruments	-	-	-	(9,086)	-	-	(9,086)
Minimum pension liability adjustment	-	-	-	(1,809)	-	-	(1,809)
Comprehensive Income							312,345
Exercise of stock options	-	4,257	-	-	-	41,061	45,318
Tax benefit from stock options exercised	-	18,068	-	-	-	-	18,068
Treasury shares purchased	-	-	-	-	-	(37,703)	(37,703)
Cash dividends (\$0.2175 per share)	-	-	(16,504)	-	-	-	(16,504)
Decrease in unearned ESOP compensation	-	-	-	-	380	-	380
Balance at December 31, 2004	\$ 814	\$ 189,277	\$ 1,126,262	\$ 164,100	\$ -	\$ (36,480)	\$ 1,443,973

<FN>
The accompanying notes are an integral part of these financial statements.
</FN>

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2004	2003	2002
	(in thousands)		
Cash flows from operating activities:			
Net income from continuing operations	\$ 210,286	\$ 169,853	\$ 143,641
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	40,841	36,897	32,338
Amortization	8,455	8,764	9,014
Deferred income taxes	7,058	32,411	(8,435)
Restructuring and other (income) costs	7,124	3,700	(2,732)
Other non-cash costs (income)	(394)	(1,173)	9,281
Gain on sale of business	--	--	--
Loss on disposal of property, plant and equipment	958	459	1,703
Gain on sale of PracticeWorks securities	--	(5,806)	--
Non-cash ESOP compensation	380	1,519	1,520
Changes in operating assets and liabilities, net of acquisitions and divestitures:			
Accounts and notes receivable-trade, net	16,061	(4,899)	(13,030)
Inventories, net	4,103	15,197	(5,686)
Prepaid expenses and other current assets	(765)	4,894	(1,601)
Accounts payable	(1,386)	16,538	(7,698)
Accrued liabilities	5,756	(26,561)	(12,922)
Income taxes	27,584	(271)	20,425
Other, net	4,471	(657)	3,712
Cash flows (used in) provided by discontinued operating activities	(24,273)	7,127	3,453
Net cash provided by operating activities	306,259	257,992	172,983
Cash flows from investing activities:			
Acquisitions of businesses, net of cash acquired	(17,165)	(15,038)	(49,805)
Expenditures for identifiable intangible assets	(3,352)	(2,410)	(2,629)
Proceeds from bulk sale of precious metals inventory	--	--	6,754

Proceeds from sale of Gendex	102,500	--	--
Insurance proceeds received for fire-destroyed equipment	--	--	2,535
Redemption of PracticeWorks preferred stock	--	--	15,000
Proceeds from sale of PracticeWorks securities	--	23,506	--
Proceeds from sale of property, plant and equipment	1,788	2,959	1,777
Capital expenditures	(56,257)	(76,583)	(55,476)
Other	(1,756)	--	--
Cash flows used in discontinued operations' investing activities	(148)	(1,811)	(2,658)
Net cash provided by (used in) investing activities	25,610	(69,377)	(84,502)
Cash flows from financing activities:			
Proceeds from long-term borrowings, net of deferred financing costs	--	634	100,244
Payments on long-term borrowings	(22,151)	(70,738)	(190,589)
(Decrease) increase in short-term borrowings	624	(3,277)	(3,666)
Proceeds from exercise of stock options and warrants	45,318	16,871	9,053
Cash paid for treasury stock	(37,703)	--	--
Cash dividends paid	(15,823)	(14,999)	(14,358)
Realization of cross currency swap value	13,664	10,736	--
Fractional share payout	--	--	(53)
Net cash used in financing activities	(16,071)	(60,773)	(99,369)
Effect of exchange rate changes on cash and cash equivalents	26,816	10,261	2,830
Net increase (decrease) in cash and cash equivalents	342,614	138,103	(8,058)
Cash and cash equivalents at beginning of period	163,755	25,652	33,710
Cash and cash equivalents at end of period	\$ 506,369	\$ 163,755	\$ 25,652

<FN>
The accompanying notes are an integral part of these financial statements.
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DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2003	2002 (in thousands)	2001
Supplemental disclosures of cash flow information:			
Interest paid	\$ 24,836	\$ 25,796	\$ 25,545
Income taxes paid	44,952	57,733	55,913
Supplemental disclosures of non-cash transactions:			
Receipt of PracticeWorks common stock and stock warrants in exchange for convertible preferred stock	-	-	18,582

The company assumed liabilities in conjunction
with the following acquisitions:

	Date Acquired	Fair Value of Assets Acquired	Cash Paid for Assets or Capital Stock (in thousands)	Liabilities Assumed
Austenal, Inc.	January 2002	\$ 31,929	\$ 17,770	\$ 14,159

<FN>
The accompanying notes are an integral part of these financial statements.
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DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Description of Business

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

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

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. Intercompany accounts and transactions are eliminated in consolidation.

Use of Estimates

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

Cash and Cash Equivalents

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 both through a worldwide network of distributors and directly to end users. For customers on credit terms, the Company performs ongoing credit evaluation of those customers' financial condition and generally does not require collateral from them. The Company establishes allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Accounts and notes receivable-trade are stated net of these allowances which were \$17.2 million and \$16.3 million at December 31, 2004 and 2003, respectively. The Company recorded provisions for doubtful accounts, included in "Selling, general and administrative expenses", of approximately \$2.1 million, \$0.6 million and \$2.9 million for 2004, 2003 and 2002, respectively.

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

Inventories

Inventories are stated at the lower of cost or market. At December 31, 2004 and 2003, the cost of \$10.8 million, or 5%, and \$11.4 million, or 6%, respectively, of inventories was determined by the last-in, first-out ("LIFO") method. The cost of other inventories was determined by the first-in, first-out ("FIFO") or average cost methods. The Company establishes reserves for inventory estimated to be obsolete or unmarketable equal to the difference between the cost of inventory and estimated market value based upon assumptions about future demand and market conditions.

If the FIFO method had been used to determine the cost of LIFO inventories, the amounts at which net inventories are stated would be higher than reported at December 31, 2004 and December 31, 2003 by \$1.4 million and \$1.0 million, respectively.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Except for leasehold improvements, depreciation for financial reporting purposes is computed by the straight-line method over the following estimated useful lives: buildings - generally 40 years and machinery and equipment - 4 to 15 years. The cost of leasehold improvements is amortized over the shorter of the estimated useful life or the term of the lease. Maintenance and repairs are charged to operations; replacements and major improvements are capitalized. These assets are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable. Impairment is based upon an evaluation of the identifiable undiscounted cash flows. If impaired, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

Identifiable Finite-lived Intangible Assets

Identifiable finite-lived intangible assets, which primarily consist of patents, trademarks and licensing agreements, are amortized on a straight-line basis over their estimated useful lives, ranging from 5 to 40 years. These assets are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable. The Company closely monitors intangible assets related to new technology for indicators of impairment as these assets have more risk of becoming impaired. Impairment is based upon an evaluation of the identifiable undiscounted cash flows. If impaired, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

Goodwill and Indefinite-Lived Intangible Assets

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets". This statement requires that the amortization of goodwill and indefinite-lived intangible assets be discontinued and instead an annual impairment approach be applied. The Company performed the annual impairment tests of goodwill and indefinite-lived intangible assets during 2004, as required, and no impairment was identified. These impairment tests are based upon a fair value approach rather than an evaluation of the undiscounted cash flows. If impairment is identified under SFAS 142, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated value. If impairment is identified on indefinite-lived intangibles, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

Derivative Financial Instruments

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

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

Litigation

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

Foreign Currency Translation

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

Assets and liabilities of foreign subsidiaries are translated at exchange rates on the balance sheet date; revenue and expenses are translated at the average year-to-date rates of exchange. The effects of these translation adjustments are reported in stockholders' equity within "Accumulated other comprehensive income". During the years ended December 31, 2004, 2003 and 2002 the Company had translation gains of \$104.9 million, \$153.0 million and \$121.4 million, respectively, offset by losses of \$35.0 million, \$57.0 million and \$32.7 million, respectively, on its loans designated as hedges of net investments.

Exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved and translation adjustments in countries with highly inflationary economies are included in income. Exchange losses of \$1.2 million in 2004 and \$3.5 million in 2002 and exchange gains of \$0.3 million in 2003 are included in "Other expense (income), net".

Revenue Recognition

Revenue, net of related discounts and allowances, is recognized in accordance with shipping terms and as title and risk of loss pass to customers. Net sales include shipping and handling costs collected from customers in connection with the sale.

A significant portion of the Company's net sales is comprised of sales of precious metals generated through its precious metal alloy product offerings. The precious metals content of sales was \$212.3 million, \$203.7 million and \$185.5 million for 2004, 2003 and 2002, respectively.

Warranties

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

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Research and Development Costs

Research and development ("R&D") costs relate primarily to internal costs for salaries and direct overhead costs. In addition, the Company contracts with outside vendors to conduct R&D activities. All such R&D costs are charged to expense when incurred. The Company capitalizes the costs of equipment that have general R&D uses and expenses such equipment that is solely for specific R&D projects. The depreciation related to this capitalized equipment is included in the Company's R&D costs. R&D costs are included in "Selling, general and administrative expenses" and amounted to approximately \$44.6 million, \$43.3 million and \$39.9 million for 2004, 2003 and 2002, respectively.

Income Taxes

Income taxes are determined using the liability method of accounting for income taxes in accordance with Financial Statement of Accounting Standard No. 109, "Accounting for Income Taxes" ("SFAS 109"). Under SFAS 109, tax expense includes US and international income taxes plus the provision for US taxes on undistributed earnings of international subsidiaries not deemed to be permanently invested. Tax credits and other incentives reduce tax expense in the year the credits are claimed. Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes. Deferred tax assets are recognized if it is more likely than not that the assets will be realized in future years. The Company establishes a valuation allowance for deferred tax assets for which realization is not likely.

The Company accounts for income tax contingencies in accordance with the Statement of Financial Standards No. 5, "Accounting for Contingencies".

Earnings Per Share

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

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Stock Compensation

The Company has stock-based employee compensation plans which are described more fully in Note 13. The Company applies the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations in accounting for stock compensation plans. Under this method, no compensation expense is recognized for fixed stock option plans, provided that the exercise price is greater than or equal to the price of the stock at the date of grant. The following table illustrates the effect on

net income and earnings per share if the Company had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation", to stock-based employee compensation (see also discussion of SFAS 123R in New Accounting Pronouncements).

	Year Ended December 31,		
	2004	2003	2002
	(in thousands, except per share amounts)		
Net income as reported	\$ 253,165	\$ 174,183	\$ 147,952
Deduct: Stock-based employee compensation expense determined under fair value method, net of related tax	(11,668)	(11,062)	(9,576)
Pro forma net income	\$ 241,497	\$ 163,121	\$ 138,376
Basic earnings per common share			
As reported	\$ 3.15	\$ 2.21	\$ 1.89
Pro forma under fair value based method	\$ 3.00	\$ 2.07	\$ 1.77
Diluted earnings per common share			
As reported	\$ 3.09	\$ 2.16	\$ 1.85
Pro forma under fair value based method	\$ 2.95	\$ 2.02	\$ 1.73

Other Comprehensive Income (Loss)

Other comprehensive income (loss) includes foreign currency translation adjustments related to the Company's foreign subsidiaries, net of the related changes in certain financial instruments hedging these foreign currency investments. In addition, changes in the fair value of the Company's available-for-sale investment securities and certain derivative financial instruments and changes in its minimum pension liability are recorded in other comprehensive income (loss). These changes are recorded in other comprehensive income (loss) net of any related tax effects. For the years ended 2004, 2003 and 2002, these adjustments were net of tax benefits, primarily related to foreign currency translation adjustments, of \$32.0 million, \$29.1 million and \$32.9 million, respectively.

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

	December 31,	
	2004	2003
	(in thousands)	
Foreign currency translation adjustments	\$ 179,416	\$ 109,532
Net loss on derivative financial instruments	(12,639)	(3,553)
Unrealized gain (loss) on available-for-sale securities	342	151
Minimum pension liability	(3,019)	(1,210)
	\$ 164,100	\$ 104,920

The cumulative foreign currency translation adjustments included translation gains of \$297.9 million and \$193.0 million as of December 31, 2004 and 2003, respectively, offset by losses of \$118.5 million and \$83.5 million, respectively, on loans designated as hedges of net investments.

Reclassifications

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

New Accounting Pronouncements

In January 2004, the Financial Accounting Standards Board ("FASB") released FASB Staff Position ("FSP") No. 106-1, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", requires a company to consider current changes in applicable laws when measuring its postretirement benefit costs and accumulated postretirement benefit obligation. However, because of uncertainties of the effect of the provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") on plan sponsors and certain accounting issues raised by the Act, FSP 106-1 allows plan sponsors to elect a one-time deferral of the accounting for the Act. The Company elected the deferral provided by FSP 106-1 to analyze the impact of the Act on prescription drug coverage provided to a limited number of retirees from one of its business units. In May 2004, FASB released FSP 106-2 "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." This FSP provides final guidance on the accounting for the effects of the Act for employers that sponsor postretirement health care plans that provide prescription drug benefits. The FSP also requires those employers to provide certain disclosures regarding the effect of the federal subsidy provided by the Act. FSP 106-2 superceded FSP 106-1 when it became effective on July 1, 2004. The Company has not yet determined whether the benefits provided under its postretirement benefit plans are actuarially equivalent to Medicare Part D under The Act, and as a result, the Company's benefit obligations or its net periodic service cost do not reflect any amount associated with the subsidy. The Company does not expect this act will have a material impact on the Company's postretirement benefits liabilities or on its financial statements.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123R ("SFAS 123R"), "Share-Based Payment". This standard eliminates the guidance of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and amends FASB Statement No. 123, "Accounting for Stock Based Compensation" ("FAS 123"). The standard requires that all public companies report share-based compensation expense at the grant date fair value of the related share-based awards and no longer permits companies to account for options under the intrinsic value approach of APB 25. SFAS 123R is effective for interim and annual periods beginning after June 15, 2005. As the Company has accounted for stock option grants under the APB 25 in the past, this statement is expected to have a material impact on the Company's financial statements once effective (\$0.14 to \$0.16 per diluted share on an annualized basis). The Company is currently assessing its compensation programs, its option valuation techniques and assumptions, and the possible transition alternatives in order to determine the full impact of adopting this standard.

In November 2004, the FASB issued Statement of Financial Accounting Standards No 151, "Inventory Costs - An Amendment of ARB No. 43, Chapter 4". This statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing", to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Under ARB No. 43, in certain circumstances, items such as idle facility expense, excessive spoilage, double freight, and rehandling costs that were considered to be unusually abnormal were required to be treated as period charges. Under FASB No. 151, these charges are required to be treated as period charges regardless of whether they meet the criterion of unusually abnormal. Additionally, FASB No. 151 requires that allocation of fixed production overhead to the cost of conversion be based on the normal capacity of the production facilities. FASB No.

151 is effective for all fiscal years beginning after June 15, 2005. The Company does not expect the application of this standard to have a material impact on the Company's financial statements.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 153, "Exchanges of Nonmonetary Assets an amendment of APB Opinion No. 29". This statement amends Opinion 29 to eliminate the exceptions that allowed for other than fair value measurement when similar productive assets were exchanged, and replaced the exceptions with a general exception for exchanges of nonmonetary assets that do not have commercial substance. FASB Statement No 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not expect the application of this statement to have a material impact on the Company's financial statements.

NOTE 2 - EARNINGS PER COMMON SHARE

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

	Income From Continuing Operations	Income From Discontinued Operations	Net Income (in thousands, except per share amounts)	Shares	Earnings per common share		
					Continuing Operations	Discontinued Operations	Total
Year Ended December 31, 2004							
Basic	\$ 210,286	\$ 42,879	\$ 253,165	80,387	\$ 2.61	\$ 0.54	\$ 3.15
Incremental shares from assumed exercise of dilutive options	-	-	-	1,627			
Diluted	\$ 210,286	\$ 42,879	\$ 253,165	82,014	\$ 2.56	\$ 0.53	\$ 3.09
Year Ended December 31, 2003							
Basic	\$ 169,853	\$ 4,330	\$ 174,183	78,823	\$ 2.16	\$ 0.05	\$ 2.21
Incremental shares from assumed exercise of dilutive options	-	-	-	1,824			
Diluted	\$ 169,853	\$ 4,330	\$ 174,183	80,647	\$ 2.11	\$ 0.05	\$ 2.16
Year Ended December 31, 2002							
Basic	\$ 143,641	\$ 4,311	\$ 147,952	78,180	\$ 1.84	\$ 0.05	\$ 1.89
Incremental shares from assumed exercise of dilutive options	-	-	-	1,814			
Diluted	\$ 143,641	\$ 4,311	\$ 147,952	79,994	\$ 1.80	\$ 0.05	\$ 1.85

Options to purchase 1.0 million, 1.4 million and 0.1 million shares of common stock that were outstanding during the years ended 2004, 2003 and 2002, respectively, were not included in the computation of diluted earnings per share since the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

NOTE 3 - BUSINESS ACQUISITIONS AND DIVESTITURES

Acquisitions

The Company accounts for all acquisitions under the purchase method of accounting; accordingly, the results of the operations acquired are included in the accompanying financial statements for the periods subsequent to the respective dates of the acquisitions. The purchase prices are allocated on the basis of estimates of the fair values of assets acquired and liabilities assumed.

In January 2002, the Company acquired the partial denture business of Austenal Inc. ("Austenal") in a cash transaction valued at approximately \$17.8 million. Previously headquartered in Chicago, Illinois, Austenal manufactured dental laboratory products and was the world leader in the manufacture and sale of systems used by dental laboratories to fabricate partial dentures.

In March 2001, the Company acquired the dental injectible anesthetic assets of AstraZeneca ("AZ Assets"). The total purchase price of this transaction was composed of an initial \$96.5 million payment which was made at closing in March 2001 and a \$20 million contingency payment (including related accrued interest) associated with the first year sales of injectible dental anesthetic which was paid during the first quarter of 2002.

In a separate agreement, as amended, the Company acquired the know-how, patent and trademark rights to the non-injectible periodontal anesthetic product known as Oraqix(R) with a purchase price composed of the following: a \$2.0 million payment upon submission of a New Drug Application ("NDA") in the U.S. and a Marketing Authorization Application ("MAA") in Europe for the Oraqix(R) product under development; payments of \$6.0 million and \$2.0 million upon the approval of the NDA and MAA, respectively, for licensing rights; and a \$10.0 million prepaid royalty payment upon approval of both applications. The \$2.0 million payment related to the application filings was accrued and classified within the restructuring and other costs line item during the fourth quarter of 2001 and was paid during the first quarter of 2002. The MAA was approved in Sweden, the European Union member reference state, and the Company made the required \$2.0 million payment to AstraZeneca in the second quarter of 2003. The NDA application was approved in December 2003 and as a result the remaining payments of \$16.0 million became due and were accrued in 2003 and the payments were made in January 2004. These payments were capitalized and will be amortized over the term of the licensing agreements.

Divestitures

On February 27, 2004, the Company sold the assets and related liabilities of the Gendex business to Danaher Corporation for \$102.5 million cash, plus the assumption of certain pension liabilities. This transaction resulted in a pre-tax gain of \$72.9 million (\$43.0 million after-tax). Gendex is a manufacturer of dental x-ray equipment and accessories and intraoral cameras. The sale of Gendex narrows the Company's product lines to focus primarily on dental consumables.

NOTE 4 - SEGMENT AND GEOGRAPHIC INFORMATION

Segment Information

The Company follows Statement of Financial Accounting Standards No. 131 ("SFAS 131"), "Disclosures about Segments of an Enterprise and Related Information". SFAS 131 establishes standards for disclosing information about reportable segments in financial statements. The Company has numerous operating businesses covering a wide range of products and geographic regions, primarily serving the professional dental market. Professional dental products represented approximately 98% of sales in 2004, 2003 and 2002.

The operating businesses are combined into operating groups which have overlapping product offerings, geographical presence, customer bases, distribution channels, and regulatory oversight. These operating groups are considered the Company's reportable segments under SFAS 131 as the Company's chief operating decision-maker regularly reviews financial results at the operating group level and uses this information to manage the Company's operations. The accounting policies of the segments are consistent with those described for the consolidated financial statements in the summary of significant accounting policies (see Note 1). The Company measures segment income for reporting purposes as net operating profit before restructuring, interest and taxes. A description of the services provided within each of the Company's five reportable segments is provided below. The disclosure below reflects the Company's segment reporting structure through December 31, 2004. In January 2005, the Company reorganized its operating group structure consolidating into four operating groups. Segment information will be disclosed under this new structure beginning in the first quarter of 2005.

Dental Consumables - U.S. and Europe/Japan/Non-Dental

This business group includes responsibility for the design, manufacturing, sales, and distribution for certain small equipment and chairside consumable products in the U.S., Germany, Scandinavia, Iberia and Eastern Europe; the design and manufacture of certain chairside consumable and laboratory products in Japan, the sales and distribution of all Company products in Japan; and the Company's non-dental business.

Endodontics/Professional Division Dental Consumables/Asia

This business group includes the responsibility for the design and manufacturing for endodontic products in the U.S., Switzerland and Germany; certain small equipment and chairside consumable products in the U.S.; and laboratory products in China. The business is responsible for sales and distribution of all Company products throughout Asia, except Japan; all Company endodontic products in the U.S., Canada, Switzerland, Benelux, Scandinavia, and Eastern Europe, and certain endodontic products in Germany; and certain small equipment and chairside consumable products in the U.S.

Dental Consumables - United Kingdom, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business

This business group includes responsibility for the design and manufacture of dental laboratory products in Germany and the Netherlands and the sales and distribution of these products in Europe, Eastern Europe, Middle East, Africa and the CIS. The group also has responsibility for sales and distribution of the Company's other products in France, United Kingdom, Italy, Middle East, Africa and the CIS.

Australia/Canada/Latin America/U.S. Pharmaceutical

This business group includes responsibility for the design, manufacture, sales and distribution of dental anesthetics in the U.S. and Brazil; chairside consumable and laboratory products in Brazil. It also has responsibility for the sales and distribution of all Company products sold in Australia, Canada, Latin America and Mexico.

U.S. Dental Laboratory Business/Implants/Orthodontics

This business group includes the responsibility for the design, manufacture, sales and distribution for laboratory products in the U.S.

and the sales and distribution of U.S. manufactured laboratory products in certain international markets; the design, manufacture, world-wide sales and distribution of the Company's dental implant and bone generation products; and the world-wide sales and distribution of the Company's orthodontic products.

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

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Generally, the Company evaluates performance of segments based on the segments operating income and net third party sales excluding precious metal content.

The following table sets forth information about the Company's operating groups for 2004, 2003 and 2002.

Third Party Net Sales

	2004	2003	2002
	(in thousands)		
Dental Consumables - U.S. and Europe/ Japan/Non-dental	\$ 298,045	\$ 277,304	\$ 254,503
Endodontics/Professional Division Dental Consumables/Asia	412,885	384,706	358,226
Dental Consumables - UK, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business	499,728	453,632	375,317
Australia/Canada/Latin America/ U.S. Pharmaceutical	119,631	114,447	109,661
U.S. Dental Laboratory Business/ Implants/Orthodontics	343,199	317,160	297,705
All Other (a)	20,744	20,745	20,481
Total	\$1,694,232	\$1,567,994	\$1,415,893

Third Party Net Sales, excluding precious metal content

	2004	2003	2002
	(in thousands)		
Dental Consumables - U.S. and Europe/ Japan/Non-dental	\$ 284,584	\$ 264,648	\$ 242,117
Endodontics/Professional Division Dental Consumables/Asia	406,667	381,509	357,642
Dental Consumables - UK, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business	344,500	306,605	241,578
Australia/Canada/Latin America/ U.S. Pharmaceutical	118,643	113,262	108,454
U.S. Dental Laboratory Business/ Implants/Orthodontics	306,734	277,577	260,099
All Other (a)	20,744	20,745	20,481

Total excluding Precious Metal Content	1,481,872	1,364,346	1,230,371
Precious Metal Content	212,360	203,648	185,522
Total including Precious Metal Content	\$1,694,232	\$1,567,994	\$1,415,893

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Intersegment Net Sales

	2004	2003	2002
	(in thousands)		
Dental Consumables - U.S. and Europe/ Japan/Non-dental	\$ 229,090	\$ 207,284	\$ 190,520
Endodontics/Professional Division Dental Consumables/Asia	163,480	158,501	151,125
Dental Consumables - UK, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business	83,634	76,648	63,636
Australia/Canada/Latin America/ U.S. Pharmaceutical	35,046	33,276	37,923
U.S. Dental Laboratory Business/ Implants/Orthodontics	31,577	31,737	29,036
All Other (a)	158,537	158,377	153,842
Eliminations	(701,364)	(665,823)	(626,082)
Total	\$ --	\$ --	\$ --

Depreciation and Amortization

	2004	2003	2002
	(in thousands)		
Dental Consumables - U.S. and Europe/ Japan/Non-dental	\$ 9,467	\$ 6,719	\$ 6,869
Endodontics/Professional Division Dental Consumables/Asia	12,209	11,042	10,574
Dental Consumables - UK, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business	9,802	9,189	7,140
Australia/Canada/Latin America/ U.S. Pharmaceutical	2,899	1,715	1,259
U.S. Dental Laboratory Business/ Implants/Orthodontics	8,519	7,652	7,259
All Other (a)	6,400	9,344	8,251
Total	\$49,296	\$45,661	\$41,352

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Segment Operating Income

2004	2003	2002
(in thousands)		

Dental Consumables - U.S. and Europe/ Japan/Non-dental	\$ 87,114	\$ 82,378	\$ 70,941
Endodontics/Professional Division Dental Consumables/Asia	162,960	154,025	141,585
Dental Consumables - UK, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business	43,845	30,545	11,356
Australia/Canada/Latin America/ U.S. Pharmaceutical	15,567	12,031	14,758
U.S. Dental Laboratory Business/ Implants/Orthodontics	53,758	41,428	50,191
All Other (a)	(60,990)	(48,724)	(42,111)
Segment Operating Income	302,254	271,683	246,720
Reconciling Items:			
Restructuring and other costs	7,124	3,700	(2,732)
Interest Expense	25,098	26,079	29,242
Interest Income	(5,469)	(1,874)	(1,853)
Other (income) expense, net	1,346	(7,418)	7,973
Income before income taxes	\$ 274,155	\$ 251,196	\$ 214,090

Assets

	2004	2003 (in thousands)	2002
Dental Consumables - U.S. and Europe/ Japan/Non-dental	\$ 204,473	\$ 187,248	\$ 181,747
Endodontics/Professional Division Dental Consumables/Asia	1,229,456	1,215,723	1,189,961
Dental Consumables - UK, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business	632,554	590,208	517,067
Australia/Canada/Latin America/ U.S. Pharmaceutical	313,145	256,299	169,989
U.S. Dental Laboratory Business/ Implants/Orthodontics	279,589	311,782	310,258
All Other (a)	138,928	(115,673)	(281,989)
Total	\$2,798,145	\$ 2,445,587	\$ 2,087,033

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Capital Expenditures

	2004	2003	2002
	(in thousands)		
Dental Consumables - U.S. and Europe/ Japan/Non-dental	\$ 7,364	\$ 8,569	\$ 8,394
Endodontics/Professional Division Dental Consumables/Asia	9,532	8,517	12,550
Dental Consumables - UK, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business	5,242	5,075	9,624
Australia/Canada/Latin America/ U.S. Pharmaceutical	26,389	39,547	3,434
U.S. Dental Laboratory Business/ Implants/Orthodontics	4,594	5,265	8,870
All Other (a)	3,136	9,610	12,604
Total	\$56,257	\$76,583	\$55,476

(a) Includes: one operating division not managed by named segments, operating expenses of two distribution warehouses not managed by named segments, Corporate and inter-segment eliminations.

Geographic Information

The following table sets forth information about the Company's operations in different geographic areas for 2004, 2003 and 2002. Net sales reported below represent revenues for shipments made by operating businesses located in the country or territory identified, including export sales. Assets reported represent those held by the operating businesses located in the respective geographic areas.

	United States	Germany (in thousands)	Other Foreign	Consolidated
2004				
Net sales	\$ 727,875	\$ 436,047	\$ 530,310	\$ 1,694,232
Long-lived assets	204,807	125,897	136,511	467,215
2003				
Net sales	\$ 705,309	\$ 395,170	\$ 467,515	\$ 1,567,994
Long-lived assets	213,607	121,481	129,059	464,147
2002				
Net sales	\$ 684,553	\$ 324,069	\$ 407,271	\$ 1,415,893
Long-lived assets	178,978	100,707	114,099	393,784

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Product and Customer Information

The following table presents sales information by product category:

	Year Ended December 31,		
	2004	2003	2002
	(in thousands)		
Dental consumables	\$ 578,128	\$ 554,172	\$ 522,913
Dental laboratory products	559,278	521,079	472,471
Specialty dental products	520,001	459,193	387,520
Non-dental	36,825	33,550	32,989
	\$1,694,232	\$1,567,994	\$1,415,893

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

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

Specialty dental products are used for specific purposes within the dental office and laboratory settings. DENTSPLY's products in this category include endodontic (root canal) instruments and materials, dental implants, and orthodontic appliances and accessories.

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

No customers accounted for more than ten percent of consolidated net sales in 2004, 2003 and 2002. Third party export sales from the United States are less than ten percent of consolidated net sales.

NOTE 5 - OTHER (INCOME) EXPENSE

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

	Year Ended December 31,		

	2004	2003	2002
	(in thousands)		
Foreign exchange transaction (gains) losses	\$ 1,179	\$ (263)	\$3,481
(Gain) loss on PracticeWorks securities	--	(7,395)	2,598
Minority interests	223	(312)	364
Other	(56)	552	1,530
	\$ 1,346	\$ (7,418)	\$7,973

NOTE 6 - DISCONTINUED OPERATIONS

On February 27, 2004, the Company sold the assets and related liabilities of the Gendex business to Danaher Corporation for \$102.5 million cash, plus the assumption of certain pension liabilities. Although the sales agreement contained a provision for a post-closing adjustment to the purchase price based on changes in certain balance sheet accounts, no such adjustments were necessary. This transaction resulted in a pre-tax gain of \$72.9 million (\$43.0 million after-tax). Gendex is a manufacturer of dental x-ray equipment and accessories and intraoral cameras. The sale of Gendex narrows the Company's product lines to focus primarily on dental consumables.

During the first quarter of the year 2004, the Company discontinued the operations of the Company's dental needle business (see Note 9).

The Gendex business and the dental needle business are distinguishable as separate components of the Company in accordance with Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets". The Gendex business and the needle business were classified as held for sale at December 31, 2003 in accordance with SFAS 144. The statements of operations and related financial statement disclosures for all prior years have been restated to present the Gendex business and needle business as discontinued

operations separate from continuing operations.

Discontinued operations net revenue and income before income taxes for the periods presented were as follows:

	Year Ended December 31,		
	2004	2003	2002
	(in thousands)		
Net sales	\$17,519	\$106,313	\$96,142
Gain on sale of Gendex	72,943	--	--
Income before income taxes (including gain on sale in 2004)	72,803	7,329	6,893

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NOTE 7 - INVENTORIES

Inventories consist of the following:

	December 31,	
	2004	2003
	(in thousands)	
Finished goods	\$130,150	\$123,290
Work-in-process	42,427	41,997
Raw materials and supplies	41,132	40,300
	\$213,709	\$205,587

NOTE 8- PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	December 31,	
	2004	2003
	(in thousands)	
Assets, at cost:		
Land	\$ 47,355	\$ 40,553
Buildings and improvements	204,676	190,222
Machinery and equipment	331,409	295,354
Construction in progress	73,447	60,036
	656,887	586,165
Less: Accumulated depreciation	249,360	209,954
	\$407,527	\$376,211

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NOTE 9 - GOODWILL AND INTANGIBLE ASSETS

Effective January 1, 2002, the Company adopted Statement of Financial

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

The Company performed the required annual impairment tests of goodwill and indefinite-lived intangible assets in 2004 and no impairment was identified. This impairment assessment included an evaluation of 22 reporting units. In addition to minimum annual impairment tests, SFAS 142 also requires that impairment assessments be made more frequently if events or changes in circumstances indicate that the goodwill or indefinite-lived intangible assets might be impaired. As the Company learns of such changes in circumstances through periodic analysis of actual results or through the annual development of operating unit business plans in the fourth quarter of each year, for example, impairment assessments are performed as necessary.

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

	December 31,	
	2004	2003
	(in thousands)	
Goodwill	\$996,262	\$963,264
Indefinite-lived identifiable intangible assets:		
Trademarks	\$ 4,080	\$ 4,080
Licensing agreements	178,610	165,621
Finite-lived identifiable intangible assets	75,394	76,774
Total identifiable intangible assets	\$258,084	\$246,475

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

	December 31,	
	2004	2003
	(in thousands)	
Balance, beginning of the year	\$ 963,264	\$ 898,497
Acquisition activity	509	15,153
Changes to purchase price allocation	(9,446)	(28,381)
Reclassification to assets held for sale	--	(5,771)
Impairment charges (Note 15)	--	(360)
Effects of exchange rate changes	41,935	84,126
Balance, end of the year	\$ 996,262	\$ 963,264

The change in the net carrying value of goodwill in 2004 was primarily due to foreign currency translation adjustments, changes to the purchase price allocations of the Degussa Dental and Friadent acquisitions and a small acquisition. The purchase price allocation changes were primarily related to the reversal of preacquisition tax contingencies due to expiring statutes.

The increase in indefinite-lived licensing agreements was due to foreign currency translation adjustments. These intangible assets relate exclusively to the royalty-free licensing rights to AstraZeneca's dental products and trademarks, which are primarily denominated in Swiss francs. The change in finite-lived identifiable intangible assets was due primarily to amortization for the period, the purchase of new technology and foreign currency translation adjustments.

Goodwill by reportable segment is as follows:

	December 31,	
	2004	2003
	(in thousands)	
Dental Consumables - U.S. and Europe/ Japan/Non-dental	\$138,961	\$134,018
Endodontics/Professional Division Dental Consumables/Asia	185,099	184,277
Dental Consumables - UK, France, Italy, CIS, Middle East, Africa/European Dental Laboratory Business	375,811	352,900
Australia/Canada/Latin America/ U.S. Pharmaceutical	22,423	20,922
U.S. Dental Laboratory Business/ Implants/Orthodontics	270,523	267,702
All Other	3,445	3,445
Total	\$996,262	\$963,264

Finite-lived identifiable intangible assets consist of the following:

	December 31, 2004			December 31, 2003		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount (in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patents	\$ 56,330	\$(37,394)	\$ 18,936	\$ 55,142	\$(33,425)	\$21,717
Trademarks	36,782	(8,598)	28,184	34,936	(7,142)	27,794
Licensing agreements	31,960	(10,308)	21,652	30,858	(8,105)	22,753
Other	15,996	(9,374)	6,622	12,573	(8,063)	4,510
	\$ 141,068	\$(65,674)	\$ 75,394	\$ 133,509	\$(56,735)	\$76,774

Amortization expense for finite-lived identifiable intangible assets for 2004, 2003 and 2002 was \$8.5 million, \$8.8 million and \$9.0 million, respectively. The annual estimated amortization expense related to these intangible assets for each of the five succeeding fiscal years is \$7.8 million, \$7.0 million, \$6.2 million, \$5.8 million and \$5.6 million for 2005, 2006, 2007, 2008 and 2009, respectively.

NOTE 10 - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31,	
	2004	2003
	(in thousands)	
Payroll, commissions, bonuses, other		
cash compensation and employee benefits	\$ 57,738	\$ 56,892
General insurance	15,844	15,852
Sales and marketing programs	15,757	15,944
Restructuring and other costs (Note 15)	6,224	7,781
Accrued Oraqix payments	--	16,000
Warranty liabilities	3,681	3,629
Other	80,521	56,586
	\$179,765	\$172,684

A reconciliation of changes in the Company's warranty liability for 2004 is as follows:

	December 31,
	2004
	(in thousands)
Balance, beginning of the year	\$ 3,629
Accruals for warranties issued during the year	2,010
Accruals related to pre-existing warranties	(460)
Warranty settlements made during the year	(1,635)
Reclassification to liabilities of discontinued operations	--
Effects of exchange rate changes	137
Balance, end of the year	\$ 3,681

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NOTE 11 - FINANCING ARRANGEMENTS

Short-Term Borrowings

Short-term bank borrowings amounted to \$1.5 million and \$0.8 million at December 31, 2004 and 2003, respectively. The weighted average interest rates of these borrowings were 3.3% and 4.8% at December 31, 2004 and 2003, respectively. Unused lines of credit for short-term financing at December 31, 2004 and 2003 were \$52.5 million and \$84.9 million, respectively. Substantially all short-term borrowings were classified as long-term as of December 31, 2004 and 2003, reflecting the Company's intent and ability to refinance these obligations beyond one year and are included in the table below. The unused lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institution. Interest is charged on borrowings under these lines of credit at various rates, generally below prime or equivalent money rates.

Long-Term Borrowings

	December 31,	
	2004	2003
	(in thousands)	
\$250 million multi-currency revolving credit agreement expiring May 2006, Japanese yen 12.6 billion at 0.56%	\$ 122,463	\$ 116,659
\$125 million multi-currency revolving credit agreement expiring May 2005	-	-
Prudential Private Placement Notes, Swiss franc denominated, 84.4 million at 4.56% and 82.5 million at 4.42% maturing March 2007, 80.4 million at 4.96% maturing October 2006	216,762	198,722
ABN Private Placement Note, Japanese yen 6.2 billion at 1.39% maturing December 2005	20,285	38,646

Euro 350.0 million Eurobonds at 5.75% maturing December 2006	489,151	452,712
\$250 million commercial paper facility rated A/2-P/2 U.S. dollar borrowings	-	-
Other borrowings, various currencies and rates	2,625	4,599
	851,286	811,338
Less: Current portion (included in notes payable and current portion of long-term debt)	71,346	21,136
	\$ 779,940	\$ 790,202

The table below reflects the contractual maturity dates of the various borrowings at December 31, 2004 (in thousands). The individual borrowings under the revolving credit agreement are structured to mature on a quarterly basis but because the Company has the intent and ability to extend them until the expiration date of the agreement, these borrowings are considered contractually due in May 2006.

2005	\$ 71,346
2006	731,174
2007	48,766
2008	--
2009	--
2010 and beyond	--
	\$851,286

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The Company utilizes interest rate swaps to convert the variable rate Japanese yen-denominated debt under the revolving facility to fixed rate debt. In addition, swaps are used to convert the fixed rate Eurobond to variable rate financing. The Company's use of interest rate swaps is further described in "QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK" and in Note 16.

The Company has a \$375 million revolving credit agreement with participation from fifteen banks. The revolving credit agreements contain a number of covenants and financial ratios which it is required to satisfy. The most restrictive of these covenants pertain to asset dispositions, maintenance of certain levels of net worth, and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. Any breach of any such covenants or restrictions would result in a default under the existing borrowing documentation that would permit the lenders to declare all borrowings under such documentation to be immediately due and payable and, through cross default provisions, would entitle the Company's other lenders to accelerate their loans. At December 31, 2004, the Company was in compliance with these covenants. The Company pays a facility fee of 0.125 % annually on the amount of the commitment under the \$250 million five year facility ("facility B") and 0.125% annually under the \$125 million 364-day facility ("facility A"). Interest rates on amounts borrowed under the facility will depend on the maturity of the borrowing, the currency borrowed, the interest rate option selected, and the Company's long-term credit rating from Moody's and Standard and Poors.

The \$125 million facility A may be extended, subject to certain conditions, for additional periods of 364 days, which the Company intends to extend annually. The entire \$375 million revolving credit agreement has a usage fee of 0.125 % annually if utilization exceeds 50% of the total available facility.

The Company has complementary U.S. dollar and Euro multicurrency commercial paper facilities totaling \$250 million which have utilization, dealer, and annual appraisal fees which on average cost 0.11% annually. The \$125 million facility A acts as back-up credit to this commercial paper facility. The total available credit under the commercial paper

facilities and the facility A is \$125 million. There were no outstanding commercial paper obligations at December 31, 2004.

In March 2001, the Company issued Series A and B private placement notes to Prudential Capital Group totaling Swiss francs 166.9 million at an average rate of 4.49% with six year final maturities. The notes were issued to finance the acquisition of the AZ Assets. In October 2001, the Company issued a Series C private placement note to Prudential Capital Group for Swiss francs 80.4 million at a rate of 4.96% with a five year final maturity. The series A and B notes were also amended in October 2001 to increase the interest rate by 30 basis points, reflecting the Company's higher leverage. In December 2001, the Company issued a private placement note through ABN AMRO for Japanese yen 6.2 billion at a rate of 1.39% with a four year final maturity. The Series C note and the ABN note were issued to partially finance the Degussa Dental acquisition.

In December 2001, the Company issued 350 million Eurobonds with a coupon of 5.75%, maturing December 2006 at an effective yield of 5.89%. These bonds were issued to partially finance the Degussa Dental acquisition.

At December 31, 2004, the Company had total unused lines of credit, including lines available under its short-term arrangements, of \$307.0 million.

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NOTE 12 - STOCKHOLDERS' EQUITY

In December 2003, the Board of Directors authorized the repurchase of up to 1.0 million shares of common stock for the year ended December 31, 2004 on the open market, with authorization expiring at the end of the year. As a result of this program, the company repurchased 815,000 shares for a total cost of \$39.4 million. Of these shares purchased, 30,000, at a cost of \$1.7 million, will settle in 2005. No share repurchases were made during 2003 and 2002. In December 2004 the Board of Directors approved a stock repurchase program under which the Company may repurchase shares of stock in an amount to maintain up to 3,000,000 shares of treasury stock. As of December 31, 2004, the Company held 757,000 shares of treasury stock.

The Company has stock options outstanding under three stock option plans (1993 Plan, 1998 Plan and 2002 Plan). Further grants can only be made under the 2002 Plan. Under the 1993 and 1998 Plans, a committee appointed by the Board of Directors granted to key employees and directors of the Company options to purchase shares of common stock at an exercise price determined by such committee, but not less than the fair market value of the common stock on the date of grant. Options generally expire ten years after the date of grant under these plans and grants become exercisable over a period of three years after the date of grant at the rate of one-third per year, except that they become immediately exercisable upon death, disability or retirement.

The 2002 Plan authorized grants of 7.0 million shares of common stock, (plus any unexercised portion of canceled or terminated stock options granted under the DENTSPLY International Inc. 1993 and 1998 Stock Option Plans), subject to adjustment as follows: each January, if 7% of the outstanding common shares of the Company exceed 7.0 million, the excess becomes available for grant under the Plan. The 2002 Plan enables the Company to grant "incentive stock options" ("ISOs") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, to key employees of the Company, and "non-qualified stock options" ("NSOs") which do not constitute ISOs to key employees and non-employee directors of the Company. Grants of options to key employees are solely discretionary with the Board of Directors of the Company. 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. Such options are granted at exercise prices not less than the fair market value of the common stock on the grant date.

Future option grants may only be made under the 2002 Plan, which will include the unexercised portion of canceled or terminated options granted under the 1993 or 1998 Plans. The number of shares available for grant under the 2002 plan as of December 31, 2004 was 5,249,000 shares. Each non-employee director receives an automatic grant of NSOs to purchase 9,000 shares of common stock on the date he or she becomes a non-employee director and an additional 9,000 options on the third anniversary of the date of the non-employee director was last granted an option.

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The following is a summary of the status of the Plans as of December 31, 2004, 2003 and 2002 and changes during the years ending on those dates:

	Outstanding		Exercisable		Available for Grant Shares
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	
December 31, 2001	6,733,243	20.97	3,732,179	\$ 16.76	1,704,210
Authorized (Lapsed)	-				7,023,106
Granted	1,574,550	36.91			(1,574,550)
Exercised	(515,565)	17.33			-
Expired/Canceled	(100,639)	19.08			100,639
December 31, 2002	7,691,589	24.50	4,649,889	18.99	7,253,405
Authorized (Lapsed)	-				177,882
Granted	1,434,300	43.84			(1,434,300)
Exercised	(829,155)	19.30			-
Expired/Canceled	(119,277)	29.38			119,277
December 31, 2003	8,177,457	28.35	5,225,300	22.22	6,116,264
Authorized (Lapsed)	-				8,100
Granted	1,127,799	53.61			(1,127,799)
Exercised	(2,117,484)	21.03			-
Expired/Canceled	(252,817)	26.57			252,817
December 31, 2004	6,934,955	\$ 34.76	4,498,889	\$ 27.99	5,249,382

The following table summarizes information about stock options outstanding under the Plans at December 31, 2004:

Options Outstanding			Options Exercisable	
Number Outstanding at December 31	Weighted Average Remaining Contractual Life	Weighted Average Exercise	Number Exercisable at December 31	Weighted Average Exercise

Exercise Price Range	2004	(in years)	Price	2004	Price
\$10.01 - \$15.00	74,100	1.5	\$ 13.89	74,100	\$ 13.89
15.01 - 20.00	1,279,604	4.2	16.37	1,279,604	16.37
20.01 - 25.00	798,750	5.8	24.63	798,750	24.63
25.01 - 30.00	29,920	6.0	28.39	29,920	28.39
30.01 - 35.00	928,662	6.7	31.17	928,662	31.17
35.01 - 40.00	1,393,155	7.8	36.93	952,361	36.97
40.01 - 45.00	1,385,765	8.9	44.20	429,191	44.26
45.01 - 50.00	58,700	9.0	48.48	6,301	46.99
50.01 - 55.00	986,299	9.9	54.80	-	-
	6,934,955	7.2	\$ 34.76	4,498,889	\$ 27.99

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The Company uses the Black-Scholes option pricing model to value option awards. The per share weighted average fair value of stock options and the weighted average assumptions used to determine these values are as follows:

	Year Ended December 31,		
	2004	2003	2002
Per share fair value	\$ 13.46	\$ 14.85	\$ 12.69
Expected dividend yield	0.44%	0.48%	0.50%
Risk-free interest rate	3.56%	3.36%	3.35%
Expected volatility	20%	31%	34%
Expected life (years)	5.50	5.50	5.50

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 rollforward of the common shares and the treasury shares outstanding is as follows:

	Common Shares	Treasury Shares (in thousands)	Outstanding Shares
Balance at December 31, 2001	81,389	(3,509)	77,880
Exercise of stock options	--	519	519
Fractional share payouts	(1)	--	(1)
Balance at December 31, 2002	81,388	(2,990)	78,398
Exercise of stock options	--	853	853
Balance at December 31, 2003	81,388	(2,137)	79,251
Exercise of stock options	--	2,165	2,165
Repurchase of common stock at cost	--	(785)	(785)
Balance at December 31, 2004	81,388	(757)	80,631

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NOTE 13 - INCOME TAXES

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

Year Ended December 31,

	2004	2003	2002
		(in thousands)	
United States ("U.S.")	\$111,779	\$113,994	\$116,160
Foreign	162,376	137,202	97,930
	\$274,155	\$251,196	\$214,090

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

	Year Ended December 31,		
	2004	2003	2002
		(in thousands)	
Current:			
U.S. federal	\$20,706	\$28,693	\$ 47,627
U.S. state	197	1,941	2,520
Foreign	35,908	18,298	28,737
Total	56,811	48,932	78,884
Deferred:			
U.S. federal	2,556	12,077	(7,586)
U.S. state	479	2,466	(908)
Foreign	4,023	17,868	59
Total	7,058	32,411	(8,435)
	\$63,869	\$81,343	\$ 70,449

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

	Year Ended December 31,		
	2004	2003	2002
Statutory federal income tax rate	35.0 %	35.0 %	35.0 %
Effect of:			
State income taxes, net of federal benefit	0.2	1.1	0.5
Federal benefit of R&D credits	(1.5)	(0.2)	(0.2)
Foreign earnings at lower rates than US federal	(6.3)	(5.0)	(3.1)
Net benefit for audit resolutions	(2.0)	--	--
Federal benefit of extraterritorial income exclusion	(0.9)	(0.9)	(1.1)
Federal tax on unremitted earnings of certain foreign subsidiaries	1.0	2.5	--
Other	(2.2)	(0.1)	1.8
Effective income tax rate on continuing operations	23.3 %	32.4 %	32.9 %

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

	December 31, 2004		December 31, 2003	
	Current Asset (Liability)	Noncurrent Asset (Liability)	Current Asset (Liability)	Noncurrent Asset (Liability)
	(in thousands)			
Employee benefit accruals	\$ 2,722	\$ 10,230	\$ 2,225	\$ 9,053
Product warranty accruals	860	--	1,155	--
Insurance premium accruals	6,016	--	6,077	--
Commission and bonus accrual	(1,361)	--	1,526	--
Sales and marketing accrual	1,819	--	1,474	--
Restructuring and other cost accruals	636	738	2,947	2,824
Differences in financial reporting and tax basis for:				

Inventory	6,161	--	8,467	--
Property, plant and equipment	--	(35,872)	--	(34,793)
Identifiable intangible assets	--	(67,925)	--	(59,578)
Unrealized losses (gains) included in other comprehensive income	9,163	62,795	--	45,305
Miscellaneous Accruals	10,070	--	10,519	--
Other	2,401	10,426	3,884	8,455
Taxes on unremitted earnings of foreign subsidiaries	--	(18,379)	--	(15,620)
Discontinued Operations	25	(34)	1,883	4,293
Tax loss carryforwards in foreign jurisdictions	--	22,807	--	9,649
Valuation allowance for tax loss carryforwards	--	(22,807)	--	(9,649)
	\$ 38,512	\$(38,021)	\$ 40,157	\$(40,061)

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

	December 31,	
	2004	2003
	(in thousands)	
Prepaid expenses and other current assets	\$ 40,369	\$ 41,427
Income taxes payable	(1,857)	(1,270)
Other noncurrent assets	20,175	26,800
Deferred income taxes	(58,196)	(66,861)

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The Company's effective tax rate for 2004 was 23.3%. During 2004, the Company recorded a tax benefit of \$19.5 million primarily from the reversal of previously accrued taxes from the settlement of prior years' domestic and foreign tax audits, refunds of additional R&D credits and other adjustments. The impact of this benefit on the effective tax rate for 2004 was 7.1%.

The Company operates within multiple taxing jurisdictions and in the normal course of business is examined in various jurisdictions. Tax accruals related to the estimated outcome of these examinations are recorded in accordance with Statement of Financial Standards No. 5 "Accounting for Contingencies" ("SFAS 5"). The reversal of the accruals is recorded when examinations are completed, statutes of limitation close or tax laws change. A net benefit of \$5.5 million was recorded from the release of previously accrued taxes related to domestic and foreign examinations that were concluded in 2004, less current year tax accruals for existing examination risks.

Certain foreign subsidiaries of the Company have tax loss carryforwards of \$73.0 million at December 31, 2004, of which \$14.3 million expire through 2011 and \$58.7 million may be carried forward indefinitely. The tax benefit of these tax loss carryforwards has been fully offset by a valuation allowance at December 31, 2004, because it is uncertain whether the benefits will be realized in the future. The valuation allowance at December 31, 2004 and 2003 was \$22.8 million and \$9.6 million, respectively.

The Company has provided federal income taxes on certain undistributed earnings of its foreign subsidiaries that the Company anticipates will be repatriated. Deferred federal income taxes have not been provided on \$409 million of cumulative earnings of foreign subsidiaries that the Company has determined to be permanently reinvested. It is not practicable to estimate the amount of tax that might be payable on these permanently reinvested earnings.

On October 22, 2004, the American Jobs Creation Act of 2004 (the "AJCA") was signed into law. The AJCA enacted a provision that provides the Company with the opportunity to repatriate up to \$500 million of reinvested earnings and to claim a deduction equal to 85% of the repatriated amount. The Company did not elect the benefit of this

provision in 2004. The Company has not determined whether, and to what extent, an election will be made in 2005.

The pretax income from discontinued operations for the years ended December 31, 2004, 2003 and 2002 was \$72.8 million, \$7.3 million and \$6.9 million, respectively. The income tax expense related to discontinued operations for the years ended December 31, 2004, 2003 and 2002 was \$29.9 million, \$3.0 million and \$2.6 million, respectively.

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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 \$11.7 million in 2004, \$13.5 million in 2003 and \$11.5 million in 2002.

Defined Contribution Plans

The DENTSPLY Employee Stock Ownership Plan ("ESOP") is a non-contributory defined contribution plan that covers substantially all of the United States based non-union employees of the Company. Contributions to the ESOP were \$0.4 million for 2004, \$2.2 million for 2003 and \$2.2 million for 2002. 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 agreed to make additional cash contributions totaling at least \$0.6 million through 2003. Dividends received by the ESOP on allocated shares are either reinvested in participants' accounts or passed through to Plan participants, at the participant's election. Most ESOP shares were initially pledged as collateral for its debt. As the debt is repaid, shares were released from collateral and allocated to active employees based on the proportion of debt service paid in the year. At December 31, 2004, the ESOP held 5.8 million shares, all of which were allocated to plan participants as the ESOP debt was fully repaid in 2004. Unallocated shares 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 ESOP loan was extinguished on March 31, 2004. All future allocations will come from a combination of forfeited shares and shares acquired in the open market. The Company has targeted future ESOP allocations at 6% of pensionable earnings. The share allocation will be accounted at fair value at the point of allocation, each year-end, in accordance with SOP 93-6. The 2005 estimated annual expense, net of forfeitures, is estimated to be approximately \$4.5 million based on the current share price of \$54.00.

The Company sponsors an employee 401(k) savings plan for its United States workforce to which enrolled participants may contribute up to IRS defined limits.

Defined Benefit Plans

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

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

Postretirement Healthcare

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

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

	Pension Benefits		Other Postretirement Benefits	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	(in thousands)			
Reconciliation of Benefit Obligation				
Benefit obligation at beginning of year	\$ 122,567	\$ 103,711	\$ 12,200	\$ 10,735
Service cost	4,790	4,137	130	235
Interest cost	5,927	5,358	685	726
Participant contributions	1,583	1,185	705	570
Actuarial (gains) losses	11,688	(3,561)	61	1,165
Amendments	238	343	--	--
Divestitures	(924)	--	--	--
Effects of exchange rate changes	10,938	15,248	--	--
Benefits paid	(5,376)	(3,854)	(2,170)	(1,231)
Benefit obligation at end of year	\$ 151,431	\$ 122,567	\$ 11,611	\$ 12,200
Reconciliation of Plan Assets				
Fair value of plan assets at beginning of year	\$ 60,108	\$ 51,238	\$ --	\$ --
Actual return on assets	2,439	520	--	--
Effects of exchange rate changes	5,090	5,584	--	--
Employer contributions	7,149	5,435	1,465	661
Participant contributions	1,583	1,185	705	570
Benefits paid	(5,376)	(3,854)	(2,170)	(1,231)
Fair value of plan assets at end of year	\$ 70,993	\$ 60,108	\$ --	\$ --
Reconciliation of Funded Status				
Actuarial present value of projected benefit obligations	\$ 151,431	\$ 122,567	\$ 11,611	\$ 12,200
Plan assets at fair value	70,993	60,108	--	--
Funded status	(80,438)	(62,459)	(11,611)	(12,200)
Unrecognized transition obligation	1,336	1,495	--	--
Unrecognized prior service cost	865	795	(1,756)	(2,254)
Unrecognized net actuarial loss (gain)	20,371	6,043	3,736	3,743
Net amount recognized	\$ (57,866)	\$ (54,126)	\$ (9,631)	\$ (10,711)

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The amounts recognized in the accompanying Consolidated Balance Sheets are as follows:

	Pension Benefits		Other Postretirement Benefits	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	(in thousands)			
Other noncurrent assets	\$ 14,269	\$ 11,905	\$ --	\$ --
Other noncurrent liabilities	(77,076)	(67,854)	(9,631)	(10,711)
Accumulated other comprehensive loss	4,941	1,823	--	--
Net amount recognized	\$ (57,866)	\$ (54,126)	\$ (9,631)	\$ (10,711)

	December 31, 2004	December 31, 2003
	(in thousands)	
Accumulated benefit obligation	\$ 141,077	\$ 116,865
Increase in other comprehensive loss	3,118	61

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

	December 31, 2004	December 31, 2003
	(in thousands)	
Projected benefit obligation	\$99,910	\$79,531
Accumulated benefit obligation	89,566	81,172
Fair value of plan assets	18,885	14,243

Components of the net periodic benefit cost for the plans are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2004	2003	2002	2004	2003	2002
	(in thousands)					
Service cost	\$ 4,823	\$ 4,137	\$ 3,428	\$ 130	\$ 235	\$ 419
Interest cost	5,936	5,358	4,464	685	726	833
Expected return on plan assets	(3,474)	(3,018)	(2,706)	--	--	--
Net amortization and deferral	549	576	445	(430)	(265)	27
Net periodic benefit cost	\$ 7,834	\$ 7,053	\$ 5,631	\$ 385	\$ 696	\$1,279

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

	Pension Benefits			Other Postretirement Benefits		
	2004	2003	2002	2004	2003	2002
Discount rate	4.3%	5.0%	5.1%	6.0%	6.0%	6.8%
Rate of compensation increase	2.1%	3.0%	3.0%	n/a	n/a	n/a

Initial health care cost trend	n/a	n/a	n/a	9.5%	9.5%	10.0%
Ultimate health care cost trend	n/a	n/a	n/a	5.0%	5.0%	5.0%
Years until ultimate trend is reached	n/a	n/a	n/a	8.0	9.0	10.0

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

	Pension Benefits			Other Postretirement Benefits		
	2004	2003	2002	2004	2003	2002
Discount rate	5.0%	5.1%	5.4%	6.0%	6.8%	7.3%
Expected return on plan assets	5.6%	5.5%	5.0%	n/a	n/a	n/a
Rate of compensation increase	2.0%	3.0%	2.5%	n/a	n/a	n/a
Initial health care cost trend	n/a	n/a	n/a	9.5%	10.0%	7.0%
Ultimate health care cost trend	n/a	n/a	n/a	5.0%	5.0%	7.0%
Years until ultimate trend is reached	n/a	n/a	n/a	9.0	10.0	n/a
Measurement Date	12/31/2004	12/31/2003	12/31/2002	12/31/2004	12/31/2003	12/31/2002

Assumed health care cost trend rates have an impact on the amounts reported for postretirement benefits. A one percentage point change in assumed healthcare cost trend rates would have the following effects for the year ended December 31, 2004:

	Other Postretirement Benefits	
	1% Increase	1% Decrease
	(in thousands)	
Effect on total of service and interest cost components	\$ 91	\$ (57)
Effect on postretirement benefit obligation	950	(824)

Plan Assets:

The weighted average asset allocations of the plans at December 31, 2004 and 2003 by asset category are as follows:

	Target Allocation	December 31,	
		2004	2003
Equity	30%-65%	31%	51%
Debt	30%-65%	57%	47%
Real estate	0%-15%	6%	0%
Other	0%-15%	6%	2%
Total		100%	100%

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

Cash Flows:

The Company expects to contribute \$0.1 million to its U.S. defined benefit pension plans, \$1.2 million to its postretirement medical plans, and \$7.1 million to its other postretirement benefit plans in 2005.

Estimated Future Benefit Payments

	Pension Benefits	Other Postretirement Benefits
	-----	-----

	(in thousands)	
2005	\$ 6,022	\$ 1,175
2006	5,516	1,164
2007	6,233	1,141
2008	6,034	1,101
2009	6,703	1,040
2010-2014	40,426	4,864

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NOTE 15 - RESTRUCTURING AND OTHER COSTS (INCOME) AND OTHER CHARGES

Restructuring and Other Costs (Income)

Restructuring and other costs (income) consists of the following:

	Year Ended December 31,		
	2004	2003	2002
	(in thousands)		
Restructuring and other costs	\$ 7,144	\$ 4,497	\$ 1,669
Reversal of restructuring charges due to changes in estimates	(20)	(797)	(3,687)
Gain on insurance settlement associated with fire	--	--	(714)
Total restructuring and other costs (income)	\$ 7,124	\$ 3,700	\$ (2,732)

During the third and fourth quarters of 2004, the Company recorded restructuring and other costs of \$5.7 million. These costs were primarily related to the creation of a European Shared Services Center in Yverdon, Switzerland, which resulted in the identification of redundant personnel in the Company's European accounting functions. In addition, these costs related to the consolidation of certain sales/customer service and distribution facilities in Europe and Japan. The primary objective of these restructuring initiatives is to improve operational efficiencies and to reduce costs within the related businesses. Included in this charge were severance costs of \$4.8 million and lease/contract termination costs of \$0.9 million. The plans include the elimination of approximately 120 administrative and manufacturing positions primarily in Germany. These plans are expected to be complete by the first quarter of 2006. As of December 31, 2004, approximately 105 of these positions remained to be eliminated. The major components of these charges and the remaining outstanding balances at December 31, 2004 are as follows:

	2004 Provisions	Amounts Applied 2004	Balance December 31, 2004
	(in thousands)		
Severance	\$ 4,877	\$ (583)	\$4,294
Lease/contract terminations	881	--	881
Other restructuring costs	--	--	--
	\$ 5,758	\$ (583)	\$5,175

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During the fourth quarter of 2003, the Company recorded restructuring and other costs of \$4.5 million. These costs were primarily related to impairment charges recorded to certain investments in emerging technologies. The products related to these technologies were abandoned and therefore these assets were no longer viewed as being recoverable. In addition, certain costs were associated with the restructuring or consolidation of the Company's operations, primarily its U.S. laboratory businesses and the closure of its European central warehouse in Nijmegen, The Netherlands. Included in this charge were severance costs of \$0.9 million, lease/contract termination costs of \$0.6 million and intangible and other asset impairment charges of \$3.0 million. In addition, during 2004, the Company recorded charges of \$1.4 million for additional severance, lease termination and other restructuring costs incurred during the period related to these plans. These restructuring plans will result in the elimination of approximately 70 administrative and manufacturing positions primarily in the United States, 18 of which remain to be eliminated as of December 31, 2004. Certain of these positions will need to be replaced at the consolidated site and therefore the net reduction in positions is expected to be approximately 25. These plans are expected to be complete by March 31, 2005. The major components of these charges and the remaining outstanding balances at December 31, 2004 are as follows:

	2003 Provisions	Amounts Applied 2003	2004 Provisions	Amounts Applied 2004	Balance December 31, 2004
		(in thousands)			
Severance	\$ 908	\$ (49)	\$ 451	\$ (1,083)	\$227
Lease/contract terminations	562	(410)	13	(165)	--
Other restructuring costs	27	(27)	922	(852)	70
Intangible and other asset impairment charges	3,000	(3,000)	--	--	--
	\$ 4,497	\$ (3,486)	\$ 1,386	\$ (2,100)	\$297

During the second quarter of 2002, the Company recorded a charge of \$1.7 million for restructuring and other costs. The charge primarily related to the elimination of duplicative functions created as a result of combining the Company's Ceramed and U.S. Friadent divisions. Included in this charge were severance costs of \$0.6 million, lease/contract termination costs of \$0.9 million and \$0.2 million of impairment charges on fixed assets that were disposed of as a result of the restructuring plan. This restructuring plan resulted in the elimination of approximately 35 administrative and manufacturing positions in the United States and was substantially complete as of December 31, 2002.

As part of combining Austenal with the Company in 2002, \$4.4 million of liabilities were established through purchase accounting for the restructuring of the acquired company's operations, primarily in the United States and Germany. Included in this liability were severance costs of \$2.9 million, lease/contract termination costs of \$1.4 million and other restructuring costs of \$0.1 million. During 2003 and 2004, the Company reversed a total of \$1.3 million, which was recorded to goodwill, as a change in estimate as it determined the costs to complete the plan were lower than originally estimated. This restructuring plan included

the elimination of approximately 75 administrative and manufacturing positions in the United States and Germany. This plan was substantially complete at March 31, 2004.

The major components of the 2002 restructuring charges and the amounts recorded through purchase price accounting and the remaining outstanding balances at December 31, 2004 are as follows:

	2002 Provisions	Amounts Recorded Through Purchase Accounting	Amounts Applied 2002	Change in Estimate 2002 (in thousands)	Amounts Applied 2003	Change in Estimate Recorded Through Purchase Accounting 2003/2004	Amounts Applied 2004	Balance December 31, 2004
Severance	\$ 541	\$ 2,927	\$ (530)	\$ (164)	\$ (988)	\$ (878)	\$ (661)	\$247
Lease/contract terminations	895	1,437	(500)	120	(665)	(373)	(411)	503
Other restructuring costs	38	60	(60)	(36)	--	--	--	2
Fixed asset impairment charges	195	--	(195)	--	--	--	--	--
	\$1,669	\$ 4,424	\$ (1,285)	\$ (80)	\$ (1,653)	\$ (1,251)	\$ (1,072)	\$752

In the fourth quarter of 2001, the Company recorded a charge of \$12.3 million for restructuring and other costs. The charge included costs of \$6.0 million to restructure the Company's existing operations, primarily in Germany, Japan and Brazil, as a result of the integration with Degussa Dental. Included in this charge were severance costs of \$2.1 million, lease/contract termination costs of \$1.1 million and other restructuring costs of \$0.2 million. In addition, the Company recorded \$2.6 million of impairment charges on fixed assets that were disposed of as a result of the restructuring plan. The remaining charge of \$6.3 million involves impairment charges on intangible assets. During 2002 and 2003 the Company reversed a net total of \$1.0 million and \$0.8 million, respectively, as a change in estimate as it determined the costs to complete the plan were lower than originally estimated. This restructuring plan resulted in the elimination of approximately 160 administrative and manufacturing positions in Germany, Japan and Brazil. As part of these reorganization activities, some of these positions were replaced with lower-cost outsourced services. This plan was complete at December 31, 2003.

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In the first quarter of 2001, the Company recorded a charge of \$5.5 million related to reorganizing certain functions within Europe, Brazil and North America. The primary objectives of this reorganization were to consolidate duplicative functions and to improve efficiencies within these regions. Included in this charge were severance costs of \$3.1 million, lease/contract termination costs of \$0.6 million and other restructuring costs of \$0.8 million. In addition, the Company recorded \$1.0 million of impairment charges on fixed assets that will be disposed of as a result of the restructuring plan. This restructuring plan resulted in the elimination of approximately 310 administrative and manufacturing positions in Brazil and Germany. As part of these reorganization activities, some of these positions were replaced with lower-cost outsourced services. During the first quarter of 2002, this plan was completed and the remaining accrual balances of \$1.9 million were reversed as a change in estimate.

On January 25, 2001, the Company suffered a fire at its Maillefer facility in Switzerland. The fire caused severe damage to a building and to most of the equipment it contained. During the third quarter of 2002, the Company received insurance proceeds for settlement of the damages caused to the building. These proceeds resulted in the Company

recognizing a net gain on the damaged building of approximately \$0.7 million. The Company also received insurance proceeds on the destroyed equipment during the fourth quarter of 2001 and recorded the related disposal gains of \$5.8 million during that period.

During the fourth quarter 2003, the Company made the decision to discontinue the operations of its dental needle business. The business consists of one manufacturing location which ceased operations on March 31, 2004. As a result of this decision, the Company recorded a charge in the fourth quarter of 2003 of \$1.6 million as a reduction in income from discontinued operations. Included in this charge were severance costs of \$0.4 million, fixed asset impairment charges of \$0.5 million, \$0.4 million of impairment charges related to goodwill and other restructuring costs of \$0.3 million. In addition, during the year ended December 31, 2004, the Company recorded charges of \$0.5 million for additional severance, other restructuring costs and fixed asset impairment charges incurred during the period related to this closing. This plan resulted in the elimination of approximately 55 administrative and manufacturing positions in the United States. This plan was substantially complete at March 31, 2004. The major components of these charges are as follows:

	2003 Provisions	Amounts Applied 2003	2004 Provisions (in thousands)	Amounts Applied 2004	Balance December 31, 2004
Severance	\$ 405	\$ --	\$ 72	\$ (477)	\$--
Other restructuring costs	300	(300)	133	(133)	--
Fixed asset impairment charges	520	(520)	265	(265)	--
Goodwill impairment charges	360	(360)	--	--	--
	\$ 1,585	\$ (1,180)	\$ 470	\$ (875)	\$--

Other Charges

In the first and second quarters of 2003, the Company recorded charges and reserve reversals which represented corrections of errors from prior periods ("Charge and Reserve Errors"). Had the Charge and Reserve Errors been recorded in the proper periods, reported net income from continuing operations would have higher by \$1.3 million in 2003, lower by \$3.4 million in 2002, higher by \$1.2 million in 2001 and higher by \$0.8 million in 2000.

The Company performed an analysis of the Charge and Reserve Errors on both a qualitative and quantitative basis and concluded that the errors were not material to the results of operations and financial position of the Company for the years ended December 31, 2000, 2001, 2002 and 2003. Accordingly, prior period financial statements were not restated. (see Note 19 of the Consolidated Financial Statements included in the Company's Form 10-K for the period ended December 31, 2003).

NOTE 16 - FINANCIAL INSTRUMENTS AND DERIVATIVES

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. The Company believes the carrying amounts of cash and cash equivalents, accounts receivable (net of allowance for doubtful accounts), prepaid expenses and other current assets, accounts payable, accrued liabilities,

income taxes payable and notes payable approximate fair value due to the short-term nature of these instruments. The Company estimates the fair value of its total long-term debt was \$859.9 million versus its carrying value of \$851.3 million as of December 31, 2004. The fair value approximated the carrying value since much of the Company's debt is variable rate and reflects current market rates. The fixed rate Eurobonds are effectively converted to variable rate as a result of an interest rate swap and the interest rates on revolving debt and commercial paper are variable and therefore the fair value of these instruments approximates their carrying values. The Company has fixed rate Swiss franc and Japanese yen denominated notes with estimated fair values that differ from their carrying values. At December 31, 2004, the fair value of these instruments was \$245.7 million versus their carrying values of \$237.0 million. The fair values differ from the carrying values due to lower market interest rates at December 31, 2004 versus the rates at issuance of the notes.

Derivative Instruments and Hedging Activities

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

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

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

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

Cash Flow Hedges

The Company uses interest rate swaps to convert a portion of its variable rate debt to fixed rate debt. As of December 31, 2004, the Company has two groups of significant variable rate to fixed rate interest rate swaps. One of the groups of swaps was entered into in January 2000 and February 2001, has a notional amount totaling 180 million Swiss francs, and effectively converts the underlying variable interest rates on the debt to a fixed rate of 3.3% for a period of approximately four years. The other significant group of swaps entered into in February 2002, has notional amounts totaling 12.6 billion Japanese yen, and effectively converts the underlying variable interest rates to an average fixed rate of 1.6% for a term of ten years. As part of entering into the Japanese yen swaps in February 2002, the Company entered into reverse swap agreements with the same terms to offset 115 million of the 180 million of Swiss franc swaps. Additionally, in the

third quarter of 2003, the Company exchanged the remaining portion of the Swiss franc swaps, 65 million Swiss francs, for a forward-starting variable to fixed interest rate swap at a fixed rate of 4.2% for a term of seven years starting in March 2005.

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The Company selectively enters into commodity price swaps to effectively fix certain variable raw material costs. At December 31, 2004, the Company had swaps in place to purchase 1,800 troy ounces of platinum bullion for use in the production of its impression material products. The average fixed rate of this agreement is \$846.50 per troy ounce. The Company generally hedges up to 80% of its projected annual platinum needs related to these products.

The Company enters into forward exchange contracts to hedge the foreign currency exposure of its anticipated purchases of certain inventory from Japan. In addition, exchange contracts are used by certain of the Company's subsidiaries to hedge intercompany inventory purchases which are denominated in non-local currencies. The forward contracts that are used in these programs mature in twelve months or less. The Company generally hedges up to 80% of its anticipated purchases from the supplying locations.

As of December 31, 2004, \$0.2 million of deferred net gains on derivative instruments recorded in "Accumulated other comprehensive gain (loss)" are expected to be reclassified to current earnings during the next twelve months. This reclassification is primarily due to the sale of inventory that includes previously hedged purchases. The maximum term over which the Company is hedging exposures to variability of cash flows (for all forecasted transactions, excluding interest payments on variable-rate debt) is eighteen months. Overall, the derivatives designated as cash flow hedges are nearly 100% effective.

Fair Value Hedges

The Company uses interest rate swaps to convert a portion of its fixed rate debt to variable rate debt. In December 2001, the Company issued 350 million in Eurobonds at a fixed rate of 5.75% maturing in December 2006 to partially finance the Degussa Dental acquisition. Coincident with the issuance of the Eurobonds, the Company entered into two integrated transactions: (a) an interest rate swap agreement with notional amounts totaling Euro 350 million which converted the 5.75% fixed rate Euro-denominated financing to a variable rate (based on the London Interbank Borrowing Rate) Euro-denominated financing; and (b) a cross-currency basis swap which converted this variable rate Euro-denominated financing to variable rate U.S. dollar-denominated financing.

The Euro 350 million interest rate swap agreement was designated as a fair value hedge of the Euro 350 million in fixed rate debt pursuant to SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). In accordance with SFAS No. 133, the interest rate swap and underlying Eurobond have been marked-to-market via the income statement with no net impact to the income statement. As of December 31, 2004 and 2003, the accumulated fair value of the interest rate swap was \$14.7 million and \$14.1 million, respectively, and was recorded in Prepaid Expenses and Other Current Assets and Other Noncurrent Assets. The notional amount of the underlying Eurobond was increased by a corresponding amount at December 31, 2004 and 2003.

From inception through the first quarter of 2003, the cross-currency element of the integrated transaction was not designated as a hedge and changes in the fair value of the cross-currency element of the integrated

transaction were marked-to-market in the income statement, completely offsetting the impact of the change in exchange rates on the Eurobonds that were also recorded in the income statement. In the first quarter of 2003, the Company amended the cross-currency element of the integrated transaction to realize the \$ 51.8 million of accumulated value of the cross-currency swap. The amendment eliminated the final payment (at a fixed rate of \$.90) of \$315 million by the Company in exchange for the final payment of Euro 350 million by the counterparty in return for the counterparty paying the Company LIBOR plus 4.29% for the remaining term of the agreement or approximately \$14.0 million on an annual basis. Other cash flows associated with the cross-currency element of the integrated transaction, included the Company's obligation to pay on \$315 million LIBOR plus approximately 1.34% and the counterparty's obligation to pay on Euro 350 million LIBOR plus approximately 1.47%, remained unchanged by the amendment. Additionally, the cross-currency element of the integrated transaction continues to be marked-to-market. As of December 31, 2004 and 2003, the accumulated fair value of the cross-currency element of the integrated transaction was \$33.0 million and \$56.6 million, respectively, and was recorded in Prepaid Expenses and Other Current Assets and Other Noncurrent Assets.

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No gain or loss was recognized upon the amendment of the cross currency element of the integrated transaction, as the interest rate of LIBOR plus 4.29% was established to ensure that the fair value of the cash flow streams before and after amendment were equivalent. As a result of the amendment, the Company became economically exposed to the impact of exchange rates on the final principal payment on the Euro 350 million Eurobonds and designated the Euro 350 million Eurobonds as a hedge of net investment, on the date of the amendment and thus the impact of translation changes related to the final principal payment are recorded in accumulated other comprehensive income.

Hedges of Net Investments in Foreign Operations

The Company has numerous investments in foreign subsidiaries. The net assets of these subsidiaries are exposed to volatility in currency exchange rates. Currently, the Company uses non-derivative financial instruments, including foreign currency denominated debt held at the parent company level and long-term intercompany loans, for which settlement is not planned or anticipated in the foreseeable future and derivative financial instruments to hedge some of this exposure. Translation gains and losses related to the net assets of the foreign subsidiaries are offset by gains and losses in the non-derivative and derivative financial instruments designated as hedges of net investments.

At December 31, 2004 and 2003, the Company had Euro-denominated, Swiss franc-denominated, and Japanese yen-denominated debt (at the parent company level) to hedge the currency exposure related to a designated portion of the net assets of its European, Swiss, and Japanese subsidiaries. At December 31, 2004 and 2003, the accumulated translation gains on investments in foreign subsidiaries, primarily denominated in Euros, Swiss francs and Japanese yen, net of these debt hedges, were \$179.4 million and \$109.5 million, respectively, which was included in Accumulated Other Comprehensive income.

Other

As of December 31, 2004, the Company had recorded assets representing the fair value of derivative instruments of \$15.3 million in "Prepaid

expenses and other current assets" and \$32.7 million in "Other noncurrent assets" on the balance sheet and liabilities representing the fair value of derivative instruments of \$3.6 million in "Accrued liabilities" and \$8.4 million in "Other noncurrent liabilities".

In accordance with SFAS 52, "Foreign Currency Translation", the Company utilizes long-term intercompany loans to eliminate foreign currency transaction exposures of certain foreign subsidiaries. Net gains or losses related to these long-term intercompany loans, those for which settlement is not planned or anticipated in the foreseeable future, are included "Accumulated other comprehensive income (loss)".

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Leases

The Company leases automobiles and machinery and equipment and certain office, warehouse, and manufacturing facilities under non-cancelable operating leases. These leases generally require the Company to pay insurance, taxes and other expenses related to the leased property. Total rental expense for all operating leases was \$22.0 million for 2004, \$20.7 million for 2003, and \$17.4 million for 2002.

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

2005	\$ 18,725
2006	12,645
2007	6,788
2008	4,373
2009	3,051
2010 and thereafter	5,207
	\$ 50,789

Litigation

DENTSPLY and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company believes it is unlikely that pending litigation to which DENTSPLY is a party will 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 seeking an order for the Company to discontinue its practices. The trial in the government's case was held in April and May 2002. On August 14, 2003, the Judge entered a decision that the Company's tooth distribution practices do not violate the antitrust laws. The Department of Justice appealed this decision to the U.S. Third Circuit Court of Appeals. The Third Circuit Court issued its decision on February 22, 2005 and reversed the decision of the District Court. The effect of this decision, if it withstands any appeal challenge by the Company, will be the issuance of an injunction requiring DENTSPLY to discontinue its policy of not allowing its tooth dealers to take on new competitive teeth lines. This decision relates only to the distribution of artificial teeth sold in the

U.S., which affects less than 2.5% of the Company's sales. While the Company believes its tooth distribution practices do not violate the antitrust laws, we are confident that we can continue to develop this business regardless of the final legal outcome. The Company is currently evaluating its legal options as well as its marketing and sales strategies in light of the current court ruling.

Subsequent to the filing of the Department of Justice Complaint in 1999, several private party class actions were filed based on allegations similar to those in the Department of Justice case, on behalf of laboratories, and denture patients in seventeen states who purchased Trubyte teeth or products containing Trubyte teeth. These cases were transferred to the U.S. District Court in Wilmington, Delaware. The private party suits seek damages in an unspecified amount. The Court has granted the Company's Motion on the lack of standing of the laboratory and patient class actions to pursue damage claims. The Plaintiffs in the laboratory case have appealed this decision to the Third Circuit and briefs of the parties have been submitted. Also, private party class actions on behalf of indirect purchasers were filed in California and Florida state courts. The California and Florida cases have been dismissed by the Plaintiffs following the decision by the Federal District Court Judge issued in August 2003.

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On March 27, 2002, a Complaint was filed in Alameda County, California (which was transferred to Los Angeles County) by Bruce Glover, D.D.S. alleging, inter alia, breach of express and implied warranties, fraud, unfair trade practices and negligent misrepresentation in the Company's manufacture and sale of Advance(R) cement. The Complaint seeks damages in an unspecified amount for costs incurred in repairing dental work in which the Advance(R) product allegedly failed. The Judge has entered an Order granting class certification, as an Opt-in class (this means that after Notice of the class action is sent to possible class members, a party will have to determine they meet the class definition and take affirmative action in order to join the class) on the claims of breach of warranty and fraud. In general, the Class is defined as California dentists who purchased and used Advance(R) cement and were required, because of failures of the cement, to repair or reperform dental procedures. The Notice of the class action was sent on February 23, 2005 to dentists licensed to practice in California during the relevant period. The Advance(R) cement product was sold from 1994 through 2000 and total sales in the United States during that period were approximately \$5.2 million. The Company's insurance carrier has confirmed coverage for the breach of warranty claims in this matter.

On July 13, 2004, the Company was served with a Complaint filed by 3M Innovative Properties Company in the U.S. District Court for the Western District of Wisconsin, alleging that the Company's Aquasil(R) Ultra silicone impression material, introduced in late 2002, infringes a 3M patent. This case was settled in the first quarter of 2005, which was within the range of loss for which the Company had previously recorded accruals, and DENTSPLY obtained a paid up license under the 3M patent.

Other

The Company has no material non-cancelable purchase commitments.

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

approximately \$12.7 million at December 31, 2004.

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NOTE 18 - QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Dentsply International Inc.
Quarterly Financial Information (Unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
	(in thousands, except per share amounts)				
2004					
Net sales from continuing operations	\$ 414,359	\$ 424,408	\$ 389,965	\$ 465,500	\$ 1,694,232
Gross profit from continuing operations	203,892	212,056	198,516	232,054	846,518
Operating income from continuing operations	70,106	77,565	68,111	79,348	295,130
Net income from continuing operations	45,768	49,222	46,343	68,953	210,286
Net income from discontinued operations	43,064	(179)	340	(346)	42,879
Net income	\$ 88,832	\$ 49,043	\$ 46,683	\$ 68,607	\$ 253,165
Earnings per common share - basic					
Continuing operations	\$ 0.57	\$ 0.61	\$ 0.58	\$ 0.85	\$ 2.61
Discontinued operations	0.54	--	--	--	0.54
Total earnings per common share	\$ 1.11	\$ 0.61	\$ 0.58	\$ 0.85	\$ 3.15
Earnings per common share - diluted					
Continuing operations	\$ 0.56	\$ 0.60	\$ 0.57	\$ 0.83	\$ 2.56
Discontinued operations	0.53	--	--	--	0.53
Total earnings per common share	\$ 1.09	\$ 0.60	\$ 0.57	\$ 0.83	\$ 3.09
Cash dividends declared per common share	\$ 0.0525	\$ 0.0525	\$ 0.0525	\$ 0.0600	\$ 0.2175
2003					
Net sales from continuing operations	\$ 370,511	\$ 393,693	\$ 374,738	\$ 429,052	\$ 1,567,994
Gross profit from continuing operations	182,091	197,349	183,081	208,012	770,533
Operating income from continuing operations	60,524	69,840	63,781	73,838	267,983
Net income from continuing operations	37,439	43,450	40,287	48,677	169,853
Net income from discontinued operations	828	768	1,027	1,707	4,330
Net income	\$ 38,267	\$ 44,218	\$ 41,314	\$ 50,384	\$ 174,183
Earnings per common share - basic					
Continuing operations	\$ 0.48	\$ 0.55	\$ 0.51	\$ 0.62	\$ 2.16
Discontinued operations	0.01	0.01	0.01	0.02	0.05
Total earnings per common share	\$ 0.49	\$ 0.56	\$ 0.52	\$ 0.64	\$ 2.21
Earnings per common share - diluted					
Continuing operations	0.47	0.54	0.50	0.60	2.11
Discontinued operations	0.01	0.01	0.01	0.02	0.05
Total earnings per common share	\$ 0.48	\$ 0.55	\$ 0.51	\$ 0.62	\$ 2.16
Cash dividends declared per common share	\$ 0.0460	\$ 0.0460	\$ 0.0525	\$ 0.0525	\$ 0.1970

Sales excluding precious metal content were \$358.6 million, \$373.2 million, \$345.2 million and \$404.9 million, respectively, for the first, second, third and fourth quarters of 2004. Sales excluding precious metal content were \$316.6 million, \$347.7 million, \$328.4 million and \$371.6 million, respectively, for the first, second, third and fourth quarters of 2003. This measurement could be considered a non-GAAP measure as discussed further in Management's Discussion and Analysis of Financial Condition and Results of Operations.

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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, low and closing sale prices of the Company's common stock for the periods indicated as reported on the NASDAQ National Market:

	Market Range of Common Stock		Period-end Closing Price	Cash Dividend Declared
	High	Low		
2004				
First Quarter	\$ 45.44	\$ 41.75	\$ 44.33	\$0.05250
Second Quarter	52.26	44.09	52.10	0.05250
Third Quarter	52.91	46.30	51.94	0.05250
Fourth Quarter	56.84	50.02	56.20	0.06000
2003				
First Quarter	\$ 37.95	\$ 32.10	\$ 34.79	\$0.04600
Second Quarter	41.10	32.35	40.96	0.04600
Third Quarter	47.05	40.41	44.84	0.05250
Fourth Quarter	47.40	41.85	45.17	0.05250
2002				
First Quarter	\$ 37.93	\$ 31.60	\$ 37.06	\$0.04600
Second Quarter	40.95	35.25	36.91	0.04600
Third Quarter	43.50	31.25	40.17	0.04600
Fourth Quarter	43.10	31.89	37.20	0.04600

The Company estimates, based on information supplied by its transfer agent, that there are approximately 28,997 holders of common stock, including 491 holders of record.

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/ Gerald K. Kunkle, Jr.

 Gerald K. Kunkle, Jr.
 Vice 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 March 16, 2005

 John C. Miles II Date
 Chairman of the Board and a Director

/s/ Gerald K. Kunkle, Jr. March 16, 2005

 Gerald K. Kunkle, Jr. Date
 Vice Chairman of the Board and
 Chief Executive Officer and a Director
 (Principal Executive Officer)

/s/ William R. Jellison March 16, 2005

 William R. Jellison Date
 Senior Vice President and
 Chief Financial Officer
 (Principal Financial and Accounting Officer)

/s/ Dr. Michael C. Alfano

Dr. Michael C. Alfano
Director

March 16, 2005

Date

/s/ Eric K. Brandt

Eric K. Brandt
Director

March 16, 2005

Date

/s/ Paula H. Cholmondeley

Paula H. Cholmondeley
Director

March 16, 2005

Date

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/s/ Michael J. Coleman

Michael J. Coleman
Director

March 16, 2005

Date

/s/ William F. Hecht

William F. Hecht
Director

March 16, 2005

Date

/s/ Leslie A. Jones

Leslie A. Jones
Director

March 16, 2005

Date

/ /s/Edgar H. Schollmaier

Edgar H. Schollmaier
Director

March 16, 2005

Date

/s/ W. Keith Smith

W. Keith Smith
Director

March 16, 2005

Date

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AMENDMENT NO. 5 TO
FACILITY A 364-DAY COMPETITIVE ADVANCE,
REVOLVING CREDIT AND GUARANTY AGREEMENT

dated as of

May 21, 2004

among

DENTSPLY INTERNATIONAL INC., as Borrower,

THE GUARANTORS NAMED HEREIN,

THE BANKS NAMED HEREIN,

ABN AMRO BANK N.V., as Administrative Agent

and

CITIBANK, N.A., as Syndication
Agent

FLEET NATIONAL BANK,

HARRIS TRUST AND SAVINGS BANK,
and

WACHOVIA BANK, NATIONAL
ASSOCIATION,
as Co-Documentation Agents

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AMENDMENT NO. 5 TO FACILITY A
364-DAY COMPETITIVE ADVANCE, REVOLVING CREDIT AND GUARANTY
AGREEMENT

THIS AMENDMENT NO. 5 (this "Amendment") is dated as of May 21, 2004, and amends the Facility A 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement, dated as of May 25, 2001, by and among DENTSPLY INTERNATIONAL INC. (the "Borrower"), the Guarantors (as such term is defined therein) from time to time party thereto, the Banks (as such term is defined therein) from time to time party thereto, ABN AMRO BANK

N.V., as administrative agent (the "Agent"), and the other agents party thereto, as amended by Amendment No. 1 to Facility A 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of May 25, 2001, Amendment No. 2 to Facility A 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of August 30, 2001, Amendment No. 3 to Facility A 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of May 24, 2002, and Amendment No. 4 to Facility A 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of May 23, 2003 (the "Facility A Credit Agreement").

BACKGROUND

The parties hereto desire to amend the Facility A Credit Agreement to (i) permanently reduce the Total Commitment by \$125,000,000, as permitted by Section 2.12(a) of the Facility A Credit Agreement, (ii) extend the maturity date as permitted by Section 2.12(e) of the Facility A Credit Agreement, and (iii) amend certain other provisions of the Facility A Credit Agreement, as more fully set forth below.

OPERATIVE PROVISIONS

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

Article I Amendment

1.01. Defined Terms; References. Terms not otherwise defined in this Amendment (including in the Background section above) shall have the respective meanings ascribed to them in the Facility A Credit Agreement. Each reference to "hereof," "hereunder," "herein," and "hereby" and similar references contained in the Facility A Credit Agreement and each reference to "this Agreement" and similar references contained in the Facility A Credit Agreement shall, on and after the date hereof, refer to the Facility A Credit Agreement as amended hereby.

1.02. Maturity Date. The Maturity Date is hereby extended for an additional 364 days in accordance with Section 2.12(e) of the Facility A Credit Agreement and the definition of "Maturity Date" set forth in Section 1.01 of the Facility A Credit Agreement is hereby amended and restated in its entirety to read as follows:

"Maturity Date" shall mean May 20, 2005 or such other Maturity Date then in effect pursuant to Section 2.12(e).

1.03. Optional Conversion to Term Loan. As of the date hereof, Section 2.12 of the Facility A Credit Agreement shall be amended by inserting a new paragraph (f) immediately preceding Section 2.13 of the Facility A Credit Agreement to read as follows:

"(f) The Borrower may elect, by written notice received by the Administrative Agent no later than forty-five (45) days prior to the Maturity Date, to

convert all Revolving Credit Loans outstanding on the Maturity Date to a term loan of one year's duration with interest payable thereon, and rights of prepayment permitted with respect thereto, in the manner established hereby for Revolving Credit Loans and with principal amounts thereunder amortizing during such one (1) year term as the Borrower and the Required Banks shall agree (the "Term Loan"). Borrower agrees to pay to the Administrative Agent, for the pro rata benefit of each Bank, a non-refundable term loan fee (the "Term Loan Fee") equal to 0.25% per annum (computed on the basis of actual number of days elapsed in a year of 360 days) of the average daily aggregate outstanding principal amount of the Term Loan, which fee shall be payable quarterly in arrears following the Maturity Date on each June 30, September 30, December 31, March 31, and on the maturity date of the Term Loan (or any earlier date on which the Term Loan shall have been repaid in full). The Term Loan Fee shall commence to accrue on the Maturity Date and shall cease to accrue on the maturity date of the Term Loan or any earlier date on which the Term Loan shall have been repaid in full. Borrower hereby agrees to execute such amendments and modifications to the Fundamental Documents, prior to the Maturity Date, as the Administrative Agent shall reasonably request to evidence and govern the Term Loan."

1.04.Commitments. Schedule 2.01 of the Facility A Credit Agreement is hereby deleted in its entirety and is replaced with Schedule 2.01 hereto, which reflects the permanent reduction of the Total Commitment in the amount of \$125,000,000, and the Commitments existing immediately prior to the effectiveness of this Amendment, after giving effect to those assignments made by the Non-Extending Banks effective as of the date hereof (the "Pre-Amendment Commitments"), shall be modified in connection with this Amendment as set forth on Schedule 2.01 and effective as of the date upon which this Amendment becomes effective in accordance with Section 3.01 hereof and the Borrower, each Guarantor, and each Bank hereby consents and agrees thereto. Each Bank whose Pre-Amendment Commitment has been increased or decreased to produce its Commitment as set forth on Schedule 2.01 shall be deemed to have executed and delivered an Assignment and Acceptance effective as of the date hereof, either as an assignee or assignor, as applicable, and shall be bound by the terms thereof, and the Agent and the Borrower shall be deemed to have accepted each such Assignment and Acceptance. Each Bank shall promptly deliver the Note currently held by it to the Agent to be exchanged for a new Note reflecting its Commitment after giving effect to such permanent reduction and assignment. Promptly after the effective date hereof, Borrower shall issue and deliver to Agent such replacement Notes.

1.05.Fees. On or before 5:00 p.m. (New York City time) on May 21, 2004, and as a condition to the effectiveness of this Amendment, Borrower shall pay in immediately available funds to each Bank that executes this Amendment, an amount equal to one twentieth of one percent (0.05% or 5 basis points) of the amount of such Bank's Commitment as set forth on Schedule 2.01 hereto.

Article II
Representations and Warranties

As of the date hereof, each of the Borrower and each of the Guarantors, jointly and severally, represent and warrant to the Agent and each of the Banks as follows:

2.01. The execution and delivery by the Borrower and the Guarantors of this Amendment, the consummation by the Borrower and the Guarantors of the transactions contemplated by the Facility A Credit Agreement as amended hereby, and the performance by each of the Borrower and each Guarantor of its respective obligations hereunder and thereunder have been duly authorized by all necessary corporate proceedings on the part of the Borrower and each Guarantor. On the date of Borrower's execution hereof, there are no set-offs, claims, defenses, counterclaims, causes of action, or deductions of any nature against any of the Obligations.

2.02. This Amendment has been duly and validly executed and delivered by the Borrower and each Guarantor and constitutes, and the Facility A Credit Agreement as amended hereby constitutes, the legal, valid and binding obligations of the Borrower and each Guarantor enforceable in accordance with the terms hereof and thereof, except as the enforceability of this Amendment or the Facility A Credit Agreement as amended hereby may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies.

2.03. Neither the execution and delivery of this Amendment nor consummation of the transactions contemplated hereby or by the Facility A Credit Agreement as amended hereby nor compliance with the terms and provisions hereof or of the Facility A Credit Agreement as amended hereby, by the Borrower or any Guarantor (a) violates any Law, (b) conflicts with or results in a breach of or a default under the articles or certificate of incorporation or bylaws or similar organizational documents of the Borrower or any Guarantor or any material agreement or instrument to which the Borrower or any Guarantor is a party or by which the Borrower or any Guarantor or any of their respective properties (now owned or hereafter acquired) may be subject or bound, (c) requires any consent or approval of any Person or requires a mandatory prepayment or any other payment under the terms of any material agreement or instrument to which the Borrower or any Guarantor is a party or by which the Borrower or any Guarantor or any of their respective properties (now owned or hereafter acquired) may be subject or bound, (d) results in the creation or imposition of any Lien upon any property (now owned or hereafter acquired) of the Borrower or any Guarantor, or (e) requires any authorization, consent, approval, license, permit, exemption or other action by, or any registration, qualification, designation, declaration or filing with, any Governmental Authority.

2.04. After giving effect to this Amendment: (i) no Event of Default under and as defined in the Facility A Credit Agreement and, to the knowledge of the Borrower and the

Guarantors, no event which upon notice or lapse of time or both would constitute such an Event of Default has occurred and is continuing, (ii) no material adverse change in the business, assets, condition (financial or otherwise), or results of operations of the Borrower and its Consolidated Subsidiaries taken as a whole has occurred since December 31, 2003, and (iii) the representations and warranties of each of Borrower and each of the Guarantors contained in the Facility A Credit Agreement and the other Fundamental Documents are true and correct on and as of the date hereof with the same force and effect as though made on such date, except to the extent that any such representation or warranty expressly relates solely to a previous date.

Article III

Effect, Effectiveness, Consent of Guarantors

3.01. Effectiveness. This Amendment shall be effective upon (i) Borrower's payment and performance of all obligations in connection herewith, (ii) Agent's receipt from each of the Banks (other than the Non-Extending Banks), the Borrower, and the Guarantors of a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to Agent) that such party has signed a counterpart hereof, (iii) Agent's receipt of a certificate signed by the Secretary or Assistant Secretary of each Borrower and Guarantor certifying that the articles of incorporation, bylaws, resolutions, specimen signatures and incumbency of officers previously delivered by such Borrower or Guarantor to the Agent in connection with the Facility A Credit Agreement remain in effect and have not been amended and are effective to authorize such Person's execution, delivery, and performance of this Amendment, provided that, to the extent such articles of incorporation, bylaws, resolutions, or incumbency are no longer in effect or have been amended, such certificate shall certify as to the changes thereto, this Amendment shall be effective as of the date hereof, and (iv) an opinion of counsel with respect to the enforceability of, and the due authorization and capacity of the Borrower and each of the Guarantors to execute, deliver and perform, this Amendment.

3.02. Amendment. Upon the effectiveness hereof, the Facility A Credit Agreement is hereby amended in accordance with the terms hereof, and this Amendment and the Facility A Credit Agreement shall hereafter be one agreement and any reference to the Facility A Credit Agreement in any document, instrument, or agreement shall hereafter mean and include the Facility A Credit Agreement as amended hereby. In the event of irreconcilable inconsistency between the terms or provisions hereof and the terms or provisions of the Facility A Credit Agreement, the terms and provisions hereof shall control.

3.03. Joinder of Guarantors. Each of the Guarantors hereby joins in this Amendment to evidence its consent hereto, and each Guarantor hereby reaffirms its obligations set forth in the Facility A Credit Agreement, as hereby amended, and in each other Fundamental Document given by it in connection therewith.

Article IV
Miscellaneous

4.01. Facility A Credit Agreement. Except as specifically amended by the provisions hereof, the Facility A Credit Agreement and all other Fundamental Documents shall remain in full force and effect and are hereby ratified and confirmed by the parties hereto.

4.02. Counterparts, Telecopy Signatures. This Amendment may be signed in any number of counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument; and, delivery of executed signature pages hereof by telecopy transmission from one party to another shall constitute effective and binding execution and delivery respectively of this Amendment by such party.

4.03. Governing Law. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of New York without regard to its conflict of laws principles.

4.04. Expenses. Each of the Borrower and each of the Guarantors agree, jointly and severally, to reimburse the Agent for its reasonable out-of-pocket expenses arising in connection with the negotiation, preparation and execution of this Amendment, including the reasonable fees and expenses of Buchanan Ingersoll PC, counsel for the Agent.

4.05. Severability. If any provision of this Amendment, or the application thereof to any party hereto, shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions or applications of this Amendment which can be given effect without the invalid and unenforceable provision or application, and to this end the parties hereto agree that the provisions of this Amendment are and shall be severable.

4.06. Banks' Consent. Each Bank, by its execution hereof, hereby consents to this Amendment pursuant Section 10.02 of the Facility A Credit Agreement.

[SIGNATURE PAGES FOLLOW]

[SIGNATURE PAGE 1 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT FACILITY]

IN WITNESS WHEREOF, the parties hereto, have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

[BORROWER:]

DENTSPLY INTERNATIONAL INC., a
Delaware corporation

By:
Name:
Title:

[GUARANTORS:]

CERAMCO INC., a Delaware
corporation

By:
Name:
Title:

CERAMCO MANUFACTURING CO., a
Delaware corporation

By:
Name:
Title:

[SIGNATURE PAGE 2 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT
FACILITY]

G.A.C. INTERNATIONAL, INC., a
New York corporation

By:
Name:
Title:

RANSOM & RANDOLPH COMPANY, a
Delaware corporation

By:
Name:
Title:

TULSA DENTAL PRODUCTS INC., a
Delaware corporation

By:
Name:
Title:

AUSTENAL, INC., an Illinois
corporation

By:
Name:
Title:

[SIGNATURE PAGE 3 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT FACILITY]

DENTSPLY FINANCE CO., a Delaware corporation

By:
Name:
Title:

DENTSPLY RESEARCH & DEVELOPMENT CORP., a Delaware corporation

By:
Name:
Title:

[SIGNATURE PAGE 4 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT FACILITY]

[BANKS:]

ABN AMRO BANK N.V., individually and as Administrative Agent for the Banks

By:
Name:
Title:

By:
Name:
Title:

[SIGNATURE PAGE 5 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT FACILITY]

CITIBANK, N.A., individually and
as Syndication Agent for the
Banks

By:
Name:
Title:

[SIGNATURE PAGE 6 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT
FACILITY]

FLEET NATIONAL BANK,
individually and as
Co-Documentation Agent for the
Banks

By:
Name:
Title:

[SIGNATURE PAGE 7 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT
FACILITY]

HARRIS TRUST AND SAVINGS BANK,
individually and as
Co-Documentation Agent for the
Banks

By:
Name:
Title:

[SIGNATURE PAGE 8 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT

FACILITY]

WACHOVIA BANK, NATIONAL
ASSOCIATION, individually and as
Co-Documentation Agent for the
Banks

By:
Name:
Title:

[SIGNATURE PAGE 9 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT
FACILITY]

MANUFACTURERS AND TRADERS TRUST
COMPANY (successor in interest
to Allfirst Bank)

By:
Name:
Title:

[SIGNATURE PAGE 10 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT
FACILITY]

BANK OF TOKYO-MITSUBISHI TRUST
COMPANY

By:
Name:
Title:

[SIGNATURE PAGE 11 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT FACILITY]

DRESDNER BANK AG IN FRANKFURT AM
MAIN

By:
Name:
Title:

By:
Name:
Title:

[SIGNATURE PAGE 12 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT FACILITY]

JPMORGAN CHASE BANK

By:
Name:
Title:

[SIGNATURE PAGE 13 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT FACILITY]

NATIONAL CITY BANK

By:
Name:
Title:

SCHEDULE 2.01 - 7
[SIGNATURE PAGE 14 OF 14 TO AMENDMENT NO. 5 TO 364-DAY CREDIT
FACILITY]

UBS AG, CAYMAN ISLANDS BRANCH

By:
Name:
Title:

By:
Name:
Title:

DENTSPLY INTERNATIONAL INC
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
(Effective January 1, 1999 as amended)

Revision Date: December 10, 2002

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 ("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 the Plan credited to
Participants shall be in the form of unfunded recordkeeping entries
that shall be credited with earnings as specified in this plan.

ARTICLE II
DEFINITIONS

Capitalized terms which are not defined herein shall have the same
meaning as ascribed to them in the Company's Employee Stock Ownership
Plan ("ESOP"). Whenever the following initially capitalized words and
phrases are used in this Plan, they have the meanings specified below
unless the context clearly indicated 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 "Affiliates" shall mean any organization which is controlled by or under common control with DENTSPLY.
- 2.3 "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.
- 2.4 "Board" shall mean the Board of Directors of DENTSPLY, as constituted from time to time.
- 2.5 "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 of 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 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.

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

2.7 "Company" shall mean DENTSPLY and any of its Affiliates.

2.8 "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.

2.9 "Credited Service" shall have the same meaning as defined in the DENTSPLY Employee Stock Ownership Plan; however, Credited Service prior to January 1, 1992 shall be ignored for purposes of this Plan.

2.10 "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.

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

2.12 "Eligible Employee" shall mean a Vice President or General Manager employed by the Employer in the United States, any Corporate Officer and other positions of significant status, who have been designated by the Board of Directors to be eligible to participate in the plan.

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

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

2.15 "Plan Year" shall mean the calendar year.

2.16 "Plan" shall mean 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 for 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 limitations 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(1)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 Foreign Participants. In calculating the contribution for foreign Participants, any contribution shall be reduced by the value of pension benefits or allocations made for such Participant by the Company under other pension or retirement plans or benefit programs.
- 4.4 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, subject to the elections provided for in Section 5.2, shall commence as of the Participant's termination of employment for any reason.

5.2 Method of Payment.

- a. Distributions under this Plan of an account which is based on the interest election under Section 6.2 shall be paid in cash. A distribution of a Participant's vested account balance invested in DENTSPLY Common Stock shall be paid in such Common Stock.
- b. The Participant may elect to have his or her benefit distributed in annual installments for a period of up to five (5) years from the date of the first distribution, which shall be no later than one (1) year from the date of termination of employment. This election shall be made by submitting a completed Election of Payment Form to the Administrator. In the absence of a timely election, distribution shall be made in the form of a lump sum within thirty (30) days of the date of termination of employment.

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 of 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 distribution through installments 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.

a) 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 as quoted in The Wall Street Journal or any Government bond that replaces the 30-year bond and that has the longest duration up to 30 years (average yield for the month of January used for each Plan year). Each election must be 100% in either stock or interest. Once an election is made to invest in the Company common stock, that election with respect to such stock will be tracked on the basis of the number of shares allocated to such account and cannot be changed. With respect to future allocations, an election may be made to select the interest investment.

- b) In order to make a new election, 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, otherwise if no timely submission of an investment election is made, 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.
- c) Earnings will be credited for whole years only, except of 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 of Control, as defined in 2.4, the method of crediting earnings may not be modified or amended.
- d) The determination of the Company common stock share price for purposes of annual allocations shall be made as of December 31 for allocations to be made for that year. For accounts which are based on investment in Company stock, dividends for a year shall be allocated in the form of Company stock and shall be based on the beginning of the year balance of shares in the account and the dividends paid during the year for such shares. Dividend allocations shall be made at the same time as allocations of other contributions.

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 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 advise 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 administrating 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 attorney's 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 of Control) after the occurrences 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 that decision was based.

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 of cash or in kind as of the date of the Supplement 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, not 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 Employee 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 of 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 payment 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 the 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 of 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 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 apply, and references to the male gender shall be construed as applicable to the female gender where applicable, and vice versa.

Summary of 2004 Incentive Compensation Plan

At the end of 2003, the Human Resources Committee of the Board of Directors adopted the Year 2004 Incentive Compensation Plan (the "Plan"). The Plan established target award opportunities ranging from 23% of base salary for key employees to 80% of base salary for the Chief Executive Officer. The bonuses were earned based on the achievement of certain financial targets, which are established based on the individual participant's position. For the Chief Executive Officer and the Chief Operating Officer the bonus awards for 100% of targeted performance were set at 80% and 65%, respectively, of their base salaries. For the Senior Vice Presidents and the General Counsel the bonus awards for 100% of targeted performance were set at 55% and 50%, respectively, of their base salaries. Messrs. Kunkle, Whiting, Clark, Jellison, Lehner, Mosch, Roos, Wise and Addison received bonus awards for 2004 of 88.7%, 72.1%, 59.0%, 37.2%, 73.0%, 38.4%, 64.2%, 61.0%, and 55.4%, respectively.

Rental Contract

Between

Hesta Beteiligungsgesellschaft mbH,
Schutzenstrasse 18, 78315 Radolfzell,

- as landlord -

represented by General Manager Mr Arnold Kannenberg

and

Dentsply DeTrey GmbH, De-Trey-Strasse 1, 78467 Konstanz

- as tenant -

represented by Mr. Claus-Peter Jesch / Vice President and General Manager
and Mr. Antony Gerrit van Essen / Director Operations

the following rental contract for commercial space will be entered into

ss. 1 Rental Property

1. The landlord rents to the tenant the rooms and surfaces described in the following, located at Schutzenstrasse 50 / Guttingerstrasse 35, 78315 Radolfzell, for the purpose of operating a logistics and merchandise handling centre comprising warehouse, surfaces for offices and handling processes, in accordance with the coloured maps in Attachment 1:
approx. 603 m(2) ramp surface, approx. 2167 m(2) high bay warehouse,
approx. 5.698 m(2) consignment surface, approx . 379 m(2) office surface, approx. 673 m(2) secondary surface and 220 m2 reservespace.

Parking spaces, of which construction law states that evidence be submitted, (according to pre-draft approx. 18 parking spaces) will be made available by the landlord according to the traffic plan.

The tenant receives the rental property in the following constructional status according to status description (Attachment 2) :
[detailed description.....]

Further renovation of the object for contractually stipulated use is responsibility of the tenant. The landlord approves the measures, provided no manipulation of the building substance takes place. The renovation consists mainly of expansion of the sprinkler installation for shelves.

The landlord guarantees that the rental property is suitable to meet the requirements to fulfil the contractually intended purpose in both constructional and legal aspects, at the point of contract begin, in terms of type, situation, quality and condition.

The tenant must apply for and ensure, at own cost, the availability of any necessary permits, concessions, approvals and other papers, as far as these stand in connection with his person or employer.

2. Included in the rental property are the additional objects contained in the enclosed inventory list, Attachment 3.
3. The following keys will be handed over to the tenant upon contract begin: [.....].

ss. 2 Duration of Contract

1. Rental is expected to begin on 01.01.2004 and end on 31.12.2008.
2. The tenant is entitled to demand in written form a five-year extension (option) of the rental contract, of which the landlord must be in receipt at least 12 months prior to termination of the rental contract. Within this period of time, the tenant is entitled to give notice of contract with 12 months notice to the end of each year.
3. If the tenant makes use of his right to option, the contract is extended by one year at a time following expiry of the contract period including the option period, that is, following 10 years since contract begin, unless a contracting party objects to the extension in writing with 12 months notice .

Investments made by the landlord to the benefit of the tenant will be compensated upon termination of the contract according to the agreed terms of ss. 15 subsection 3.

After termination of the rental contract, an implied extension of contract according to ss. 568 BGB (civil code) will not be considered.

ss. 3 Revocation/Exceptional Notice

The parties are aware that the permits under public law for the legal generation of the rental property have not yet been issued. The landlord is entitled to revoke the agreement or give notice if the required permits are not issued. The tenant is not entitled to submit a damage claim in such case. Revocation or submission of notice must take place in writing, without time limit. The landlord may give immediate notice with immediate effect for important reasons, especially in the case of continued use of the rental property in violation of the contract despite a warning or repeated violation of the contract, insolvency of the tenant or insolvency proceedings having commenced with reference to the assets of the tenant.

ss. 4 Rent and Operating Expenses

1. The annual basic rent amounts to (euro)500 000.00,
at contract begin the monthly rent amounts to :

a) basic rent	41 666.50	EURO
b) advance payment for operating expenses	EURO 1,00/m(2) x 9742 m(2)	=
	9742.00	EURO
c) current valid turnover tax on a) and b)	currently 16%	EURO
Total:		EURO

2. By mutual agreement, the rented useful floor space has been established to be approx. 9742m(2) for calculation purposes. The useful floor space is the sum of the secondary useful surfaces and the primary usable floor space according to DIN 277 with reference to the architects plans. Deviations of up to 5 % from the actual useful floor space are acceptable. The entire usable floor space of the building has provisionally been established to be approx. 42790 m(2) gross. The useful floor space of the rental property thus initially corresponds to 21.99 % of the useful floor space of the entire building. The tenant is aware that within the process of converting the function of the building the proportion of the surfaces of the rental property to the entire property has not been finally established. The required adaptation of the proportion will be undertaken by the landlord according to his fair judgement.
3. The tenant also carries the operating costs acc. to Attachment 3 of ss.

27 subsection 1 of the Second Computation Ordinance in the currently valid version (enclosure in Attachment 4) , insofar as they are allocable to the tenant. Payments made by the landlord may be factored into the determination of operating and administrative expenses and costs for special services in the amount of the costs saved for comparable services performed by Third Parties, but without accounting for turnover tax. For the duration of the rental contract the landlord is entitled to transfer newly incurred operating costs, taxes and fees to the tenant, as far as this point was subjected to true assessment by the contracting parties at contract begin.

4. In as far as it is possible to be invoiced directly by energy or service suppliers, the tenant is obliged to do so.
5. The following cost assessment formula applies:
 - a) Recording of consumption/use according to consumption
 - b) For overlapping areas, recording of consumption/use according to use and, for example, useful surface area.
 - c) According to useful surface area for all other.

The landlord may change the cost assessment formula acc. to his own fair judgement, provided this is justifiably in his interest and mutually agreed.

6. The tenant transfers monthly advance payments for operating expenses, which are balanced annually by the landlord.. The landlord can alter payment intervals if justified by practical considerations. The tenant receives annually a specified record of expenses.
7. Each party to the contract may, following balancing of annual accounts, demand reasonable adjustment to the sum of the advance payment of operating expenses, in writing

ss. 5 Change in Basic Rent

1. As a precautionary measure, the landlord declares his obligation to obtain a negative attestation from the Bundesamt fur Wirtschaft („Federal Department of Economy“) (Address: Bundesamt fur Wirtschaft, Ref. III 6, Frankfurterstrasse 29/31, 65760 Eschborn.) The parties agree that each contracting party may demand adjustment of the amount of basic rent, if the official cost of living index issued by the Federal Bureau of Statistics, , based on 100 from the year 1995, changes by at least 5 points compared to the index applying at the time of signing of the contract, or compared to a previous increase. The change is determined according to rental rates applying to comparable objects rented for the first time in similar locations (adjustment clause). Insofar as no other agreement has been made, the change in basic rent applies in the month following the demand for adjustment.. Should an agreement between the parties not be forthcoming within a month, an official appraiser, publicly appointed and sworn in by the responsible chamber of commerce, will determine the amount of the new basic rent upon application submitted by one of the contracting parties. The costs of the appraiser will be born equally by both parties.

ss. 6 Security Deposit

1. The tenant is obliged to pay to the landlord, to cover all claims made by the landlord in connection with the rental agreement, a security in form of directly liable, irrevocable, unlimited and unconditional guarantee drawn on a major bank or public savings institute at the value of half the annual basic rent, that is 250.000 EURO. Upon increase of the

basic rent, the security deposit will be increased if so demanded by the landlord. .

2. The tenant must hand over the written commitment to a bank guarantee to the landlord prior to surrender of the rental property. Should this commitment not be forthcoming in spite of warning, the landlord is entitled to revoke the rental contract or give immediate notice.
3. The landlord is entitled to make use of the security deposit during the rental period even if the tenant has objected to the claim by the landlord. The landlord can require the tenant to replenish the depleted security deposit to meet the sum agreed on in the contract.

ss.7 Rental Payment and Extra Charges

1. The rent including operating costs is payable to the landlord monthly in advance, without charges, on the third working day of the month, as follows.
Recipient:
Account No.:.....
Credit Institute:.....
Bank Code No:
2. Upon request by the landlord, the tenant is obligated to effect payment by automatic deduction by the credit institute. By repeated delay in payment the tenant may not derive entitlement to delayed payment.

ss. 8 Reduction, Set-Off, Right of Retention

1. The tenant can only effect set-off or reduction or retention by means of a counter-claim to the claims by the landlord based on this contract, on the condition that his counter-claim is undisputed, legally valid or ripe for judgement. Set-off, reduction or exercising of right to retention are only admissible if the tenant has notified the landlord in writing of his intention at least one month prior to due date of rent.
2. A set-off, reduction or retention of the advance payment of operating expenses by the tenant is not admissible.

ss. 9 Interior Redecoration, Minor Repairs and Maintenance

1. Interior redecoration is undertaken by the tenant during the rental period. This comprises expert painting of walls and ceilings, heating elements, panelling, windows, inner and outer doors. Interior redecoration is to be carried out as soon as the degree of wear and tear warrants such action. The tenant is further obligated to ensure, when necessary, expert treatment of the present flooring including bordering, and renewal if necessary.
2. The tenant bears the costs for minor maintenance and repair work on and within the rented property up to a sum of 5 % of the net monthly rent for single measures and limited to an annual maximum of (euro) 10 000.00. Necessary maintenance measures are carried out by the tenant and the costs carried by him.

ss. 10 Constructional Alterations

1. Constructional alterations effected by the tenant must be approved by

the landlord. Action taken without this approval must be retracted immediately upon request by the landlord, by the tenant at the tenants' costs whereby the building must be restored to its original state. . Following warning with no reaction within a reasonable period of time, the landlord is entitled to take action at the tenants' cost. The landlords' right to demand restoration at tenants' cost of the original constructional state following end of the rental period, is not influenced by any approval he has issued for constructional changes by the tenant. The tenant is liable for all damage arising from constructional measures he has undertaken.

2. Externally visible advertising on the rental property must be approved by the landlord. At the end of the rental period the original state is to be restored, with no claim to reimbursement of costs, irrespective of any approval issued by the landlord for advertising actions.

ss. 11 Liability of the Tenant

1. The tenant is liable to the landlord for damage to the rented rooms and building as well as to the rented rooms or the facilities and installations belonging to the buildings/economic entity, caused by him or persons in the warehouse, as far as he can be held to account. The tenant must provide proof that culpable conduct did not take place, in as far as rooms, facilities and installations fall within his custody. The tenant is liable for accidents or acts of God.
2. The tenant is responsible for traffic safety measures in the rented facilities and surfaces. The tenant releases the landlord from claims arising from violation of the traffic safety obligations, provided the landlord cannot also be held responsible.
3. The tenant is obligated to take up and maintain the following insurance with adequate coverage:
 - Operational liability insurance including damage to persons, possessions and assets. Glass insurance and operational interruption insurance are recommended.

The insurance policies are to be signed at the latest immediately following conclusion of the rental contract and shown to the landlord. The tenant is obligated to inform the landlord immediately of any change in his operations and of any technical or similar changes which could increase the hazard level. The tenant is responsible for accounting for such changes in any insurance agreements he is obligated to conclude. Failure to provide or continue the agreed insurance despite warning entitles the landlord to give notice with immediate effect.

ss. 12 Entering the Rental Property

The landlord or a person appointed by him may enter the rental property at reasonable intervals during operating hours with due advance notice, for the purpose of examining conditions. If the landlord intends to sell the property or the rental contract has been terminated or revoked, the landlord or an appointed person are allowed to enter the rented rooms with the person interested in renting or purchasing. The tenant must ensure that the rented facilities can also be accessed during extended absence (for example, company holidays) in order to permit the landlord to exercise his rights as landlord.

ss. 13 Subletting/Conversion

1. Subletting must be approved by the landlord, which approval only

applies to each single case of subletting and may be revoked by the landlord for important reasons. If the tenant continues to sublet without approval despite warning, the landlord is entitled to give immediate notice of rental contract with immediate effect.

2. In the case of change of company proprietor or legal form of the tenant, all rights and obligations are transferred to the new company proprietor of the new legal form.

ss. 14 Termination of Rental Contract

1. The rental property is to be completely vacated at the end of the rental period and restored to its original state at contract begin. Of special importance are the constructional alterations which are to be dismantled, added installations removed, and interior redecoration carried out, irrespective of issued approval by the landlord.
2. The landlord is entitled to adopt and reimburse the tenant at a fair price any installations, facilities and constructional alterations added by the tenant.
3. The landlord has made significant investments to the benefit of the tenant at begin of the contract period. The total planned investment volume for the rental property amounts to EURO 3 054 000.00, the proportion of expenditures to the benefit of the tenant amounts to EURO 706 000.00. This proportional sum capitalises over 10 years to EURO 1.264.000,00, per year EURO 126.400,00. If the rental contract is terminated before a 10-year period of time, the tenant pays compensation to the landlord for the investments made in relation to and for the tenant in the amount of EURO 706 000.00, as follows: For the number of years for which the option according to ss.2 subsection 2 was not made use of, a compensation payment becomes due in the amount of EURO 126 000.00 multiplied by the number of years involved. The amount of EURO 126.000,00 is based on the above mentioned capitalised investment sum of EURO 1.264.000,00 divided by 10 years. The following compensation payments will thus become due:

End of contract on	31.12.2008:	EURO 632.000,00
	31.12.2009:	EURO 504.000,00
	31.12.2010:	EURO 378.000,00
	31.12.2011:	EURO 252.000,00
	31.12.2012:	EURO 126.000,00

The compensation payment becomes due on the above mentioned last day of the rental period and as of this point in time interest of at least the legal interest rate according to ss. 288 subsection 2 BGB (civil code) will be charged.

Should the total investment volume be reduced by more than EURO 50 000.00, the compensation payments are to be reduced as a percentage in accordance with the shortfall in relation to the total investment volume (for example (euro) 100 000.00 / (euro) 3 054 000.00 = 3.27 %). In this case the change must be mutually agreed and specified in writing prior to begin of the rental contract.

ss. 15 Miscellaneous

1. Subsequent changes and additions to this rental contract must be in written form. This also applies to partial waiver of the requirement for written form. .
2. Should provisions of the contract be ineffective, remaining provisions are not affected. The ineffective provision is to be replaced by an effective one closest in meaning to the desired economic purpose. Should a provision be missing regarding circumstances which should be regulated,

the parties must agree on a provision which reasonably takes into account the interests of both parties.

3. The attachments are elements of this contract.
- 4.

Radolfzell, dated _____, _____, dated _____

Signature of Landlord

Signature of Tenant

Note: This is the policy for the Company's United States employees. The Company has other plans for its foreign employees that are translated in various languages with substantially the same provisions.

DENTSPLY INTERNATIONAL INC.

CODE OF
BUSINESS CONDUCT AND ETHICS

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Code of Business Conduct

Dear Fellow Employee:

DENTSPLY International Inc. has been in business since 1899, and we are proud of the global reputation and trust we have earned. This is a reputation that we are determined to protect and enhance. Our Code of Business Conduct sets forth our guiding principles for the conduct of our business that must be followed by everyone who does business on behalf of DENTSPLY.

All employees, agents, consultants, independent contractors and representatives of DENTSPLY have the responsibility to read, understand, and abide by the principles and standards contained in this Code. It is difficult to make a policy that applies to every situation, and there will

be times when the Code does not address a particular question. Applying common sense, good judgment, and integrity to every business issue will help to ensure that your decisions are consistent with DENTSPLY values and this Code. If you are an employee and you have questions, please contact your supervisor, the relevant Senior Management, or the General Counsel. If you are not an employee, please feel free to ask your DENTSPLY contact, or the General Counsel's office.

DENTSPLY's success depends upon each of us. Acting with integrity and the highest ethical standards is not only good policy, it is also good business. Every DENTSPLY employee and shareowner relies upon you to do the right thing. We know that our confidence in you is well placed.

Vice Chairman and
Officer
Chief Executive Officer

President and Chief Operating

GENERAL CODE OF CONDUCT

1. Introduction

DENTSPLY International Inc. (the "Company") has adopted this Code of Business Conduct, consisting of the components described below (the "Program"), to assist the Company and its personnel in conducting business in an ethical manner and in full compliance with the requirements of all applicable laws and regulations. It is the policy of the Company to comply with all applicable laws, including, without limitation, medical device and similar requirements, employment, discrimination, health, safety, antitrust, securities and environmental laws. No director, officer, executive or manager of the Company has authority to violate any law or to direct another employee or any other person to violate any law on behalf of the Company. This Program reflects the Company's intent to operate not only in a legal manner, but in accordance with sound business ethics. The Program applies to all Company business operations and subsidiaries worldwide and to all employees, officers and directors of the Company and its subsidiaries ("personnel"), except for legal requirements which are specific to a jurisdiction. Because the Program documents may not be translated into the local language in every location where we do business, it shall be the responsibility of management responsible for those areas to communicate the general purpose and requirements of the Program.

The Program consists of 1) a Code of Business Conduct ("Code") setting forth general standards for the conduct of Company business and operations, including procedures for reporting of concerns about compliance with the Code and/or legal requirements; 2) a set of more specific policies oriented toward compliance with specific laws and requirements; and 3) procedures to help ensure that the Program is effective in preventing, detecting and taking appropriate action in regard to violations of applicable laws and the Code, such as periodic monitoring and auditing programs. All Company personnel must be aware of the contents of the Program and perform their responsibilities in a manner which is fully consistent with the Program. Because the principles described in the Code are general, Company personnel should review the specific applicable policies for specific instructions and

contact their supervisors, the relevant Senior Management and/or the General Counsel's office regarding proper conduct in a particular situation in which they have any questions.

The Program will be overseen by a Corporate Compliance Committee consisting of the Company's Chief Executive Officer, Chief Operating Officer, the Chief Financial Officer and the General Counsel. The Committee will meet as necessary to review the Program, the Code and compliance activities within the Company.

The Code of Business Conduct reflects general principles to guide employees in making ethical decisions and cannot and is not intended to address every specific situation. As such, nothing in this Code prohibits or restricts the Company from taking any disciplinary action on any matters pertaining to employee conduct, whether or not they are expressly discussed in this document. The Program, including the Code, is not intended to and shall not be deemed or construed to provide any rights, contractual or otherwise, to any third parties or to any personnel of the Company or its subsidiaries. The provisions of the Program may be revised, changed or amended at any time as determined appropriate by the Company.

2. General Standards of Conduct

A. One of the Company's strongest assets is a reputation for integrity and honesty. A fundamental principle on which the Company will operate its business is full compliance with applicable laws. The Company will also conduct its business in conformance with sound ethical standards. Achieving business results by illegal acts or unethical conduct is not acceptable.

All Company personnel shall act in compliance with the requirements of applicable law and this Code and in a sound ethical manner when conducting Company business and operations.

B. Each Company supervisor and manager is responsible for ensuring compliance by the personnel which he or she supervises or manages with applicable law and the Code. All personnel are responsible for acquiring sufficient knowledge to recognize potential compliance issues applicable to their duties and for appropriately seeking advice regarding such issues.

C. This Code has been distributed to all applicable Company personnel and sets forth general standards applicable to the Company's business and operations. In addition, there are a number of more detailed and specific policies covering particular business units or subject matters. The Company will communicate those specific policies to personnel who are particularly affected by them and they must be complied with in the course of the Company's business. These policies may be changed and/or additional policies may be issued from time to time.

D. All of the Company's business transactions shall be carried out in accordance with management's general or specific directives.

E. Company personnel shall be honest in all dealings with government agencies and representatives. No misrepresentations shall be

made, and no false bills or requests for payment or other documents shall be submitted to government agencies or representatives.

F. All of the Company books and records shall be kept in accordance with U.S. generally accepted accounting standards (U.S. GAAP) or other applicable local or statutory principles with reconciliation to U.S. GAAP. All transactions, payments, receipts, accounts and assets shall be completely and accurately recorded on the Company's books and records on a consistent basis. No payment shall be approved or made with the intention or understanding that it will be used for any purpose other than that described in the supporting documentation for the payment. All internal financial and other control procedures shall be followed.

3. Reporting of Violations

A. Illegal acts or improper conduct may subject the Company (and its employees) to severe civil and criminal penalties, including large fines and being barred from certain types of business. It is therefore very important that any suspected illegal activity or violations of the Code be promptly brought to the Company's attention.

B. Any Company personnel who believes or becomes aware that any violation of this Code, including violation of applicable accounting, internal controls or auditing matters, or any suspected illegal activity has been engaged in by Company personnel or by non-employees acting on the Company's behalf shall promptly report the violation or activity in person, by phone or in writing, to one of the following persons:

1. The personnel's immediate supervisor, business unit or department head or another senior manager.
2. The General Counsel or another attorney in the Company's Legal Department.
3. The Chief Financial Officer or Director of Internal Audit.

To the extent an employee is uncomfortable contacting any of the above people, employees should contact the Chief Executive Officer, the Chief Operating Officer or a Senior Vice President.

C. Company personnel may report suspected illegal acts or a violation of this Code anonymously. To the extent practical and appropriate under the circumstances and as permitted by law, the Company will take reasonable precautions to maintain the confidentiality of those individuals who report illegal activity or violations of this Code and of those individuals involved in the alleged improper activity, whether or not it turns out that improper acts occurred. Anonymous reports may be made by phone, web reporting or letter. Reports by phone can be made to a third party hotline service at 800-461-9330, reports by letter should be directed to the General Counsel's office, and web reporting can be made at the following web addresses: www/dentsply.com/report or

www/mysafeworkplace.com.

D. It shall be a violation of this Code if personnel fail to report a known illegal activity or violation of the Code. If you have a question about whether particular acts or conduct may be illegal or violate the Code, you should contact one of the persons listed

above in subsection B. It shall be a violation of this Code if personnel to whom a suspected illegal act or violation of the Code is reported fail to ensure that the act or violation of the Code comes to the attention of the General Counsel's office, the Director of Internal Audit or a member of the Corporate Compliance Committee.

If the suspected illegal acts or conduct in violation of the Code involve a person to whom such acts or violations might otherwise be reported, the acts or violation should be reported to another person to whom reporting is appropriate.

- E. It is Company policy to promptly and thoroughly investigate reports of suspected illegal activity or violations of this Code. Company personnel must cooperate with these investigations. It shall be a violation of this Code for personnel to prevent, hinder or delay discovery and full investigation of suspected illegal acts or violations of this Code.
- F. No reprisals or disciplinary action will be taken or permitted against personnel for good faith reporting of, or cooperating in the investigation of, suspected illegal acts or violations of this Code. It shall be a violation of this Code for Company personnel to punish or conduct reprisals against other personnel for making a good faith report of, or cooperating in the investigation of, suspected illegal acts or violations of this Code.
- G. Personnel who violate the Code or commit illegal acts are subject to disciplinary action, up to and including dismissal from the Company. Personnel who report their own illegal acts or improper conduct, however, will have such self-reporting taken into account in determining the appropriate disciplinary action.

4. Government Interviews or Investigation

- A. The Company and its personnel shall cooperate fully and promptly with appropriate government investigations into possible civil and criminal violations of the law. It is important, however, that in this process, the Company is able to protect the legal rights of the Company and its personnel. To accomplish these objectives, any governmental inquiries or requests for information, documents or interviews, other than routine operating inspections (e.g., OSHA, FDA, etc.), should be promptly referred to the General Counsel's office.

5. Compliance Procedures

- A. Introduction. The Purpose of these procedures is to increase awareness of the Program and Code, facilitate internal reporting of any suspected violation of the law or the Code and ensure that any reported violations are fully investigated and that the Company responds appropriately to any violations.
- B. Maintaining Awareness of the Program
 - 1. A copy of the Code, which includes a description of how to report

suspected violations of the law or the Code, will be provided to employees of the Company.

2. New employees will be provided a copy of the Code upon their employment.
3. Applicable employees will periodically be required to sign a form stating their awareness of and compliance with the Code and the Program.
4. A copy of the Code and a description of the violation-reporting procedure will be available to all Company employees.
5. The Internal Audit Department shall, as it determines appropriate, include in its audits a review of awareness of and compliance with the Code, particularly with regard to management employees or other employees who are in a position to engage in conduct which may not be easily observed by other employees, or in a position where there is frequent involvement in activities which may carry a significant risk of liability.
6. The General Counsel's office, in cooperation with other relevant departments, shall create and distribute policies and/or guides applicable to the Company's business and shall periodically review compliance of the Company and its business units with applicable law.

C. Company Investigations

1. If a report of potential illegal acts or conduct in violation of the Code is made, it shall promptly be brought to the attention of the General Counsel.
2. The General Counsel shall oversee the investigation of any report of suspected illegal acts or violation of the Code, utilizing appropriate legal, internal audit and other department personnel and shall involve outside legal counsel or the Company's independent auditors when appropriate.
3. Reports of suspected illegal acts or violations of the Code shall be promptly investigated; such investigations may include interviews of employees and external parties and the review of relevant documents or other materials. The investigation will be conducted in a manner which, to the degree reasonable, protects any applicable legal privileges in regard to the investigation.
4. Once an investigation is completed, if determined appropriate by the General Counsel, the Corporate Compliance Committee and appropriate management of the Company shall be apprised and evaluate the results of the investigation and decide if any corrective, disciplinary or other action is warranted and shall direct and oversee implementation of any such action.
5. The Audit Committee of the Board of Directors, Executive Committee of the Board of Directors or the full Board of Directors shall

be informed, as determined appropriate by the Corporate Compliance Committee or as required by law, regarding investigations and any actions taken or to be taken as a result of investigations under the Code.

D. Ongoing Evaluation of Program

1. The Company will monitor and audit compliance with the Code and applicable laws.
2. The Corporate Compliance Committee will review the effectiveness and content of the Program on a regular periodic basis. The Code and other compliance policies will be updated as appropriate.

6. International Matters

A. International Operations. Laws and customs vary throughout the world,

but all employees must uphold the integrity of the Company in other nations as diligently as they would do so in the United States. When conducting business in other countries, it is imperative that employees be sensitive to foreign legal requirements and United States laws that apply to foreign operations, including the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act generally makes it unlawful to give anything of value to foreign government officials, foreign political parties, party officials, or candidates for public office for the purposes of obtaining, or retaining, business for the Company. Employees should contact the Internal Audit or Legal Department if they have any questions concerning a specific situation.

B. Sanctions and Trade Embargoes. The United States government uses

economic sanctions and trade embargoes to further various foreign policy and national security objectives. Employees must abide by all economic sanctions or trade embargoes that the United States has adopted, whether they apply to foreign countries, political organizations or particular foreign individuals and entities. Inquires regarding whether a transaction on behalf of the Company complies with applicable sanction and trade embargo programs should be referred to the Legal Department.

C. Antiboycott. Certain countries have adopted boycott laws which are designed to discourage companies from doing business with Israel. Laws in the United States make it illegal for companies to abide by or acknowledge such boycotts.

7. Waivers

It is recognized that a rare circumstance might arise in which the Code should not apply. No waivers of the provisions of this Code to any Director or Executive Officer shall be made or granted unless approved by the Board of Directors (or a designated Committee of the Board) of the Company. Any such waiver shall be promptly disclosed by the Company.

USE OF COMPANY FUNDS AND RESOURCES

One critical element of the Company's reputation for integrity is its adherence to both legal and generally accepted ethical standards governing the use of Company funds and resources. The following directives provide specific standards of conduct to be followed:

1. No funds shall be used for any purpose which would be in violation of any applicable law; or to make payments to, or for the benefit of, domestic or foreign government employees; provided that gratuities in small amounts may be paid to foreign government employees if such gratuities merely enable the Company to receive services to which it would otherwise be entitled.
2. Funds or assets shall not be used, directly or indirectly, to make gifts to, provide entertainment for, or furnish assistance in the form of transportation or other services to, government employees or public officials, if such gifts, entertainment, or assistance would be a violation of governmental regulations or would adversely reflect on the Company's or the officials' integrity or reputation.
3. All assets and liabilities must be recorded in the regular books of the Company and its subsidiaries; no undisclosed or unrecorded funds or assets shall be established for any purpose; no false or artificial entries shall be made in the books and records for any reason; and no payments shall be approved or made with the intention or understanding that any part of such payments are to be used for any purpose other than that described by the material supporting the disbursement.
4. No direct or indirect political contributions shall be made with Company funds without the express approval of the Board of Directors and subject to review by the Company's General Counsel as to the legality of such contributions.
5. Any officer or employee who has information or knowledge of any violation of these directives shall promptly report the matter to the General Counsel or the appropriate corporate or divisional officer.
6. All officers and managers are obligated to seek advice and guidance from the Company's Legal Department in order to insure compliance with all applicable laws, rules and regulations.
7. All managers shall be responsible for the enforcement of, and compliance with, all policies of the Company, including distribution and communications to insure employee knowledge thereof and compliance therewith.

CONFLICT OF INTEREST

Directors and employees of the Company are expected to avoid involvements or situations which could interfere, or appear to interfere, with the impartial discharge of their responsibilities. Therefore, these persons shall NOT, for their own account or for the account of any other person, directly or indirectly:

1. Seek to profit from information about the business affairs, financial position, or any transactions of the Company which have not been

publicly disseminated.

2. Divert to themselves or others any business or investment opportunity in which the Company is or might be interested if aware of the opportunity.
3. Become a director or officer of any firm or obtain any financial interest (other than the acquisition of publicly traded securities which do not exceed 3% of such enterprise or of such person's net worth) in any firm supplying goods or services to the Company or which purchases goods or services from the Company, unless authorized by the Board of Directors.
4. Have a proprietary interest in or participate in any business enterprise involving the manufacture or sale of any product which is competitive with or similar to products produced by the Company, or involving the offering of any type of services competitive with or similar to services offered by the Company. In addition, any conduct which might give rise to potential for misuse of the Company's trade secrets or confidential business information is also prohibited. However, this policy shall not preclude an investment interest in publicly held corporations which manufacture and sell such products or offer such services within the limits described in Paragraph 3 above.
5. Give or accept personal gifts, payments, favors, special considerations, discounts, etc. which are of more than a normal value, unless approved by the employee's manager. Common social amenities may be given or accepted without manager approval only if they are of the type that are normally associated with accepted business practice within the industry or relative work discipline. Additional management approval beyond the employee's manager should be secured if any doubt exists with respect to a particular item or situation.
6. Enter into personal transactions with suppliers of the Company or with customers of the Company other than on terms and conditions as are available to the public, except as disclosed to the Audit Committee of the Board of Directors.

PERSONAL RESPONSIBILITIES OF EMPLOYEES

All employees are expected to maintain high ethical standards in their actions and working relationships with customers, fellow employees, competitors, representatives of government, communication media and others. All employees of the Company are expected to act in business matters with dual responsibility to the public interest and the Company's interest, above their own.

In addition to being in compliance with all Company policies, all employees must also be in compliance with the following:

- o Any employee who has information or knowledge of any violation of any Company Policies or any violation of a legal obligation or requirement shall promptly report the matter to their manager/supervisor, to any corporate or divisional officer, or to the General Counsel.
- o All confidential information about the Company, including inventions, discoveries, formulas, trade secrets, customer lists, employee data, etc., as well as confidential information acquired by the Company from another company, individual or entity subject to a secrecy and proprietary rights agreement, shall be kept confidential during and

subsequent to the period of employment with the Company.

- o Information gathered on competitors, customers, suppliers, etc., must be acquired legally and in a manner consistent with the Company's high level of ethics and proper business conduct. Employees on the receiving end of another company's confidential information should alert their supervisor of the situation, who in turn should seek guidance from the Legal Department.

It is recognized that in many situations and issues involving ethical or moral judgment, it may be difficult to determine the right course of action with certainty. In such instances, employees shall not rely solely on their own judgment, but shall discuss the matter in full with their respective manager/supervisor. In such instances, full disclosure of the facts in a timely fashion and to the proper management level will serve to meet the employees' responsibilities with respect to this Policy.

TRADING IN DENTSPLY INTERNATIONAL INC. AND OTHER RELATED SECURITIES

Federal laws and regulations prohibit purchases and sales of the Company's stock and other related securities by directors, officers and employees on the basis of material information which is not generally available to the public. The passing of such inside information - "tipping" - to outsiders who may then trade on it is also prohibited. To assure compliance with these laws, the following rules apply to directors, officers and employees of the Company.

1. They shall not purchase or sell or otherwise trade in securities of the Company or derivative securities, such as listed stock options, while in possession of material, non-public information about the Company.
2. For purposes of this policy, the term "material information" means that information as to which there is a substantial likelihood that the information would be viewed by a reasonable investor as significantly altering the "total mix" of information available in making investment decisions.
3. "Non-public information" is that information which has not become generally available to the investing public, through such channels as the Company's publications, e.g., press releases, Annual and Interim Reports to Stockholders, Proxy Statements and SEC filings; as well as news articles, stock analysts' reports and like writings about the Company and subjects relating to its businesses.
4. They shall not divulge confidential - and possibly material - information about the Company, either to other employees or to outsiders, except on a "need-to-know" basis.
5. They shall not buy or sell securities of any other company about which material non-public information has been obtained through the performance of their position responsibilities at DENTSPLY International Inc.

Should there be any questions concerning the above with regard to any particular transaction involving DENTSPLY International Inc. securities or other related securities, please consult with the Legal Department prior to taking any action.

ACCURACY OF BOOKS, RECORDS POLICY AND PUBLIC STATEMENTS

The Company's financial records should accurately reflect the nature and purpose of all transactions.

All of the Company's books, records, accounts and financial statements must

be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, you must consult the Legal Department before taking any action with respect to any such records.

The Company's public statements, including press releases and public filings, shall not contain any material incorrect information and shall not omit any information necessary to make the statements contained therein not misleading. Required filings with the Securities and Exchange Commission ("SEC") shall be complete, timely and in compliance with the requirements of the SEC.

DISCRIMINATION AND HARASSMENT

The Company provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, national origin, age, non-job related disability, or status as a Vietnam-era or special disabled veteran in accordance with all applicable federal, state and local laws, including executive orders as appropriate for any federal contracts. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

The Company expressly prohibits any form of employee harassment. This policy extends not only to the Company's employees, but also to all persons with whom the Company's employees deal, such as suppliers and customers.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and all other verbal or physical conduct of a sexual or otherwise offensive nature, and is prohibited especially where (a) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (b) submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment; or (c) such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment. Furthermore, offensive comments, jokes, innuendoes, pictures, cartoons and other sexually oriented documents and statements are prohibited.

Each member of management is responsible for creating an atmosphere free of discrimination and harassment, sexual or otherwise. Further, employees are responsible for respecting the rights of their co-workers and expected to conduct themselves in a business-like manner at all times.

If an employee experiences any improper job-related harassment or believes they have been treated in an unlawful, discriminatory manner, they should first attempt to resolve the problem with the individual exhibiting the conduct toward them. If attempting to resolve the issue themselves is inappropriate or not successful, they should promptly report the occurrence to their supervisor, a member of management, or to a representative of the Human Resources Department. The Human Resources Department will investigate

all matters related to discrimination and/or harassment and take proper action.

If the Company determines that an employee has engaged in harassment or other prohibited conduct, appropriate disciplinary action will be taken, up to and including termination of employment.

The Company prohibits any form of retaliation against any employee for filing a legitimate complaint under this policy or for assisting in a complaint investigation.

ANTITRUST LAW

The antitrust laws generally are intended to promote the free enterprise system by eliminating artificial restraints on competition. Violations of the antitrust laws can subject violators to criminal penalties and civil damages, and individuals to criminal penalties, imprisonment or both. These laws are often complex and not easily understood. Nevertheless, it has always been the uncompromising policy of the Company that its employees will comply strictly with such laws. Certain activities are legally deemed to be inherently anti-competitive and no defense of any kind will be permitted to justify or excuse the conduct. Other activities will constitute violations if they are anti-competitive and cannot otherwise be justified. It is difficult to provide specific directives governing employee conduct involved in such "rule of reason" activities because of the fact specific nature of antitrust analysis. However, based on well-established court decisions, no director, officer or employee should engage in any of the following conduct without first discussing the circumstances with the General Counsel.

1. Discuss with competitors past, present or future prices of or marketing plans for, any of the Company's products; or past, present or future prices paid or to be paid for products or materials purchased by the Company, or other business information affecting such prices ("price" includes all terms of sale, including discounts, allowances, promotional programs, credit terms and the like).
2. Discuss with competitors the division or allocation of markets, territories or customers, or discuss with customers the division or allocation among customers of their markets, territories or customers.
3. Discuss with competitors or customers the boycotting of third parties.
4. Reach an agreement or understanding with a customer on the specific price at which the customer will resell the Company's products.

Whenever an employee becomes involved in any activity in which a competitive restraint may be present or that could lead to a problem under the antitrust laws, he or she should consult with a member of the Legal Department before taking any action.

EXHIBIT 21.1

Subsidiaries of the Company

I. Direct Subsidiaries of the Company

- A. Dentsply Research & Development Corp. ("Dentsply R&D")
(Delaware)
- B. Ceramco Inc. (Delaware)
- C. Ceramco Manufacturing Co. (Delaware)
- D. CeraMed Dental, L.L.C. (Delaware)
- E. GAC International Inc. (New York)
 - a) Orthodontal International, Inc.
 - b) Orthodontal S.A. de C.V. (Mexico)
- F. DENTSPLY Finance Co. (Delaware)
 - a) Dentsply International, Inc. (Chile) Limitada
(Chile)
- G. DENTSPLY North America Inc. (Delaware)
- H. Austenal, Inc. (Illinois)
- I. Dentsply Argentina S.A.C.e.I. (Argentina)
- J. Dentsply Industria e Comercio Ltda. (Brazil)
 - a) DeTrey do Brasil Industria e Comercio Ltda. (Brazil)
- K. Dentsply Mexico S.A. de C.V. (Mexico)
- L. Dentsply India Pvt. Ltd. (India)
- M. Dentsply (Philippines) Inc. (Philippines)
- N. Dentsply (Thailand) Ltd. (Thailand)
- O. Dentsply Dental (Tianjin) Co. Ltd. (China)
- P. Dentsply Tianjin International Trading Co. Ltd. (China)
- Q. Dentsply Korea Limited
- R. Ceramco Europe Limited (Cayman Islands)
 - a) Ceramco UK Limited (Dormant)
- S. Dentsply Services (Switzerland) Sarl

II. Indirect Subsidiaries of the Company

- A. Subsidiaries of Dentsply Research & Development Corp.
 - 1. Ransom & Randolph Company (Delaware)
 - 2. Tulsa Dental Products Inc. (Delaware)
 - a) Tulsa Finance Co. (Delaware)
 - b) Tulsa Manufacturing Inc. (Delaware)

3. Dentsply Export Sales Corporation (Barbados)
4. Dentsply SE Limited (Gibraltar)
5. Dentsply EU Holding S.a.r.L (Luxembourg)
6. Dentsply Australia Pty. Ltd. (Australia (Victoria))
 - a) Dentsply (NZ) Limited (New Zealand)
7. Dentsply Canada Ltd. (Canada (Ontario))
8. PT Dentsply Indonesia (Indonesia)
9. The International Tooth Co. Limited (United Kingdom)
10. Dentsply Espana SL (Spain)
11. DENTSPLY-Sankin K.K. (Japan)
 - a) Sankin Laboratories K.K. (Japan)
12. DeguDent Industria e Comercio Ltda. (Brazil)
 - a) DeguDent da Amazonia Industria e Comercio Ltda. (Brazil)
 - b) Degpar Participacoes e Empreendimentos S.A. (Brazil)
 - c) Probem Laboratorio de Produtos Farmaceuticos e Odontologicos S.A. (Brazil)
13. Dentsply SE Limited (Gibraltar)

B. Subsidiaries Dentsply EU Holding S.a.r.L.

1. Dentsply Europe S.a.r.L. (Luxembourg)

C. Subsidiaries of Dentsply Europe S.a.r.L.

1. Dentsply Germany Holdings GmbH (Germany)
 - a) VDW GmbH (Germany)
 - c) Dentsply DeTrey GmbH (Germany)
 - d) Friadent GmbH (Germany)
 - i) Friadent Brasil Ltda. (Brazil)
 - e) DeguDent GmbH (Germany)
 - i) Ducera Dental Verwaltungs-ges.m.b.H. (Germany)
 - f) Elephant Dental GmbH (Germany)
2. Elephant Dental B.V. (Netherlands)
 - a) Cicero Dental Systems B.V. (Netherlands)
 - b) DeguDent Benelux B.V. (Netherlands)
 - c) Dental Trust B.V. (Netherlands)
3. DeguDent Austria Handels GmbH (Austria)
4. Dentsply Limited (Cayman Islands)
 - a) Dentsply Holdings Unlimited (U.K.)
 - b) Dentsply Russia Limited (U.K.)
 - c) Amalco Holdings Ltd (U.K., Dormant)
 - d) Keith Wilson Limited (U.K., Dormant)
 - e) Oral Topics Limited (U.K., Dormant)
 - f) AD Engineering Limited (Dormant)

5. Dentsply Italia Srl (Italy)
6. Dentsply France S.A.S. (France)
7. Dentsply South Africa (Pty) Limited (South Africa)
8. Dentsply Benelux S.a.r.L. (Luxembourg)
9. Friadent Schweiz AG (Switzerland)
10. Friadent N.V. (Belgium)
11. Friadent Scandinavia AB(Sweden)
12. Friadent Denmark ApS (Denmark)
13. Dentsply DeTrey Sarl (Switzerland)
14. Maillefer Instruments Holding S.A. (Switzerland)
 - a) Maillefer Instruments Trading Sarl
(Switzerland)
 - b) Maillefer Instruments Consulting Sarl
(Switzerland)
 - c) Maillefer Instruments Manufacturing Sarl
(Switzerland)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-71792, 33-89786, 333-56093, and 333-101548) and Registration Statement on Form S-3 (No. 333-76089) of DENTSPLY International Inc. of our report dated March 15, 2005 relating to the financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Philadelphia, PA
March 15, 2005

Exhibit 31.1

Section 302 Certifications Statement

I, Gerald K. Kunkle, Jr., certify that:

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

control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: March 16, 2005

/s/ Gerald K. Kunkle, Jr.

Vice Chairman and Chief Executive Officer

Exhibit 31.2

Section 302 Certifications Statement

I, William R. Jellison, certify that:

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

control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: March 16, 2005

/s/ William R. Jellison

Senior Vice President and Chief Financial Officer

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

In connection with the Annual Report of DENTSPLY International Inc. (the "Company") on Form 10-K for the year ending December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), We, Gerald K. Kunkle, Jr., Chief Executive Officer and Vice Chairman of the Board of Directors of the Company and William R. Jellison, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge and belief:

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

/s/ Gerald K. Kunkle, Jr.
Gerald K. Kunkle, Jr.
Chief Executive Officer and
Vice Chairman of the Board of Directors

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

March 16, 2005