SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

# FORM 10-Q

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

For the quarterly period ended September 30, 1997

OR

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

For the transition period from _____________ to ______________

Commission File Number 0-16211

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

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

| | |
|---|---|
| 570 West College Avenue, P. O. Box 872, York, PA | 17405-0872 |
| (Address of principal executive offices) | (Zip Code) |

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

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

( X ) Yes ( ) No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At November 7, 1997 the Company had 54,025,728 shares of Common Stock outstanding, with a par value of $.01 per share.



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DENTSPLY INTERNATIONAL INC.
FORM 10-Q

For Quarter Ended September 30, 1997

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Page No.

PART I - FINANCIAL INFORMATION (unaudited)





PART I
FINANCIAL INFORMATION
Item 1. FINANCIAL STATEMENTS
DENTSPLY INTERNATIONAL INC.
CONSOLIDATED CONDENSED BALANCE SHEETS

| | (unaudited) September 30, 1997 | December 31, 1996 |
|---|---|---|

| ASSETS | | |
|---|---|---|
| | (in thousands) | |
| Current assets: | | |
| Cash and cash equivalents | $ 7,835 | $ 5,619 |
| Accounts and notes receivable-trade, net | 111,354 | 101,977 |
| Inventories | 121,557 | 125,398 |
| Prepaid expenses and other current assets | 27,899 | 23,752 |
| Total Current Assets | 268,645 | 256,746 |
| Property, plant and equipment, net | 144,196 | 141,458 |
| Other noncurrent assets, net | 15,477 | 13,259 |
| Identifiable intangible assets, net | 92,210 | 59,787 |
| Costs in excess of fair value of net assets acquired, net | 239,007 | 196,412 |
| Total Assets | $ 759,535 | $ 667,662 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | $ 101,341 | $ 86,224 |
| Income taxes payable | 30,904 | 30,264 |
| Notes payable and current portion of long-term debt | 28,359 | 26,711 |
| Total Current Liabilities | 160,604 | 143,199 |
| Long-term debt | 115,452 | 75,109 |
| Deferred income taxes | 27,326 | 30,000 |
| Other liabilities | 45,936 | 49,467 |
| Total Liabilities | 349,318 | 297,775 |
| Minority interests in consolidated subsidiaries | 3,949 | 4,297 |
| Stockholders' equity: | | |
| Preferred stock, $.01 par value; .25 million shares authorized; no shares issued | - | - |
| Common stock, $.01 par value; 100 million shares authorized; 54.2 million shares issued at September 30, 1997 and 54.2 million shares at December 31,1996 | 542 | 271 |
| Capital in excess of par value | 150,625 | 150,031 |
| Retained earnings | 280,298 | 237,300 |
| Cumulative translation adjustment | (12,485) | (4,278) |
| Employee stock ownership plan reserve | (9,877) | (11,016) |
| Treasury stock, at cost, .1 million shares at September 30, 1997 and .4 million shares at December 31, 1996 | (2,835) | (6,718) |
| Total Stockholders' Equity | 406,268 | 365,590 |
| Total Liabilities and Stockholders' Equity | $ 759,535 | $ 667,662 |

See accompanying notes to unaudited consolidated condensed financial statements.



DENTSPLY INTERNATIONAL INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 1997 | 1996 | 1997 | 1996 |

(in thousands, except per share data)

| | | | | |
|---|---|---|---|---|
| Net sales | $172,674 | $155,327 | $523,340 | $476,266 |
| Cost of products sold | 84,872 | 80,855 | 256,717 | 243,226 |
| | 87,802 | 74,472 | 266,623 | 233,040 |
| Selling, general and administrative expenses | 57,914 | 49,773 | 176,161 | 150,212 |
| Operating income | 29,888 | 24,699 | 90,462 | 82,828 |
| Interest expense | 3,074 | 2,766 | 9,291 | 8,492 |
| Interest income | (234) | (321) | (1,125) | (942) |
| Other (income) expense, net | 327 | (254) | (1,578) | (1,761) |
| Income before income taxes | 26,721 | 22,508 | 83,874 | 77,039 |
| Provision for income taxes | 10,465 | 8,635 | 32,851 | 30,409 |
| Net income | $ 16,256 | $ 13,873 | $ 51,023 | $ 46,630 |
| Earnings per common share | $.30 | $.26 | $.95 | $.87 |
| Dividends per common share | $.0513 | $.0413 | $.1438 | $.1238 |
| Weighted average common shares outstanding | 53,979 | 53,784 | 53,906 | 53,868 |

See accompanying notes to unaudited consolidated condensed financial statements.



DENTSPLY INTERNATIONAL INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

| | Nine Months Ended September 30, | |
|---|---|---|
| | 1997 | 1996 |
| Cash flows from operating activities: | (in thousands) | |
| Net income | $ 51,023 | $ 46,630 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |

| | | |
|---|---|---|
| Depreciation | 11,699 | 11,105 |
| Amortization | 12,500 | 9,890 |
| Other, net | (12,837) | (8,389) |
| Net cash provided by operating activities | 62,385 | 59,236 |
| Cash flows from investing activities: | | |
| Acquisition of businesses, net of cash acquired | (74,826) | (84,774) |
| Property, plant and equipment additions | (23,017) | (13,157) |
| Proceeds from disposal of Medical business | - | 7,500 |
| Other, net | (2,153) | (423) |
| Net cash used in investing activities | (99,996) | (90,854) |
| Cash flows from financing activities: | | |
| Debt repayment | (66,180) | (38,305) |
| Proceeds from long-term debt | 111,366 | 70,544 |
| Increase (decrease) in bank overdrafts and other short-term debt | (2,442) | 9,052 |
| Other, net | (1,853) | (8,789) |
| Net cash provided by financing activities | 40,891 | 32,502 |
| Effect of exchange rate changes on cash and cash equivalents | (1,064) | (629) |
| Net increase in cash and cash equivalents | 2,216 | 255 |
| Cash and cash equivalents at beginning of period | 5,619 | 3,974 |
| Cash and cash equivalents at end of period | $ 7,835 | $ 4,229 |
| Supplemental disclosures of cash flow information: | | |
| Interest paid | $ 6,439 | $ 5,093 |
| Income taxes paid | 30,571 | 29,101 |
| Non-cash transactions: | | |
| Note receivable for fixed assets associated with arbitration ruling terminating the Implant Distribution Agreement | 144 | - |
| Cancellation of loan and accounts receivable from acquired subsidiaries | 4,310 | - |
| Liabilities assumed from acquisitions | 33,163 | 3,451 |

See accompanying notes to unaudited consolidated condensed financial statements.



DENTSPLY INTERNATIONAL INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

Supplemental disclosures of noncash transactions (in thousands):

In January, the Company purchased the assets of DW Industries ("DW") for $16,253 and all of the capital stock of Laboratoire SPAD, S.A. ("SPAD") for $35,992. In March, the Company purchased the capital stock of New Image Industries ("New Image") for $10,860. In July, the Company purchased certain assets of EFOS Corporation ("EFOS") for $14,988 and all of the capital stock of SIMFRA S.A. ("SIMFRA") for $3,860. In conjunction with the acquisitions, liabilities were assumed as follows:

| | DW | SPAD | New Image | EFOS | SIMFRA |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Fair value of assets acquired | $ 17,838 | $ 43,453 | $ 31,973 | $ 15,025 | $ 6,827 |
| Cash paid for assets or capital stock | (16,253) | (35,992) | (10,860) | (14,988) | (3,860) |
| Liabilities assumed | $ 1,585 | $ 7,461 | $ 21,113 | $ 37 | $ 2,967 |

<FN>
In January 1996, the Company purchased certain net assets of Tulsa Dental Products LLC for $75.1 million. In conjunction with the acquisition, liabilities were assumed as follows:

| | |
|---|---|
| Fair value of assets acquired | $ 78,655 |
| Cash paid for assets | 75,114 |
| Liabilities assumed | $ 3,451 |

See accompanying notes to unaudited consolidated condensed financial statements.
</FN>



DENTSPLY INTERNATIONAL INC.
CONSOLIDATED CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY
(unaudited)

| (in thousands) | Common Stock | Capital in Excess of Par Value | Retained Earnings | Cumulative Translation Adjustment | ESOP Reserve | Treasury Stock | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|
| Balance at December 31, 1996 | $ 271 | $150,031 | $237,300 | $ (4,278) | $(11,016) | $ (6,718) | $365,590 |
| Exercise of stock options and warrants | - | (169) | - | - | - | 4,811 | 4,642 |
| Tax benefit related to stock options and warrants exercised | - | 763 | - | - | - | - | 763 |
| Cash dividends declared, $.1438 per share | - | - | (7,754) | - | - | - | (7,754) |
| Two-for-one stock split effected in the form of a stock dividend | 271 | - | (271) | - | - | - | - |
| Repurchase of 40,000 shares of common stock | - | - | - | - | - | (928) | (928) |
| Translation adjustment | - | - | - | (8,207) | - | - | (8,207) |
| Net change in ESOP reserve | - | - | - | - | 1,139 | - | 1,139 |
| Net income | - | - | 51,023 | - | - | - | 51,023 |
| Balance at September 30, 1997 | $ 542 | $150,625 | $280,298 | $(12,485) | $ (9,877) | $ (2,835) | $406,268 |

<FN>

See accompanying notes to unaudited consolidated condensed financial statements.
</FN>



DENTSPLY INTERNATIONAL INC.

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

SEPTEMBER 30, 1997

The accompanying interim consolidated condensed financial statements reflect all adjustments (consisting only of normal recurring adjustments) which in the opinion of management are necessary for a fair presentation of financial position, results of operations and cash flows for the interim periods. These interim financial statements conform with the requirements for interim financial statements and consequently do not include all the disclosures normally required by generally accepted accounting principles.
Disclosures are updated where appropriate.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

### Principles of Consolidation

The interim consolidated condensed financial statements include the accounts of DENTSPLY International Inc. (the "Company") and its subsidiaries. Minority interests in net income of consolidated subsidiaries is not material and is included in other (income) expense, net.

### Inventories

Inventories are stated at the lower of cost or market. At September 30, 1997 and December 31, 1996, the cost of $11.9 million or 10% and $10.0 million or 8%, respectively, of inventories was determined by the last-in, first-out (LIFO) method. The cost of other inventories was determined by the first-in, first-out (FIFO) or average cost method.

### Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Except for leasehold improvements, depreciation for financial reporting purposes is computed by the straight-line method over the following estimated useful lives: buildings - generally 40 years; and machinery and equipment - 4 to 15 years. The cost of leasehold improvements is amortized over the shorter of the estimated useful life or the term of the lease. For income tax purposes, depreciation is computed using various methods.

### Stock Split

On September 18, 1997 the Company's Board of Directors authorized a two-for-one stock split effected in the form of a 100% stock dividend to be distributed on October 29, 1997 to shareholders of record on October 14, 1997. All share and per share data included in the accompanying financial statements have been restated to reflect the stock split.



### Earnings per Common Share

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

## NOTE 2 - BUSINESS ACQUISITIONS

In January 1997, the Company purchased the assets of DW Industries in a cash transaction valued at approximately $16.3 million and an earn-out based on the sales growth of the business. Headquartered in Las Vegas, Nevada, DW Industries is the leading manufacturer of disposable air-water syringe tips for use in clinical dental office procedures.

Also in January 1997, the Company purchased all of the outstanding capital stock of Laboratoire SPAD for FF199.5 million in a cash transaction valued at approximately $36.0 million. SPAD, a division of GROUP MONOT, S.A. , is a leading French manufacturer and distributor of dental anesthetic and other dental products.

In March 1997, the Company purchased all of the capital stock of New Image for $2.00 per share or approximately $10.9 million pursuant to a tender offer. New Image, which designs, develops, manufactures, and distributes intraoral cameras and computer imaging systems and related software exclusively for the dental market, is located in Carlsbad, California.

In July 1997, the Company purchased the dental assets of EFOS for CDN $20.7 million in a cash transaction valued at approximately $15 million. EFOS, located in Toronto, Canada, is the developer and manufacturer of DENTSPLY's worldwide range of dental curing lights and amalgamators. Additionally, EFOS serves the dental market with protective eyewear products, replacement parts and curing light repair and service.

Also in July 1997, the Company purchased the outstanding capital stock of SIMFRA for FF23 million in a cash transaction valued at approximately $3.9 million. Located in Paris, SIMFRA is the exclusive importer of Maillefer instruments in France.

The DW Industries, SPAD, New Image, EFOS, and SIMFRA acquisitions were accounted for under the purchase method of accounting; accordingly, the results of their operations are included in the accompanying financial statements since the respective dates of the acquisitions. The purchase prices plus direct acquisition costs have been allocated on the basis of preliminary estimates of the fair values of assets acquired and liabilities assumed. The excess of acquisition cost over net assets acquired of $3.2 million for DW Industries, $32.2 million for SPAD,$3.0 million for New Image, $10.4 million for EFOS, and $2.2 million for SIMFRA is being amortized over 25 years. These acquisitions, individually and in the aggregate, are not expected to have a material impact on the Company's 1997 results; accordingly, pro forma information has been omitted.



## NOTE 3 - INVENTORIES

Inventories consist of the following:

| | September 30, 1997 | December 31, 1996 |
|---|---|---|
| | (in thousands) | |
| Finished goods | $ 63,874 | $ 73,650 |
| Work-in-process | 24,383 | 23,936 |
| Raw materials and supplies | 33,300 | 27,812 |
| | $121,557 | $125,398 |

Pre-tax income was $.3 million lower and $.2 million lower in the nine months ended September 30, 1997 and 1996, respectively as a result of using the LIFO method compared to the FIFO method. If the FIFO method had been used to determine the cost of the LIFO inventories, the amounts at which net inventory is stated would be lower than reported at September 30, 1997 and December 31, 1996 by $1.4 million and $1.7 million, respectively.

## NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

| | September 30, 1997 | December 31, 1996 |
|---|---|---|
| Assets, at cost: | (in thousands) | |
| Land | $ 14,891 | $ 17,222 |
| Buildings and improvements | 67,386 | 68,185 |
| Machinery and equipment | 112,898 | 103,887 |
| Construction in progress | 12,473 | 8,505 |
| | 207,648 | 197,799 |
| Less: Accumulated depreciation | 63,452 | 56,341 |
| | $144,196 | $141,458 |

## NOTE 5 - NOTES PAYABLE AND LONG-TERM DEBT

The increase from December 31, 1996 in Long-term debt ($40.3 million) was primarily due to utilization of the Company's credit facilities for acquisitions (see Note 2).

In October 1997, the Company entered into new revolving credit agreements (the "Revolving Credit Agreements") for a $175 million five year facility and a $125 million 364-day facility. The Revolving Credit Agreements replace the Company's 1993 $175 million facility and its $60 million bank term loan.



## NOTE 6 - IMPLANT BUSINESS

In March 1997, the American Arbitration Association's Commercial Arbitration Tribunal ordered a judgment in favor of the Company terminating, effective March 19, 1997, the Implant Distribution Agreement between Core-Vent Corporation and DENTSPLY's Implant Division. The sales, distribution and administrative functions acquired by the Company under the Implant Distribution Agreement, along with certain assets of the implant business, have been transferred back to Core-Vent Corporation. The noncancellable purchase commitment related to the Implant Distribution Agreement, described in footnote 13 in the Company's consolidated financial statements included in the 1996 Form 10-K, has been terminated.

Sales for the Company's implant business were approximately $28 million in 1996. The implant business did not contribute to the profitability of the Company in 1996.

The financial impact on 1997 earnings from transferring the implant business back to Core-Vent Corporation as a result of the judgment cannot be reasonably estimated at this time.





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

### RESULTS OF OPERATIONS

Quarter Ended September 30, 1997 Compared to Quarter Ended September 30, 1996

In the quarter ended September 30, 1997, net sales increased by $17.4 million, or 11.2%, to $172.7 million from $155.3 million in the same period of 1996. This increase resulted from strong sales growth in the United States both from base businesses and from acquisitions. The growth in the United States was partially offset by the decline in implant sales due to the termination of the Implant Distribution Agreement between Core-Vent Corporation and DENTSPLY. Sales in Europe were flat as the adverse impact of the translation effect of the strong U.S. dollar offset moderate growth in base business and incremental sales from acquisitions. Sales growth in the Pacific Rim and Latin America continued to be strong.

Gross profit increased $13.3 million, or 17.9%, to $87.8 million from $74.5 million in the third quarter of 1996 as a result of higher net sales. As a percentage of sales, gross profit increased from 47.9% in the third quarter of 1996 to 50.8% in the same period of 1997. In 1996 acquisition accounting for Maillefer and Tulsa had an adverse impact on the gross profit percentage while the percentage improved in 1997 due to improved operating performance in several United States manufacturing locations and a favorable mix of higher margin products in the Pacific Rim and Latin America.

Selling, general and administrative expenses increased $8.1 million, or 16.4%. As a percentage of sales, expenses increased from 32.0% in the third quarter of 1996 to 33.5% for the same period in 1997. A large part of the percentage increase was from businesses acquired in 1997, principally the New Image business. Excluding 1997 acquisitions, selling, general and administrative expenses increased slightly from 32.0% of sales in the third quarter of 1996 to 32.2% of sales in the same period of 1997.

Income before income taxes increased $4.2 million or 18.7%, while net income increased $2.4 million, or 17.2% compared to the third quarter of 1996 due to increased sales and a substantial increase in the gross profit percentage. Earnings per common share (after giving effect to the two-for-one stock split effective on October 29, 1997) increased from $.26 in 1996 to $.30 in 1997, or 15.4%.

Nine Months Ended September 30, 1997 Compared to Nine Months Ended September 30, 1996

For the nine months ended September 30, 1997, net sales increased $47.0 million, or 9.9%, to $523.3 million from $476.3 million in the same period of 1996. In the United States, there was a moderate increase in base business sales plus incremental sales from acquisitions offset somewhat by the termination of the Implant Distribution Agreement between Core-Vent Corporation and DENTSPLY. Sales in Europe increased moderately including



growth from acquisitions offset by the adverse impact on sales caused by the translation effect of the strong U.S. dollar.  Sales growth in the Pacific Rim and Latin America remained strong.

Gross profit increased $33.6 million, or 14.4%, to $266.6 million from $233.0 million in the first nine months of 1996 as a result of higher net sales. As a percentage of net sales, gross profit increased from 48.9% in the first nine months of 1996 to 50.9% for the same period in 1997. In 1996 acquisition accounting for Maillefer and Tulsa had an adverse impact on the gross profit percentage while the percentage improved in 1997 due to improved operating performance in several United States and European manufacturing locations and a favorable mix of higher margin products in the Pacific Rim and Latin America.

Selling, general and administrative expenses increased $25.9 million or 17.3%. As a percentage of sales, expenses increased from 31.5% in the first nine months of 1996 to 33.7% for the same period of 1997. Expenses increased as a percentage of sales due to the higher ratio of expenses to sales in the New Image business; expansion of the endodontic salesforce and start-up expenses for the group practices business unit in the United States; continued emphasis on upgrading the information systems in the United States and Europe; increased spending for the new China location in the Pacific Rim; increased research and development expenses; and increased costs associated with certain legal proceedings which were concluded in the third quarter of 1997.

Income before income taxes increased $6.8 million, or 8.9%, while net income increased $4.4 million, or 9.4%, from the first nine months of 1996. Earnings per common share (after giving effect to the two-for-one stock split effective on October 29, 1997) increased from $.87 in 1996 to $.95 in 1997, or 9.2%.

LIQUIDITY AND CAPITAL RESOURCES

In January 1997, the Company acquired the assets of DW Industries for $16.3 million in cash and all of the outstanding shares of SPAD for $36.0 million in cash. In March 1997, the Company acquired all of the outstanding shares of New Image for $10.9 million. In July 1997, the Company purchased certain assets of EFOS for $15.0 million and all of the capital stock of SIMFRA for $3.9 million. These transactions were funded from the Company's 1993 $175.0 million Bank Revolving Loan Facility and short-term bank borrowings.

In October 1997, the Company entered into new revolving credit agreements (the "Revolving Credit Agreements") for a $175 million five year facility and a $125 million 364-day facility. The Revolving Credit Agreements replace the 1993 $175 million Bank Revolving Loan Facility and the $60 million bank term loan.

The five year facility matures in October 2002 but may be extended, subject to certain conditions, until October 2004. The 364-day facility terminates in October 1998 but contains a one year term-out provision and may be extended, subject to certain conditions, for additional periods of 364 days.

Investing activities for the nine months ended September 30, 1997 include capital expenditures of $23.0 million.



The Company's current ratio was 1.7 with working capital of $108.0 million at September 30, 1997. This compares with a current ratio of 1.8 and working capital of $113.5 million at December 31, 1996.

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

For the nine months ended September 30, 1997, cash flows from operating activities were $62.4 million compared to $59.2 million for the nine months ended September 30, 1996. The increase of $3.2 million results primarily from increased net income.

IMPACT OF INFLATION

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

EARNINGS PER SHARE

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, Earnings per Share ("SFAS 128"). This Statement simplifies the standards for computing earnings per share ("EPS") and makes them comparable to international EPS standards. It replaces the presentation of primary EPS with a presentation of basic EPS and requires dual presentation of basic and diluted EPS on the face of the income statement of all entities with complex capital structures. SFAS 128 also requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation.

Since the Company's stock options do not dilute EPS by more than three percent, they have been excluded from the denominator of earnings per common share as reported in the accompanying financial statements; thus, earnings per common share is equal to basic EPS as computed under SFAS 128. Had SFAS 128 been adopted in the first nine months of 1997, diluted EPS would have been computed as follows (in thousands, except per share amounts):

| | Income (Numerator) | Shares (Denominator) | Per Share Amount |
|---|---|---|---|
| Basic EPS | $ 51,023 | 53,906 | $.95 |
| Incremental shares from assumed exercise of dilutive options and warrants | - | 275 | |
| Diluted EPS | $ 51,023 | 54,181 | $.94 |



Item 3 - Quantitative and Qualitative Disclosures About Market Risk

Not required.

PART II
OTHER INFORMATION

Item 1 - Legal Proceedings

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

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits. The following exhibits are filed herewith:

| Number | Description |
|---|---|
| 11 | Statement regarding computation of earnings per share. |
| 27 | Financial Data Schedule (pursuant to Item 601(c)(1)(iv) of Regulation S-K, this exhibit shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended) |

(b) Reports on Form 8-K

No reports on Form 8-K were filed by the Company during the quarter ended September 30, 1997.

Signatures
- ----------

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

DENTSPLY INTERNATIONAL INC.

| | |
|---|---|
| November 14, 1997 | /s/ John C. Miles II |
| - -------------------- | ----------------------------------- |
| Date | John C. Miles II<br>Vice Chairman and<br>Chief Executive Officer |
| November 14, 1997 | /s/ Edward D. Yates |
| - -------------------- | ----------------------------------- |
| Date | Edward D. Yates<br>Senior Vice President and<br>Chief Financial Officer |

# EXHIBIT INDEX

| Number | Description | Sequential Page No. |
| --- | --- | --- |
| 11 | Statement regarding computation of earnings per share. | 19 |
| 27 | Financial Data Schedule (pursuant to Item 601(c)(1)(iv) of Regulation S-K, this exhibit shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended) | 20 |

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DENTSPLY INTERNATIONAL INC.
EXHIBIT 11
COMPUTATION OF EARNINGS PER COMMON SHARE

Earnings per common share:

| | Three Months Ended September 30, 1997 | Three Months Ended September 30, 1996 | Nine Months Ended September 30, 1997 | Nine Months Ended September 30, 1996 |
|---|---|---|---|---|
| | (in thousands, except per share data) | | | |
| Weighted average common shares outstanding | 53,979 | 53,784 | 53,906 | 53,898 |
| Net income | $16,256 | $13,873 | $51,023 | $46,630 |
| Earnings per common share | $.30 | $.26 | $.95 | $.87 |

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS OF DENTSPLY INTERNATIONAL INC. AT SEPTEMBER 31, 1997 AND FOR THE FISCAL QUARTER THEN ENDED, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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