

## DENTSPLY International Inc. Reports Results for Its Fourth Quarter and Full Year

February 9, 2011 6:00 AM ET

*-- Full year net sales were a record \$2.221 billion and increased 2.9% or 2.1%, excluding precious metal content*

*-- Full year Fully Diluted Earnings Per Share on a GAAP basis were \$1.82 per share and were a record \$1.90 on a non-GAAP fully diluted basis and increased 3.3% for the year*

YORK, Pa., Feb. 9, 2011 (GLOBE NEWSWIRE) -- DENTSPLY International Inc. (Nasdaq:[XRAY](#)) today announced sales and earnings for the three months and year ended December 31, 2010.

### Fourth Quarter Results

Net sales in the fourth quarter of 2010 were \$568.2 million, essentially the same level as reported in the fourth quarter of 2009. Net sales, excluding precious metal content, increased 0.3% in total, and 2.5% on a constant currency basis in the fourth quarter of 2010. However, sales were negatively impacted by foreign exchange translation resulting from a generally stronger U.S. dollar during the quarter when compared to the same period last year.

Net income attributable to DENTSPLY International for the fourth quarter of 2010 was \$67.8 million, or \$0.47 per diluted share, compared to \$74.8 million, or \$0.50 per diluted share, in the fourth quarter of 2009. Net income attributable to DENTSPLY International in the fourth quarter of 2010 included tax adjustments, charges for restructuring and other costs, impacts related to recent acquisitions and investments that on a net basis decreased diluted earnings per share by \$0.04. Net income attributable to DENTSPLY International in 2009 included positive tax adjustments, charges for restructuring, costs related to recent acquisitions and other related items that on a net basis increased diluted earnings per share by \$0.02.

Adjusted earnings (excluding tax adjustments, charges for restructuring, costs related to recent acquisitions and other related items), which constitute a non-GAAP measure, were \$73.7 million, or \$0.51 per diluted share, in the fourth quarter of 2010. This compares to \$72.6 million, or \$0.48 per diluted share, in the fourth quarter of 2009, or an increase in adjusted earnings per diluted share of 6.3% for the quarter. A reconciliation of this non-GAAP measure to earnings per share on a GAAP basis is provided in the attached table.

### Full Year Results

Net sales for the full year were \$2,221.0 million in 2010, compared to \$2,159.4 million in 2009. Net sales, excluding precious metal content, were \$2,031.8 million, an increase of 2.1% compared to 2009. Net sales, excluding precious metal content, increased 2.6% in 2010 in constant currency, including acquisitions. The Company experienced positive constant currency growth for dental consumable products and dental specialty products for the year.

Net income attributable to DENTSPLY International for 2010 was \$265.7 million, or \$1.82 per diluted share, compared to \$274.3 million, or \$1.83 per diluted share in 2009. Net income for the full year of 2010 included a net negative impact from tax adjustments, charges for restructuring, costs related to recent acquisitions and other items, which reduced earnings per diluted share by \$0.08, and 2009 included tax adjustments, charges for restructuring, costs related to recent acquisitions and other related items that, on a net basis, reduced earnings per diluted share by \$0.01 for the year.

For comparability analysis, net income attributable to DENTSPLY International on a non-GAAP basis was \$277.9 million or \$1.90 per diluted share for 2010. This compares with \$275.7 million, or \$1.84 per diluted share, in 2009, an increase of 3.3%. A reconciliation of this non-GAAP measure to earnings per share on a GAAP basis is provided in the attached table.

### 2011 Outlook

Bret Wise, Chairman and Chief Executive Officer, stated, "Moving into 2011, we are fortunate to have a number of new and exciting product launches planned. This, along with a gradually improving dental market, should allow us to improve both our growth rates in sales and earnings for the year. We are cautiously optimistic based on this outlook along with the current exchange rates, and are initiating our 2011 earnings guidance in the range of \$2.00 to \$2.08 per diluted share."

## **Additional Information**

A conference call has been scheduled for Wednesday, February 9, 2011 at 8:30 a.m. Eastern Time. A live broadcast is available through Shareholder.com by accessing DENTSPLY's website at [www.dentsply.com](http://www.dentsply.com). The Conference ID # is 7647861. If you would like to participate in this call, dial (888) 259-8371 (for domestic calls) or (913) 312-1448 (for international calls). An online rebroadcast will be available to the public following the call at the DENTSPLY website: [www.dentsply.com](http://www.dentsply.com). A replay will also be available for one week following the conference call at (888) 203-1112 (for domestic calls) and (719) 457-0820 (for international calls), Passcode # 7647861.

DENTSPLY designs, develops, manufactures and markets a broad range of professional dental products including dental implants, endodontic instruments and materials, orthodontic appliances, restorative materials, preventive materials and devices, and prosthetic materials and devices. 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 new products for the dental market.

The DENTSPLY International Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkid=4306>

This press release contains forward-looking information (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding future events or the future financial performance of the Company that involve substantial risks and uncertainties. Actual events or results may differ materially from those in the projections or other forward-looking information set forth herein as a result of certain risk factors. These risk factors include, without limitation; the continued strength of dental markets, the timing, success and market reception for our new and existing products, uncertainty with respect to governmental actions with respect to dental products, outcome of litigation, continued support of our products by influential dental professionals, and changes in the general economic environment that could affect the business. Changes in such assumptions or factors could produce significantly different results. For an additional description of risk factors, please refer to the Company's most recent Form 10-K and its subsequent periodic reports on Forms 10-Q filed with the Securities and Exchange Commission.

## **Non-GAAP Financial Measures**

In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP"), the Company provided adjusted operating income, adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted share. These adjusted amounts consist of GAAP amounts excluding (1) restructuring and other costs, (2) acquisition-related charges, (3) loss on derivative at an unconsolidated affiliated company, (4) income tax-related adjustments and (5) credit risk adjustments to outstanding derivatives. Adjusted earnings per diluted share are calculated by dividing adjusted net income attributable to DENTSPLY International by diluted weighted-average shares outstanding.

The Company also provided an operational tax rate, which is the Company's effective tax rate, a GAAP measure, adjusted for certain one-time charges. Adjusted operating income, adjusted net income attributable to DENTSPLY International, adjusted earnings per diluted share and operating tax rate are considered measures not calculated in accordance with GAAP, and therefore are non-GAAP measures. These non-GAAP measures may differ from those of other companies.

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

## **DENTSPLY INTERNATIONAL INC.**

### **CONSOLIDATED STATEMENTS OF OPERATIONS**

**(In thousands, except per share amounts)**

**Three Months Ended    Twelve Months Ended**

|  | December 31, |            | December 31, |              |
|--|--------------|------------|--------------|--------------|
|  | 2010         | 2009       | 2010         | 2009         |
| Net sales  | \$ 568,169   | \$ 568,394 | \$ 2,221,014 | \$ 2,159,378 |
| Net sales, excluding precious metal content                          | 521,256      | 519,672    | 2,031,757    | 1,990,666    |
| Cost of products sold  | 280,458      | 285,161    | 1,090,856    | 1,053,015    |
| Gross profit   | 287,711      | 283,233    | 1,130,158    | 1,106,363    |
| % of Net sales   | 50.6%        | 49.8%      | 50.9%        | 51.2%        |
| % of Net sales, excluding precious metal content                     | 55.2%        | 54.5%      | 55.6%        | 55.6%        |
| Selling, general and administrative expenses                         | 186,426      | 178,847    | 738,901      | 718,230      |
| Restructuring and other costs  | 5,723        | 985        | 10,984       | 6,890        |
| Operating income   | 95,562       | 103,401    | 380,273      | 381,243      |
| % of Net sales   | 16.8%        | 18.2%      | 17.1%        | 17.7%        |
| % of Net sales, excluding precious metal content                     | 18.3%        | 19.9%      | 18.7%        | 19.2%        |
| Net interest and other expense                                       | 4,842        | 3,976      | 22,617       | 17,887       |
| Income before income taxes   | 90,720       | 99,425     | 357,656      | 363,356      |
| Provision for income taxes   | 21,640       | 23,375     | 89,225       | 88,944       |
| Equity in net loss attributable to unconsolidated affiliated company | (1,096)      | --         | (1,096)      | --           |
| Net income   | 67,984       | 76,050     | 267,335      | 274,412      |
| % of Net sales   | 12.0%        | 13.4%      | 12.0%        | 12.7%        |
| % of Net sales, excluding precious metal content                     | 13.0%        | 14.6%      | 13.2%        | 13.8%        |
| Less: Net income (loss) attributable to the noncontrolling interests | 157          | 1,216      | 1,627        | 154          |
| Net income attributable to DENTSPLY International                    | \$ 67,827    | \$ 74,834  | \$ 265,708   | \$ 274,258   |
| % of Net sales   | 11.9%        | 13.2%      | 12.0%        | 12.7%        |
| % of Net sales, excluding precious metal content                     | 13.0%        | 14.4%      | 13.1%        | 13.8%        |
| Earnings per common share:   |              |            |              |              |
| Basic  | \$ 0.48      | \$ 0.51    | \$ 1.85      | \$ 1.85      |
| Dilutive   | \$ 0.47      | \$ 0.50    | \$ 1.82      | \$ 1.83      |
| Cash dividends declared per common share                             | \$ 0.05      | \$ 0.05    | \$ 0.20      | \$ 0.20      |

**Weighted average common share outstanding:**

|                 |                |                |                |                |
|-----------------|----------------|----------------|----------------|----------------|
| <b>Basic</b>    | <b>141,934</b> | <b>147,648</b> | <b>143,980</b> | <b>148,319</b> |
| <b>Dilutive</b> | <b>143,937</b> | <b>150,218</b> | <b>145,985</b> | <b>150,102</b> |

**DENTSPLY INTERNATIONAL INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(In thousands)**

|  | <b>December 31, December 31,</b> |                     |
|--|----------------------------------|---------------------|
|  | <b>2010</b>                      | <b>2009</b>         |
| <b>Assets</b>                              |                                  |                     |
| <b>Current Assets:</b>                     |                                  |                     |
| Cash and cash equivalents                  | \$ 540,038                       | \$ 450,348          |
| Accounts and notes receivable-trade, net   | 344,796                          | 348,684             |
| Inventories, net                           | 308,738                          | 291,640             |
| Prepaid expenses and other current assets  | 121,473                          | 127,124             |
| <b>Total Current Assets</b>                | <b>1,315,045</b>                 | <b>1,217,796</b>    |
| Property, plant and equipment, net         | 423,105                          | 439,619             |
| Identifiable intangible assets, net        | 78,743                           | 89,086              |
| Goodwill, net                              | 1,303,055                        | 1,312,596           |
| Other noncurrent assets, net               | 138,003                          | 28,835              |
| <b>Total Assets</b>                        | <b>\$ 3,257,951</b>              | <b>\$ 3,087,932</b> |
| <b>Liabilities and Equity</b>              |                                  |                     |
| Current liabilities                        | \$ 360,091                       | \$ 444,556          |
| Long-term debt                             | 604,015                          | 387,151             |
| Deferred income taxes                      | 72,489                           | 72,524              |
| Other noncurrent liabilities               | 311,444                          | 276,743             |
| <b>Total Liabilities</b>                   | <b>1,348,039</b>                 | <b>1,180,974</b>    |
| <b>Total DENTSPLY International Equity</b> | <b>1,839,386</b>                 | <b>1,832,105</b>    |
| <b>Noncontrolling interests</b>            | <b>70,526</b>                    | <b>74,853</b>       |
| <b>Total Equity</b>                        | <b>1,909,912</b>                 | <b>1,906,958</b>    |

**Total Liabilities and Equity**                                 **\$ 3,257,951    \$ 3,087,932**

**DENTSPLY INTERNATIONAL INC.**

**(In thousands, except per share amounts)**

**Operating Income Summary:**

The following tables present the reconciliation of reported GAAP operating income in total and on a percentage of net sales, excluding precious metal content, to the non-GAAP financial measures.

**Three Months Ended December 31, 2010**

|   | <b>Operating<br/>Income<br/>(Loss)</b> | <b>Percentage<br/>of Net Sales,<br/>Excluding Precious<br/>Metal Content</b> |
|---|--|--|
| Operating Income                          | \$ 95,562                              | 18.3%  |
| Restructuring and Other Costs             | 5,723                                  | 1.1%   |
| Recent Acquisition-Related Activities     | 454                                    | 0.1%   |
| <b>Adjusted Non-GAAP Operating Income</b> | <b>\$ 101,739</b>                      | <b>19.5%</b>   |

**Three Months Ended December 31, 2009**

|   | <b>Operating<br/>Income<br/>(Loss)</b> | <b>Percentage<br/>of Net Sales,<br/>Excluding Precious<br/>Metal Content</b> |
|---|--|--|
| Operating Income                          | \$ 103,401                             | 19.9%  |
| Restructuring and Other Costs             | 985                                    | 0.2%   |
| Recent Acquisition-Related Activities     | 115                                    | 0.0%   |
| <b>Adjusted Non-GAAP Operating Income</b> | <b>\$ 104,501</b>                      | <b>20.1%</b>   |

**DENTSPLY INTERNATIONAL INC.**

**(In thousands, except per share amounts)**

**Earnings Summary:**

The following tables present the reconciliation of reported GAAP net income attributable to DENTSPLY International and on a per share basis to the non-GAAP financial measures.

**Three Months Ended December 31, 2010**

|  | <b>Income<br/>(Loss)</b> | <b>Per Diluted<br/>Share</b> |
|--|--------------------------|------------------------------|
| Net Income Attributable to DENTSPLY International                              | \$ 67,827                | \$ 0.47                      |
| Restructuring and Other Costs, Net of Tax and Noncontrolling Interests         | 3,889                    | 0.03                         |
| Recent Acquisition-Related Activities, Net of Tax and Noncontrolling Interests | 481                      | 0.00                         |
| Income Tax-Related Adjustments   | 404                      | 0.00                         |
| Loss on Derivative at an Unconsolidated Affiliated Company                     | 1,131                    | 0.01                         |
| <b>Adjusted Non-GAAP Net Income Attributable to DENTSPLY International</b>     | <b>\$ 73,732</b>         | <b>\$ 0.51</b>               |

**Three Months Ended December 31, 2009**

|  | <b>Income<br/>(Loss)</b> | <b>Per Diluted<br/>Share</b> |
|--|--------------------------|------------------------------|
| Net Income Attributable to DENTSPLY International                              | \$ 74,834                | \$ 0.50                      |
| Restructuring and Other Costs, Net of Tax and Noncontrolling Interests         | 1,051                    | 0.01                         |
| Recent Acquisition-Related Activities, Net of Tax and Noncontrolling Interests | 60                       | 0.00                         |
| Income Tax-Related Adjustments   | (3,347)                  | (0.02)                       |
| Rounding   | --                       | (0.01)                       |
| <b>Adjusted Non-GAAP Net Income Attributable to DENTSPLY International</b>     | <b>\$ 72,598</b>         | <b>\$ 0.48</b>               |

**DENTSPLY INTERNATIONAL INC.****(In thousands)****Operating Tax Rate Summary:**

The following tables present the reconciliation of reported GAAP effective tax rate as a percentage of income before income taxes to the non-GAAP financial measure.

**Three Months Ended December 31, 2010**

|   | <b>Income Before<br/>Income Taxes</b> | <b>Income Taxes</b> | <b>Percentage<br/>of Income Before<br/>Income Taxes</b> |
|---|---------------------------------------|---------------------|---|
| As Reported - GAAP Operating Results            | \$ 90,720                             | \$ (21,640)         | 23.9%   |
| Restructuring and Other Costs                   | 5,723                                 | (1,832)             |   |
| Recent Acquisition-Related Activities           | 454                                   | 27                  |   |
| Income Tax-Related Adjustments                  | --                                    | 758                 |   |
| <b>As Adjusted - Non-GAAP Operating Results</b> | <b>\$ 96,897</b>                      | <b>\$ (22,687)</b>  | <b>23.4%</b>  |

|   | <b>Income Before<br/>Income Taxes</b> | <b>Income Taxes</b> | <b>Percentage<br/>of Income Before<br/>Income Taxes</b> |
|---|---------------------------------------|---------------------|---|
| <b>Three Months Ended December 31, 2009</b>     |                                       |                     |   |
| As Reported - GAAP Operating Results            | \$ 99,425                             | \$ (23,375)         | 23.5%   |
| Restructuring and Other Costs                   | 985                                   | (262)               |   |
| Recent Acquisition-Related Activities           | 115                                   | (15)                |   |
| Income Tax-Related Adjustments                  | --                                    | (3,347)             |   |
| <b>As Adjusted - Non-GAAP Operating Results</b> | <b>\$ 100,525</b>                     | <b>\$ (26,999)</b>  | <b>26.9%</b>  |

**DENTSPLY INTERNATIONAL INC.**

**(In thousands, except per share amounts)**

**Operating Income Summary:**

The following tables present the reconciliation of reported GAAP operating income in total and on a percentage of net sales, excluding precious metal content basis to the non-GAAP financial measures.

**Twelve Months Ended December 31, 2010**

|   | <b>Operating<br/>Income<br/>(Loss)</b> | <b>Percentage<br/>of Net Sales,<br/>Excluding Precious<br/>Metal Content</b> |
|---|--|--|
| Operating Income                          | \$ 380,273                             | 18.7%  |
| Restructuring and Other Costs             | 10,984                                 | 0.6%   |
| Recent Acquisition-Related Activities     | 2,686                                  | 0.1%   |
| <b>Adjusted Non-GAAP Operating Income</b> | <b>\$ 393,943</b>                      | <b>19.4%</b>   |

**Twelve Months Ended December 31, 2009**

|   | <b>Operating<br/>Income<br/>(Loss)</b> | <b>Percentage<br/>of Net Sales,<br/>Excluding Precious<br/>Metal Content</b> |
|---|--|--|
| Operating Income                          | \$ 381,243                             | 19.2%  |
| Restructuring and Other Costs             | 6,890                                  | 0.3%   |
| Recent Acquisition-Related Activities     | 4,134                                  | 0.2%   |
| <b>Adjusted Non-GAAP Operating Income</b> | <b>\$ 392,267</b>                      | <b>19.7%</b>   |

**DENTSPLY INTERNATIONAL INC.****(In thousands, except per share amounts)****Earnings Summary:**

The following tables present the reconciliation of reported GAAP net income in total and on a per share basis to the non-GAAP financial measures.

**Twelve Months Ended December 31, 2010**

|   | <b>Income<br/>(Loss)</b> | <b>Per Diluted<br/>Share</b> |
|---|--------------------------|------------------------------|
| Net Income Attributable to DENTSPLY International | \$ 265,708               | \$ 1.82                      |



|   |                   |                |
|---|-------------------|----------------|
| Restructuring and Other Costs, Net of Tax and Non-Controlling Interests         | 7,138             | 0.05           |
| Recent Acquisition-Related Activities, Net of Tax and Non-Controlling Interests | 2,152             | 0.01           |
| Loss on Derivative at an Unconsolidated Affiliated Company                      | 1,131             | 0.01           |
| Income Tax-Related Adjustments  | 1,073             | 0.01           |
| Credit Risk Adjustment to Outstanding Derivatives, Net of Tax                   | 732               | 0.01           |
| Rounding  | --                | (0.01)         |
| <b>Adjusted Non-GAAP Net Income Attributable to DENTSPLY International</b>      | <b>\$ 277,934</b> | <b>\$ 1.90</b> |

**Twelve Months Ended December 31, 2009**

|   | <b>Income<br/>(Loss)</b> | <b>Per Diluted<br/>Share</b> |
|---|--------------------------|------------------------------|
| Net Income Attributable to DENTSPLY International                               | \$ 274,258               | \$ 1.83                      |
| Restructuring and Other Costs, Net of Tax and Non-Controlling Interests         | 5,075                    | 0.03                         |
| Recent Acquisition-Related Activities, Net of Tax and Non-Controlling Interests | 1,830                    | 0.01                         |
| Income Tax-Related Adjustments  | (5,423)                  | (0.03)                       |
| <b>Adjusted Non-GAAP Net Income Attributable to DENTSPLY International</b>      | <b>\$ 275,740</b>        | <b>\$ 1.84</b>               |

**DENTSPLY INTERNATIONAL INC.**

(In thousands)

**Operating Tax Rate Summary:**

The following tables present the reconciliation of reported GAAP effective tax rate as a percentage of income before income taxes to the non-GAAP financial measure.

**Twelve Months Ended December 31, 2010**

|  | <b>Income Before<br/>Income Taxes</b> | <b>Income Taxes</b> | <b>Percentage<br/>of Income Before<br/>Income Taxes</b> |
|--|---------------------------------------|---------------------|---|
|--|---------------------------------------|---------------------|---|

|   |                   |                    |              |
|---|-------------------|--------------------|--------------|
| As Reported - GAAP Operating Results              | \$ 357,656        | \$ (89,225)        | 24.9%        |
| Restructuring and Other Costs                     | 10,984            | (3,737)            |              |
| Recent Acquisition-Related Activities             | 2,686             | (534)              |              |
| Credit Risk Adjustment to Outstanding Derivatives | 1,192             | (460)              |              |
| Income Tax-Related Adjustments                    | --                | 1,427              |              |
| <b>As Adjusted - Non-GAAP Operating Results</b>   | <b>\$ 372,518</b> | <b>\$ (92,529)</b> | <b>24.8%</b> |

**Twelve Months Ended December 31, 2009**

|   | <b>Income Before<br/>Income Taxes</b> | <b>Income Taxes</b> | <b>Percentage<br/>of Income Before<br/>Income Taxes</b> |
|---|---------------------------------------|---------------------|---|
| As Reported - GAAP Operating Results            | \$ 363,356                            | \$ (88,944)         | 24.5%   |
| Restructuring and Other Costs                   | 6,890                                 | (2,268)             |   |
| Recent Acquisition-Related Activities           | 4,134                                 | (1,085)             |   |
| Income Tax-Related Adjustments                  | --                                    | (5,423)             |   |
| <b>As Adjusted - Non-GAAP Operating Results</b> | <b>\$ 374,380</b>                     | <b>\$ (97,720)</b>  | <b>26.1%</b>  |

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