

## Fourth Quarter and Fiscal 2011 Supplemental Materials

February 16, 2012

# Forward Looking Statements

This presentation contains forward-looking statements regarding future events or the future financial performance of the Company. Actual events or results may differ materially from those in the projections or other forward-looking statements set forth herein as a result of certain risk factors or uncertainties, including, but not limited to, economic and foreign exchange rate volatility, the continued strength of the dental market, the Company's integration of recent acquisitions, the continued development by the Company and acceptance by the market of new products, the possibility of new technologies outdating the Company's products, and the retention of management and executive employees. For a more detailed description of risk factors that may affect forward-looking statements, please refer to the Company's Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Copies of such filings are available through the SEC's web site: [www.sec.gov](http://www.sec.gov).

# Non-GAAP Financial Measures

In addition to the results reported in accordance with US GAAP, the Company provides adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted common share. These adjusted amounts consist of US GAAP amounts excluding, net of tax (1) acquisition related costs and expensing of purchase price adjustments at an unconsolidated affiliated company, (2) restructuring and other costs, (3) amortization of purchased intangible assets, (4) Orthodontic business continuity costs, (5) income related to credit risk adjustments, (6) certain fair value adjustments at an unconsolidated affiliated company, and (7) income tax related adjustments. Adjusted earnings per diluted common share is calculated by dividing adjusted net income attributable to DENTSPLY International by diluted weighted-average common shares outstanding. Adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted common share are considered measures not calculated in accordance with US GAAP, and therefore are non-US GAAP measures. These non-US GAAP measures may differ from other companies. Income tax related adjustments may include the impact to adjust the interim effective income tax rate to the expected annual effective tax rate.

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

# Q4 Performance Summary

- Record revenue with a notable improvement in US consumables
- Headwinds from the supply disruption in orthodontics resulting from the natural disaster in Japan
- Sales excluding precious metals grew +30.0%; +38.2% excluding ortho/Japan
- Constant currency sales growth of +29.2%; +37.6% excluding ortho/Japan
- EPS on an adjusted basis of \$0.51, including \$0.05 - \$0.06 per share impact from supply disruption in orthodontic business

# Q4 Internal Growth, Ex. PM

Consolidated: -1.2%; + 3.9% excluding ortho/Japan

Europe/CIS: 48% of Total

- Europe internal growth: -1.9%
- Europe internal growth excluding ortho: +2.8%

United States: 29% of Total

- U.S. internal growth: +0.7%
- U.S. internal growth excluding ortho: +7.6%

Rest of World: 23% of Total

- ROW internal growth: -2.2%
- ROW internal growth excluding ortho/Japan: +1.0%

# Strong Financial Metrics

- ✓ 2011 adjusted EPS of \$2.03, and increase of 4.6% from 2010
- ✓ 2011 preliminary cash flow from operating activities grew 4.2% to a record \$393 million, including cash outflows associated with non-GAAP adjustments of approximately \$40 million
  - ✓ Capital expenditures of \$71 million
  - ✓ Depreciation of \$64 million and amortization of \$29 million
- ✓ Inventory days at 93, down 10 days from 103 in 2010, mostly due to currency
- ✓ DSO's at 52 days, compared to 55 days at end of 2010
- ✓ Total debt of \$1.77 billion; net debt of \$1.69 billion, reduced by over \$100 million since acquiring Astra Tech in August, 2011

# 2012 Earnings Guidance

- 2012 adjusted earnings in the range of \$2.22 to \$2.30 per diluted share

# Appendix

# Non-GAAP Reconciliation: Q4

**DENTSPLY INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**
**GAAP**  
**THREE MONTHS ENDED**
**NON-GAAP**  
**THREE MONTHS ENDED**

	<b>Dec 31, 2011</b>	Acquisition Related Activities	Restructuring, Ortho Continuity, Credit Risks & Other Costs	Income Tax Related Adjustments	Amortization of purchased intangible assets	Total Non-GAAP Adjustments	<b>Dec 31, 2011</b>
NET SALES	\$ 738,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 738,013
NET SALES-without precious metals	677,843	-	-	-	-	-	677,843
GROSS PROFIT	360,958	17,302	25	-	5,277	22,604	383,562
% OF NET SALES-without precious metals	53.3%						56.5%
SG&A EXPENSES	293,604	(11,583)	(1,221)	-	(5,717)	(18,521)	275,083
% OF NET SALES-without precious metals	43.3%						40.6%
RESTRUCTURING AND OTHER COSTS	2,016	(463)	(1,553)	-	-	(2,016)	-
INCOME FROM OPERATIONS	65,338	29,348	2,799	-	10,994	43,141	108,479
% OF NET SALES-without precious metals	9.6%						16.0%
NET INTEREST AND OTHER EXPENSE	14,632	-	(8)	-	-	(8)	14,624
PRE-TAX INCOME	50,706	29,348	2,807	-	10,994	43,149	93,855
INCOME TAXES	9,974	8,987	991	(2,722)	3,410	10,666	20,640
EQUITY EARNINGS (LOSS) OF UNCONSOLIDATED AFFILIATED CO.	660	-	(433)	-	-	(433)	227
LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTERESTS	789	-	(5)	45	-	40	829
NET INCOME ATTRIBUTABLE TO DENTSPLY INTERNATIONAL	\$ 40,603	\$ 20,361	\$ 1,388	\$ 2,677	\$ 7,584	\$ 32,010	\$ 72,613
% OF NET SALES-without precious metals	6.0%						10.7%
EARNINGS PER SHARE - DILUTED	\$ 0.28	\$ 0.14	\$ 0.02	\$ 0.02	\$ 0.05	\$ 0.23	\$ 0.51

# Non-GAAP Reconciliation: 2011

**DENTSPLY INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**
**GAAP**

TWELVE MONTHS ENDED

**NON-GAAP**

TWELVE MONTHS ENDED

	December 31, 2011	Acquisition Related Activities	Restructuring, Ortho Continuity & Other Costs	Income Tax Related Adjustments	Amortization on purchased intangible assets from acquisitions, prior to 7/1/2011	Amortization on purchased intangible assets from acquisitions, AstraTech	Total Non- GAAP Adjustments	December 31, 2011
NET SALES	\$ 2,537,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,537,718
NET SALES-without precious metals	2,332,589	-	-	-	-	-	-	2,332,589
GROSS PROFIT	1,273,440	32,793	78	-	6,496	4,658	44,024	1,317,464
% OF NET SALES-without precious metals	54.6%							56.5%
SG&A EXPENSES	936,847	(20,095)	(3,209)	-	(2,348)	(7,495)	(33,147)	903,700
% OF NET SALES-without precious metals	40.2%							38.7%
RESTRUCTURING AND OTHER COSTS	35,865	(17,981)	(17,884)	-	-	-	(35,865)	0
INCOME FROM OPERATIONS	300,728	70,869	21,171	-	8,843	12,153	113,036	413,764
% OF NET SALES-without precious metals	12.9%							17.7%
NET INTEREST AND OTHER EXPENSE	44,617	(12,426)	1,658	-	-	-	(10,768)	33,849
PRE-TAX INCOME	256,111	83,295	19,513	-	8,843	12,153	123,804	379,915
INCOME TAXES	11,016	20,958	6,884	41,008	2,949	3,619	75,418	86,434
EQUITY EARNINGS (LOSS) OF DIO CORP	2,351	-	(1,832)	-	-	-	(1,832)	519
LESS: NET INCOME/(LOSS) ATTRIBUTABLE TO THE NON-CONTROLLING INTERESTS	2,926	-	157	45	-	-	202	3,128
NET INCOME ATTRIBUTABLE TO DENTSPLY INTERNATIONAL	\$ 244,520	\$ 62,337	\$ 10,640	\$ (41,053)	\$ 5,894	\$ 8,534	\$ 46,352	\$ 290,872
% OF NET SALES-without precious metals	10.5%							12.5%
EARNINGS PER SHARE - DILUTED	\$ 1.70	\$ 0.44	\$ 0.08	\$ (0.29)	\$ 0.04	\$ 0.06	\$ 0.33	\$ 2.03