UNITED STATES
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 June 30, 2015
OR

o 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.)
221 West Philadelphia Street, York, PA	17405-2558
(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.

Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer" and "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer o Non-accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At July 21, 2015, DENTSPLY International Inc. had 139,808,237 shares of Common Stock outstanding, with a par value of $.01 per share.

DENTSPLY International Inc.

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PART I – FINANCIAL INFORMATION

Item 1 – Financial Statements

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net sales	$ 698,006	$ 765,225	$ 1,354,326	$ 1,495,339
Cost of products sold	298,345	340,756	581,297	676,665
Gross profit	399,661	424,469	773,029	818,674
Selling, general and administrative expenses	274,979	296,121	545,212	583,963
Restructuring and other costs	38,881	1,242	44,307	2,035
Operating income	85,801	127,106	183,510	232,676
Other income and expenses:				
Interest expense	9,824	11,798	20,492	22,753
Interest income	(660)	(1,744)	(1,402)	(3,179)
Other expense (income), net	(376)	575	232	963
Income before income taxes	77,013	116,477	164,188	212,139
Provision for income taxes	24,775	26,096	43,628	48,548
Equity in net loss of unconsolidated affiliated company	(8,174)	(367)	(12,541)	(657)
Net income	44,064	90,014	108,019	162,934
Less: Net (loss) income attributable to noncontrolling interests	(35)	21	(42)	63
Net income attributable to DENTSPLY International	$ 44,099	$ 89,993	$ 108,061	$ 162,871
Earnings per common share:				
Basic	$ 0.32	$ 0.63	$ 0.77	$ 1.15
Diluted	$ 0.31	$ 0.62	$ 0.76	$ 1.13
Weighted average common shares outstanding:				
Basic	139,813	141,790	140,054	141,921
Diluted	142,262	144,164	142,521	144,288

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income	$ 44,064	$ 90,014	$ 108,019	$ 162,934
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	75,972	(27,640)	(112,932)	(28,675)
Net (loss) gain on derivative financial instruments	(16,824)	440	7,928	2,197
Net unrealized holding gain (loss) on available-for-sale securities	39,416	(1,762)	70,267	(3,803)
Pension liability adjustments	(8)	823	1,409	1,141
Total other comprehensive income (loss), net of tax	98,556	(28,139)	(33,328)	(29,140)
Total comprehensive income	142,620	61,875	74,691	133,794
Less: Comprehensive income (loss) attributable to noncontrolling interests	(40)	(254)	500	(140)
Comprehensive income attributable to DENTSPLY International	$ 142,660	$ 62,129	$ 74,191	$ 133,934

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(unaudited)

	June 30, 2015	December 31, 2014
Assets		
Current Assets:		
Cash and cash equivalents	$ 96,472	$ 151,639
Accounts and notes receivables-trade, net	447,500	426,606
Inventories, net	374,820	387,095
Prepaid expenses and other current assets, net	351,538	241,630
Total Current Assets	1,270,330	1,206,970
Property, plant and equipment, net	568,036	588,845
Identifiable intangible assets, net	616,669	670,840
Goodwill, net	1,998,608	2,089,339
Other noncurrent assets, net	43,113	90,465
Total Assets	$ 4,496,756	$ 4,646,459
Liabilities and Equity		
Current Liabilities:		
Accounts payable	$ 132,966	$ 132,611
Accrued liabilities	296,280	379,202
Income taxes payable	64,023	28,948
Notes payable and current portion of long-term debt	119,704	111,823
Total Current Liabilities	612,973	652,584
Long-term debt	1,077,779	1,150,084
Deferred income taxes	155,587	165,551
Other noncurrent liabilities	334,128	356,042
Total Liabilities	2,180,467	2,324,261
Commitments and contingencies		
Equity:		
Preferred stock, $1.00 par value; .25 million shares authorized; no shares issued	—	—
Common stock, $.01 par value; 200.0 million shares authorized; 162.8 million shares issued at June 30, 2015 and December 31, 2014	1,628	1,628
Capital in excess of par value	225,002	221,669
Retained earnings	3,468,364	3,380,748
Accumulated other comprehensive loss	(475,006)	(441,136)
Treasury stock, at cost, 23.0 million and 21.9 million shares at June 30, 2015 and December 31, 2014, respectively	(905,118)	(841,630)
Total DENTSPLY International Equity	2,314,870	2,321,279
Noncontrolling interests	1,419	919
Total Equity	2,316,289	2,322,198
Total Liabilities and Equity	$ 4,496,756	$ 4,646,459

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Six months ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net income	$ 108,019	$ 162,934
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	38,782	42,325
Amortization	21,846	24,493
Amortization of deferred financing costs	2,177	2,285
Deferred income taxes	28,697	(4,893)
Share-based compensation expense	11,830	13,358
Restructuring and other costs - non-cash	45,814	—
Stock option income tax benefit	(8,822)	(349)
Equity in net loss from unconsolidated affiliates	12,541	657
Other non-cash income	(13,725)	(9,110)
Loss on disposal of property, plant and equipment	481	—
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable-trade, net	(39,997)	(31,505)
Inventories, net	4,126	(22,427)
Prepaid expenses and other current assets, net	1,832	(6,068)
Other noncurrent assets, net	720	1,096
Accounts payable	4,938	10,613
Accrued liabilities	(17,678)	(6,228)
Income taxes	(74)	35,532
Other noncurrent liabilities	9,738	7,532
Net cash provided by operating activities	211,245	220,245
Cash flows from investing activities:		
Capital expenditures	(33,434)	(48,831)
Cash paid for acquisitions of businesses, net of cash acquired	(3,305)	(2,009)
Cash received on derivatives contracts	14,267	1,674
Cash paid on derivatives contracts	(810)	(4,006)
Expenditures for identifiable intangible assets	—	(1,316)
Purchase of short-term investments	—	(1,135)
Proceeds from sale of property, plant and equipment, net	303	277
Net cash used in investing activities	(22,979)	(55,346)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	33,370	(38,087)
Cash paid for treasury stock	(98,975)	(54,586)
Cash dividends paid	(19,640)	(18,453)
Cash paid for acquisition of noncontrolling interests of consolidated subsidiary	(80,452)	(33)
Repayments on long-term borrowings	(100,232)	(75,371)
Proceeds from exercised stock options	18,597	12,736
Excess tax benefits from share-based compensation	8,822	349
Net cash used in financing activities	(238,510)	(173,445)
Effect of exchange rate changes on cash and cash equivalents	(4,923)	521
Net decrease in cash and cash equivalents	(55,167)	(8,025)
Cash and cash equivalents at beginning of period	151,639	74,954
Cash and cash equivalents at end of period	$ 96,472	$ 66,929

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands)
(unaudited)

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total DENTSPLY International Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2013	$ 1,628	$ 255,272	$ 3,095,721	$ (69,062)	$ (748,506)	$ 2,535,053	$ 42,921	$ 2,577,974
Net income	—	—	162,871	—	—	162,871	63	162,934
Other comprehensive loss	—	—	—	(23,407)	—	(23,407)	(203)	(23,610)
Acquisition of noncontrolling interest	—	(40,283)	—	(5,530)	—	(45,813)	(41,470)	(87,283)
Exercise of stock options	—	(2,204)	—	—	14,940	12,736	—	12,736
Tax benefit from stock options exercised	—	349	—	—	—	349	—	349
Share based compensation expense	—	13,358	—	—	—	13,358	—	13,358
Funding of Employee Stock Ownership Plan	—	1,535	—	—	4,418	5,953	—	5,953
Treasury shares purchased	—	—	—	—	(54,586)	(54,586)	—	(54,586)
RSU distributions	—	(10,917)	—	—	6,653	(4,264)	—	(4,264)
RSU dividends	—	164	(164)	—	—	—	—	—
Cash dividends ($0.13250 per share)	—	—	(18,787)	—	—	(18,787)	—	(18,787)
Balance at June 30, 2014	$ 1,628	$ 217,274	$ 3,239,641	$ (97,999)	$ (777,081)	$ 2,583,463	$ 1,311	$ 2,584,774

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total DENTSPLY International Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2014	$ 1,628	$ 221,669	$ 3,380,748	$ (441,136)	$ (841,630)	$ 2,321,279	$ 919	$ 2,322,198
Net income	—	—	108,061	—	—	108,061	(42)	108,019
Other comprehensive loss	—	—	—	(33,870)	—	(33,870)	542	(33,328)
Exercise of stock options	—	(4,688)	—	—	23,285	18,597	—	18,597
Tax benefit from stock options exercised	—	8,822	—	—	—	8,822	—	8,822
Share based compensation expense	—	11,830	—	—	—	11,830	—	11,830
Funding of Employee Stock Ownership Plan	—	1,077	—	—	3,650	4,727	—	4,727
Treasury shares purchased	—	—	—	—	(98,998)	(98,998)	—	(98,998)
RSU distributions	—	(13,878)	—	—	8,575	(5,303)	—	(5,303)
RSU dividends	—	170	(170)	—	—	—	—	—
Cash dividends ($0.14500 per share)	—	—	(20,275)	—	—	(20,275)	—	(20,275)
Balance at June 30, 2015	$ 1,628	$ 225,002	$ 3,468,364	$ (475,006)	$ (905,118)	$ 2,314,870	$ 1,419	$ 2,316,289

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and the rules of the United States Securities and Exchange Commission ("SEC"). The year-end consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement of the results for interim periods have been included. Results for interim periods should not be considered indicative of results for a full year. These financial statements and related notes contain the accounts of DENTSPLY International Inc. and Subsidiaries ("DENTSPLY" or the "Company") on a consolidated basis and should be read in conjunction with the consolidated financial statements and notes included in the Company's most recent Form 10-K for the year ended December 31, 2014.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company, as applied in the interim consolidated financial statements presented herein are substantially the same as presented in the Company's Form 10-K for the year ended December 31, 2014, except as may be indicated below:

Accounts and Notes Receivable

The Company records a provision for doubtful accounts, which is included in "Selling, general and administrative expenses" in the Consolidated Statements of Operations.

Accounts and notes receivables – trade, net are stated net of allowances for doubtful accounts and trade discounts, which were $9.2 million at June 30, 2015 and $8.8 million at December 31, 2014.

Marketable Securities

The Company's marketable securities consist of corporate convertible bonds that are classified as available-for-sale in "Prepaid expenses and other current assets" on the Consolidated Balance Sheets as the instruments mature in December 2015. The Company determined the appropriate classification at the time of purchase and will re-evaluate such designation as of each balance sheet date. In addition, the Company reviews the securities each quarter for indications of possible impairment. If an impairment is identified, the determination of whether the impairment is temporary or other-than-temporary requires significant judgment. The primary factors that the Company considers in making this judgment include the extent and time the fair value of each investment has been below cost and the existence of a credit loss. If a decline in fair value is judged other-than-temporary, the basis of the securities is written down to fair value and the amount of the write-down is included as a realized loss in the Consolidated Statement of Operations. Changes in fair value are reported in accumulated other comprehensive income ("AOCI").

The convertible element of the bonds has not been bifurcated from the underlying bonds as the element does not contain a net-settlement feature, nor would the Company be able to achieve a hypothetical net-settlement that would substantially place the Company in a comparable cash settlement position. As such, the derivative is not accounted for separately from the bond. The cash paid by the Company was equal to the face value of the bonds issued, and therefore, the Company has not recorded any bond premium or discount on acquiring the bonds. The fair value of the bonds was $153.6 million and $57.7 million at June 30, 2015 and December 31, 2014, respectively. At June 30, 2015 and December 31, 2014, a cumulative unrealized holding gain of $70.3 million and $8.5 million, respectively, on available-for-sale securities, net of tax, has been recorded in AOCI. As this investment is held by a euro-denominated subsidiary of the Company, the investment's value is also impacted by changing foreign currency rates which accounts for the remaining difference between the period end values and the change in cumulative gain.

New Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." This newly issued accounting standard changes the criteria for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. This standard will have the impact of reducing the frequency of disposals reported as discontinued operations, by requiring such a disposal to represent a strategic shift that has or will have a major effect on entity's operations and financial results. Additionally, existing provisions that prohibit an entity from reporting a discontinued operation if it has certain continuing cash flows or involvement with the component after a disposal are eliminated by this standard. The ASU also expands the disclosures for discontinued operations and requires new disclosures related to individually significant disposals that do not qualify as discontinued operations. This Company adopted this accounting standard for the quarter ended March 31, 2015. The adoption of this standard did not materially impact the Company's financial position or results of operations.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" that seeks to provide a single, comprehensive revenue recognition model for all contracts with customers that improve comparability within industries, across industries and across capital markets. Under this standard, an entity should recognize revenue for the transfer of goods or services equal to the amount it expects to be entitled to receive for those goods or services. Enhanced disclosure requirements regarding the nature, timing and uncertainty of revenue and related cash flows exist. To assist entities in applying the standard, a five step model for recognizing and measuring revenue from contracts with customers has been introduced. Entities have the option to apply the new guidance retrospectively to each prior reporting period presented (full retrospective approach) or retrospectively with a cumulative effect adjustment to retained earnings for initial application of the guidance at the date of initial adoption (modified retrospective method). The Company expects to adopt this accounting standard for the quarter ended March 31, 2017. Early adoption is not permitted. On April 1, 2015, the FASB proposed deferring the effective date by one year to annual reporting periods beginning after December 15, 2017. The proposal has not been ratified. The Company is currently assessing the impact that ASU No. 2014-09 may have on their financial positions, results of operations, cash flows and disclosures, as well as, the transition method they will use to adopt the guidance

In January 2015, the FASB issued ASU No. 2015-01, "Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items" This newly issued accounting standard eliminates from generally accepted accounting principles the concept of Extraordinary items, events or transactions that are unusual in nature and occur infrequently. The amendments in this update are effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2015. Prospective application and early adoption is permitted. The adoption of this standard is not expected to impact the Company's financial position or results of operations.

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This newly issued accounting standard requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct reduction from the carrying amount of that debt liability. Retrospective application is required. The amendments in this standard are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The Company adopted this standard during the second quarter of 2015, applying retrospective application to the periods presented in this Form 10-Q. The following is a summary of the adjustment to the financial statement line items impacted by this accounting update:

	December 31, 2014		
(in thousands)	As Reported		
Consolidated Balance Sheet Line Item	Balance	Adjustment	Adjusted Balance
Other noncurrent assets, net	$ 94,271	(3,806)	$ 90,465
Notes payable and current portion of long-term debt	112,831	(1,008)	111,823
Long-term debt	1,152,882	(2,798)	1,150,084

	March 31, 2015		
(in thousands)	As Reported		
Consolidated Balance Sheet Line Item	Balance	Adjustment	Adjusted Balance
Other noncurrent assets, net	$ 61,254	(3,568)	$ 57,686
Notes payable and current portion of long-term debt	247,631	(948)	246,683
Long-term debt	1,078,823	(2,620)	1,076,203

NOTE 2 – STOCK COMPENSATION

The following table represents total stock based compensation expense for non-qualified stock options, restricted stock units ("RSU") and the tax related benefit for the three and six months ended June 30, 2015 and 2014:

(in thousands)	Three Months Ended 2015	Three Months Ended 2014	Six Months Ended 2015	Six Months Ended 2014
Stock option expense	$ 2,330	$ 2,829	$ 3,775	$ 4,503
RSU expense	4,272	4,366	7,408	8,085
Total stock based compensation expense	$ 6,602	$ 7,195	$ 11,183	$ 12,588
Total related tax benefit	$ 1,838	$ 1,979	$ 3,385	$ 3,543

For the three and six months ended June 30, 2015, stock compensation expense of $6.6 million and $11.2 million, respectively, of which, $6.4 million and $10.8 million, respectively, was recorded in Selling, general and administrative expense and $0.2 million and $0.3 million, respectively, was recorded in Cost of products sold on the Consolidated Statement of Operations. For the three and six months ended June 30, 2014, stock compensation expense of $7.2 million and $12.6 million, respectively, of which, $7.0 million and $12.2 million, respectively, was recorded in Selling, general and administrative expense and $0.2 million and $0.4 million, respectively, was recorded in Cost of products sold on the Consolidated Statement of Operations.

At June 30, 2015, the remaining unamortized compensation cost related to non-qualified stock options is $13.7 million, which will be expensed over the weighted average remaining vesting period of the options, or approximately 1.8 years. At June 30, 2015, the unamortized compensation cost related to RSU is $26.5 million, which will be expensed over the weighted average remaining restricted period of the RSU, or approximately 1.5 years.

NOTE 3 – COMPREHENSIVE INCOME

During the quarter ended June 30, 2015, foreign currency translation adjustments included currency translation losses of $74.9 million and losses on the Company's loans designated as hedges of net investments of $0.4 million. During the quarter ended June 30, 2014, foreign currency translation adjustments included currency translation losses of $20.6 million and losses of $1.2 million on the Company's loans designated as hedges of net investments. During the six months ended June 30, 2015, foreign currency translation adjustments included currency translation losses of $113.7 million and losses on the Company's loans designated as hedges of net investments of $1.2 million. During the six months ended June 30, 2014, foreign currency translation adjustments included currency translation losses of $19.7 million and losses on the Company's loans designated as hedges of net investments of $3.2 million.

The cumulative foreign currency translation adjustments included translation losses of $230.7 million and $117.1 million at June 30, 2015 and December 31, 2014, respectively, and losses on loans designated as hedges of net investments of $96.7 million and $95.4 million, respectively. These foreign currency translation adjustments were partially offset by movements on derivative financial instruments, which are discussed in Note 10, Financial Instruments and Derivatives.

Changes in AOCI, net of tax, by component for the six months ended June 30, 2015 and 2014:

(in thousands)	Foreign Currency Translation Adjustments	Gain and (Loss) on Derivative Financial Instruments Designated as Cash Flow Hedges	Gain and (Loss) on Derivative Financial Instruments Designated as Net Investment Hedges	Net Unrealized Holding Gain (Loss) on Available-for-Sale Securities	Pension Liability Adjustments	Total
Balance at December 31, 2014	$ (212,490)	$ (10,825)	$ (112,728)	$ 8,481	$ (113,574)	$ (441,136)
Other comprehensive income (loss) before reclassifications	(114,891)	18,446	(2,345)	70,267	—	(28,523)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(8,173)	—	—	2,826	(5,347)
Net (decrease) increase in other comprehensive income	(114,891)	10,273	(2,345)	70,267	2,826	(33,870)
Balance at June 30, 2015	$ (327,381)	$ (552)	$ (115,073)	$ 78,748	$ (110,748)	$ (475,006)

(in thousands)	Foreign Currency Translation Adjustments	Gain and (Loss) on Derivative Financial Instruments Designated as Cash Flow Hedges	Gain and (Loss) on Derivative Financial Instruments Designated as Net Investment Hedges	Net Unrealized Holding Gain (Loss)on Available-for-Sale Securities	Pension Liability Adjustments	Total
Balance at December 31, 2013	$ 140,992	$ (21,753)	$ (151,114)	$ 12,729	$ (49,916)	$ (69,062)
Other comprehensive income (loss) before reclassifications	(22,942)	(2,717)	849	(3,803)	197	(28,416)
Amounts reclassified from accumulated other comprehensive income (loss)	—	4,065	—	—	944	5,009
Net (decrease) increase in other comprehensive income	(22,942)	1,348	849	(3,803)	1,141	(23,407)
Foreign currency translation related to acquisition of noncontrolling interests	(5,530)	—	—	—	—	(5,530)
Balance at June 30, 2014	$ 112,520	$ (20,405)	$ (150,265)	$ 8,926	$ (48,775)	$ (97,999)

Reclassifications out of accumulated other comprehensive income (expense) to the Consolidated Statements of Operations for the three and six months ended June 30, 2015 and 2014:

(in thousands)

Details about AOCI Components	Amounts Reclassified from AOCI Three Months Ended June 30, 2015	2014	Affected Line Item in the Statements of Operations
Gains and (losses) on derivative financial instruments:			
Interest rate swaps	$ (1,074)	$ (929)	Interest expense
Foreign exchange forward contracts	6,839	(1,651)	Cost of products sold
Foreign exchange forward contracts	181	(58)	SG&A expenses
Commodity contracts	(121)	(158)	Cost of products sold
	5,825	(2,796)	Net gain (loss) before tax
	(1,189)	819	Tax (expense) benefit
	$ 4,636	$ (1,977)	Net of tax
Amortization of defined benefit pension and other postemployment benefit items:			
Amortization of prior service benefits	$ 34	$ 35	(a)
Amortization of net actuarial losses	(2,015)	(721)	(a)
	(1,981)	(686)	Net loss before tax
	572	213	Tax benefit
	$ (1,409)	$ (473)	Net of tax
Total reclassifications for the period	$ 3,227	$ (2,450)	

(a) These accumulated other comprehensive income components are included in the computation of net periodic benefit cost for the three months ended June 30, 2015 and 2014 (see Note 8, Benefit Plans, for additional details).

(in thousands)

Details about AOCI Components	Amounts Reclassified from AOCI — Six Months Ended June 30, 2015	2014	Affected Line Item in the Statements of Operations
Gains and (losses) on derivative financial instruments:			
Interest rate swaps	$ (2,040)	$ (1,856)	Interest expense
Foreign exchange forward contracts	10,726	(3,296)	Cost of products sold
Foreign exchange forward contracts	344	(157)	SG&A expenses
Commodity contracts	(250)	(403)	Cost of products sold
	8,780	(5,712)	Net gain (loss) before tax
	(607)	1,647	Tax (expense) benefit
	$ 8,173	$ (4,065)	Net of tax
Amortization of defined benefit pension and other postemployment benefit items:			
Amortization of prior service benefits	$ 68	$ 69	(a)
Amortization of net actuarial losses	(4,041)	(1,439)	(a)
	(3,973)	(1,370)	Net loss before tax
	1,147	426	Tax benefit
	$ (2,826)	$ (944)	Net of tax
Total reclassifications for the period	$ 5,347	$ (5,009)	

(a) These accumulated other comprehensive income components are included in the computation of net periodic benefit cost for the six months ended June 30, 2015 and 2014 (see Note 8, Benefit Plans, for additional details).

NOTE 4 – EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share for the three and six months ended June 30, 2015 and 2014:

Basic Earnings Per Common Share Computation	Three Months Ended		Six Months Ended	
(in thousands, except per share amounts)	2015	2014	2015	2014
Net income attributable to DENTSPLY International	$ 44,099	$ 89,993	$ 108,061	$ 162,871
Weighted average common shares outstanding	139,813	141,790	140,054	141,921
Earnings per common share - basic	$ 0.32	$ 0.63	$ 0.77	$ 1.15
Diluted Earnings Per Common Share Computation				
(in thousands, except per share amounts)				
Net income attributable to DENTSPLY International	$ 44,099	$ 89,993	$ 108,061	$ 162,871
Weighted average common shares outstanding	139,813	141,790	140,054	141,921
Incremental weighted average shares from assumed exercise of dilutive options from stock-based compensation awards	2,449	2,374	2,467	2,367
Total weighted average diluted shares outstanding	142,262	144,164	142,521	144,288
Earnings per common share - diluted	$ 0.31	$ 0.62	$ 0.76	$ 1.13

The calculation of weighted average diluted shares outstanding excludes stock options and RSU of 0.8 million and 1.0 million shares of common stock that were outstanding during the three and six months ended June 30, 2015, respectively, because their effect would be antidilutive.

NOTE 5 – BUSINESS COMBINATIONS

Effective January 1, 2014, the Company recorded a liability for the contractual purchase of the remaining shares of one variable interest entity. The Company paid this obligation during the first quarter of 2015.

NOTE 6 – SEGMENT INFORMATION

The Company has numerous operating businesses covering a wide range of dental and certain healthcare products and geographic regions, primarily serving the professional dental market. Professional dental products represented approximately 88% of net sales for the three and six months ended June 30, 2015 and 2014, respectively.

The operating businesses are combined into operating groups, which generally have overlapping product offerings, geographical presence, customer bases, distribution channels, and regulatory oversight. These operating groups are considered the Company’s reportable segments 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 in the Company’s most recently filed Form 10-K in the summary of significant accounting policies. The Company evaluates performance of the segments based on the groups’ net third party sales, excluding precious metal content, and segment income. The Company defines net third party sales excluding precious metal content as the Company’s net sales excluding the precious metal cost within the products sold, and this is considered a non-US GAAP measure. The Company’s exclusion of precious metal content in the measurement of net third party sales enhances comparability of performance between periods as it excludes the fluctuating market prices of the precious metal content. The Company defines segment income as net operating income after the assignment of certain direct corporate costs and before restructuring and other costs, interest expense, interest income, other expense (income), net and provision for income taxes. A description of the products and services provided within each of the Company’s three reportable segments is provided below.

Significant interdependencies exist among the Company’s operations in certain geographic areas. Inter-segment 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.

During the March 31, 2015 quarter, the Company realigned reporting responsibilities for multiple locations as a result of changes to the management structure. The segment information below reflects the revised structure for all periods shown.

Dental Consumables, Endodontic and Dental Laboratory Businesses

This segment includes responsibility for the design and manufacture of the Company’s chairside consumable products. It also has responsibilities for sales and distribution of certain small equipment and chairside consumable products in the United States, Germany and certain other European regions as well as responsibility for the sales and distribution of certain endodontic products in Germany and certain other European regions. In addition, this segment is responsible for the design, manufacture, sales and distribution of most of the Company’s dental laboratory products. This segment is also responsible for the design, manufacture, worldwide distribution and sales of certain non-dental products, excluding urological and surgery-related products

Healthcare, Orthodontic and Implant Businesses

This segment is responsible for the worldwide design, manufacture, sales and distribution of the Company’s healthcare products, primarily urological and surgery-related products, throughout most of the world. This segment also includes responsibility for the design, manufacture, sales and distribution of orthodontic and implant products, in most regions of the world. Additionally, segment is also responsible for the sales and distribution of most of the Company’s other dental products, including most dental consumables within Canada.

Select Developed and Emerging Markets Businesses

This segment has responsibilities for sales and distribution of chairside consumable, endodontic and dental laboratory products within certain European regions, Japan and Australia. This segment also includes the responsibility for the sales and distribution of most of the Company’s dental products, including most dental consumables, sold in Eastern Europe, Middle East, South America, Latin America including Mexico, Asia and Africa.

The following tables set forth information about the Company’s segments for the three and six months ended June 30, 2015 and 2014:

Third Party Net Sales

	Three Months Ended		Six Months Ended	
(in thousands)	2015	2014	2015	2014
Dental Consumables, Endodontic and Dental Laboratory Businesses	$ 317,376	$ 346,264	$ 627,693	$ 685,545
Healthcare, Orthodontic and Implant Businesses	252,845	279,696	488,838	544,107
Select Developed and Emerging Markets Businesses	127,785	139,265	237,795	265,687
Total net sales	$ 698,006	$ 765,225	$ 1,354,326	$ 1,495,339

Third Party Net Sales, Excluding Precious Metal Content

	Three Months Ended		Six Months Ended	
(in thousands)	2015	2014	2015	2014
Dental Consumables, Endodontic and Dental Laboratory Businesses	$ 301,299	$ 319,978	$ 593,390	$ 625,050
Healthcare, Orthodontic and Implant Businesses	252,665	279,478	488,476	543,681
Select Developed and Emerging Markets Businesses	120,734	131,442	224,379	251,350
Total net sales, excluding precious metal content	674,698	730,898	1,306,245	1,420,081
Precious metal content of sales	23,308	34,327	48,081	75,258
Total net sales, including precious metal content	$ 698,006	$ 765,225	$ 1,354,326	$ 1,495,339

Inter-segment Net Sales

(in thousands)	Three Months Ended 2015	Three Months Ended 2014	Six Months Ended 2015	Six Months Ended 2,014
Dental Consumables, Endodontic and Dental Laboratory Businesses	$ 89,324	$ 93,642	$ 173,213	$ 183,100
Healthcare, Orthodontic and Implant Businesses	1,578	1,970	3,352	4,431
Select Developed and Emerging Markets Businesses	3,437	2,722	6,313	6,239
All Other (a)	67,116	75,860	132,166	150,482
Eliminations	(161,455)	(174,194)	(315,044)	(344,252)
Total	$ —	$ —	$ —	$ —

(a) Includes amounts recorded at one distribution warehouse not managed by named segments.

Segment Operating Income (Loss)

(in thousands)	Three Months Ended 2015	Three Months Ended 2014	Six Months Ended 2015	Six Months Ended 2014
Dental Consumables, Endodontic and Dental Laboratory Businesses	$ 110,787	$ 117,976	$ 214,193	$ 224,745
Healthcare, Orthodontic and Implant Businesses	27,906	32,049	54,435	56,574
Select Developed and Emerging Markets Businesses	(3,464)	(1,211)	(7,350)	(2,503)
Segment operating income	135,229	148,814	261,278	278,816
Reconciling Items (income) expense:				
All Other (b)	10,547	20,466	33,461	44,105
Restructuring and other costs	38,881	1,242	44,307	2,035
Interest expense	9,824	11,798	20,492	22,753
Interest income	(660)	(1,744)	(1,402)	(3,179)
Other expense (income), net	(376)	575	232	963
Income before income taxes	$ 77,013	$ 116,477	$ 164,188	$ 212,139

(b) Includes the results of unassigned Corporate headquarter costs, inter-segment eliminations and one distribution warehouse not managed by named segments.

Assets

(in thousands)	June 30, 2015	December 31, 2014
Dental Consumables, Endodontic and Dental Laboratory Businesses	$ 1,360,187	$ 1,358,018
Healthcare, Orthodontic and Implant Businesses	2,508,278	2,655,622
Select Developed and Emerging Markets Businesses	352,866	369,844
All Other (c)	275,425	262,975
Total	$ 4,496,756	$ 4,646,459

(c) Includes the assets of Corporate headquarters, inter-segment eliminations and one distribution warehouse not managed by named segments.

NOTE 7 – INVENTORIES

Inventories are stated at the lower of cost or market. The cost of inventories determined by the last-in, first-out ("LIFO") method at June 30, 2015 and December 31, 2014 were $7.0 million and $6.3 million, respectively. The cost of other inventories was determined by the first-in, first-out ("FIFO") or average cost methods. 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 June 30, 2015 and December 31, 2014 by $6.2 million and $6.1 million, respectively.

Inventories, net of inventory valuation reserves, consist of the following:

(in thousands)	June 30, 2015	December 31, 2014
Finished goods	$ 242,921	$ 253,333
Work-in-process	59,858	58,329
Raw materials and supplies	72,041	75,433
Inventories, net	$ 374,820	$ 387,095

The inventory valuation reserves were $36.3 million and $34.1 million at June 30, 2015 and December 31, 2014, respectively.

NOTE 8 – BENEFIT PLANS

The following sets forth the components of net periodic benefit cost of the Company's defined benefit plans and for the Company's other postemployment benefit plans for the three and six months ended June 30, 2015 and 2014:

Defined Benefit Plans	Three Months Ended		Six Months Ended	
(in thousands)	2015	2014	2015	2014
Service cost	$ 4,343	$ 3,549	$ 8,691	$ 7,101
Interest cost	1,843	2,861	3,697	5,726
Expected return on plan assets	(1,399)	(1,391)	(2,777)	(2,777)
Amortization of prior service credit	(35)	(35)	(69)	(69)
Amortization of net actuarial loss	1,963	709	3,947	1,417
Net periodic benefit cost	$ 6,715	$ 5,693	$ 13,489	$ 11,398

Other Postemployment Benefit Plans	Three Months Ended		Six Months Ended	
(in thousands)	2015	2014	2015	2014
Service cost	$ 88	$ 44	$ 177	$ 89
Interest cost	144	140	288	280
Amortization of net actuarial loss	43	12	85	22
Net periodic benefit cost	$ 275	$ 196	$ 550	$ 391

The following sets forth the information related to the contributions to the Company's benefit plans for 2015:

(in thousands)	Pension Benefits	Other Postemployment Benefits
Actual contributions through June 30, 2015	$ 5,559	$ 192
Projected contributions for the remainder of the year	5,945	449
Total projected contributions	$ 11,504	$ 641

NOTE 9 – RESTRUCTURING AND OTHER COSTS

Restructuring Costs

During the three and six months ended June 30, 2015, the Company recorded net restructuring costs and other costs of $38.9 million and $44.3 million, respectively. On May 22, 2015, the Company announced that it reorganized portions of its laboratory business and associated manufacturing capabilities within the Dental Consumables, Endodontics and Dental Laboratory Businesses segment. During the June 2015 quarter, the Company recorded $31.0 million of costs that consist primarily of employee severance benefits related to these and other similar actions. Also during the three and six months ended June 30, 2015, the Company recorded restructuring costs of $2.7 million and $7.5 million, respectively, within the Healthcare, Orthodontic and Implant Businesses segment primarily related to the global efficiency initiative During the three and six months ended June 30, 2014, the Company recorded net restructuring and other costs of $1.2 million and $2.0 million. These costs are recorded in "Restructuring and other costs" in the Consolidated Statements of Operations and the associated liabilities are recorded in "Accrued liabilities" in the Consolidated Balance Sheets.

At June 30, 2015, the Company's restructuring accruals were as follows:

(in thousands)	Severance			
	2013 and Prior Plans	2014 Plans	2015 Plans	Total
Balance at December 31, 2014	$ 951	$ 5,062	$ —	$ 6,013
Provisions	81	431	40,958	41,470
Amounts applied	(635)	(3,084)	(3,542)	(7,261)
Change in estimates	(76)	(74)	(547)	(697)
Balance at June 30, 2015	$ 321	$ 2,335	$ 36,869	$ 39,525

(in thousands)	Lease/Contract Terminations			
	2013 and Prior Plans	2014 Plans	2015 Plans	Total
Balance at December 31, 2014	$ 535	$ 1,636	$ —	$ 2,171
Provisions	—	12	270	282
Amounts applied	(105)	(384)	—	(489)
Change in estimates	—	(10)	—	(10)
Balance at June 30, 2015	$ 430	$ 1,254	$ 270	$ 1,954

(in thousands)	Other Restructuring Costs			
	2013 and Prior Plans	2014 Plans	2015 Plans	Total
Balance at December 31, 2014	$ 25	$ 1,049	$ —	$ 1,074
Provisions	2	168	577	747
Amounts applied	(2)	(799)	(227)	(1,028)
Change in estimate	—	28	—	28
Balance at June 30, 2015	$ 25	$ 446	$ 350	$ 821

The following table provides the year-to-date changes in the restructuring accruals by segment:

(in thousands)		December 31, 2014		Provisions		Amounts Applied		Change in Estimates		June 30, 2015
Dental Consumables, Endodontic and Dental Laboratory Businesses	$	5,272	$	31,522	$	(3,941)	$	—	$	32,853
Healthcare, Orthodontic and Implant Businesses		3,828		7,517		(4,558)		(679)		6,108
Select Developed and Emerging Markets Businesses		91		1,719		(177)		—		1,633
All Other		67		1,741		(102)		—		1,706
Total	$	9,258	$	42,499	$	(8,778)	$	(679)	$	42,300

NOTE 10 – FINANCIAL INSTRUMENTS AND DERIVATIVES

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 volatility that these market risks may have on the Company’s operating results and equity. 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 variable rate debt to fixed rate debt and to convert fixed rate debt to variable rate debt, cross currency basis swaps to convert debt denominated in one currency to another currency and commodity swaps to fix certain variable raw material costs.

Derivative Instruments Designated as Hedging

Cash Flow Hedges

The following table summarizes the notional amounts of cash flow hedges by derivative instrument type at June 30, 2015 and the notional amounts expected to mature during the next 12 months, with a discussion of the various cash flow hedges by derivative instrument type following the table:

(in thousands)	Aggregate Notional Amount	Aggregate Notional Amount Maturing within 12 Months
Foreign exchange forward contracts	$ 337,017	$ 253,842
Interest rate swaps	172,169	—
Commodity contracts	1,396	1,396
Total derivative instruments designated as cash flow hedges	$ 510,582	$ 255,238

Foreign Exchange Risk Management

The Company uses a layered hedging program to hedge select anticipated foreign currency cash flows to reduce volatility in both cash flows and reported earnings of the consolidated Company. The Company accounts for the designated foreign exchange forward contracts as cash flow hedges. As a result, the Company records the fair value of the contracts primarily through AOCI based on the tested effectiveness of the foreign exchange forward contracts. The Company measures the effectiveness of cash flow hedges of anticipated transactions on a spot-to-spot basis rather than on a forward-to-forward basis. Accordingly, the spot-to-spot change in the derivative fair value will be deferred in AOCI and released and recorded on the Consolidated Statements of Operations in the same period that the hedged transaction is recorded. The time value component of the fair value of the derivative is deemed ineffective and is reported currently in “Other expense (income), net” on the Consolidated Statements of Operations in the period which it is applicable. Any cash flows associated with these instruments are included in cash from operating activities on the Consolidated Statements of Cash Flows. The Company hedges various currencies, with the most significant activity occurring in euros, Swedish kronor, Canadian dollars, and Swiss francs.

These foreign exchange forward contracts generally have maturities up to 18 months and the counterparties to the transactions are typically large international financial institutions.

Interest Rate Risk Management

The Company uses interest rate swaps to convert a portion of its variable interest rate debt to fixed interest rate debt. At June 30, 2015, the Company has two significant exposures hedged with interest rate contracts. One exposure is hedged with derivative contracts having notional amounts totaling 12.6 billion Japanese yen, which effectively converts the underlying variable interest rate debt facility to a fixed interest rate of 0.9% for an intial term of five years ending September 2019. Another exposure hedged with derivative contracts has a notional amount of 65.0 million Swiss francs, and effectively converts the underlying variable interest rate of a Swiss franc denominated loan to a fixed interest rate of 0.7% for an initial term of five years, ending in September 2016.

The Company enters into interest rate swap contracts infrequently as they are only used to manage interest rate risk on long-term debt instruments and not for speculative purposes. Any cash flows associated with these instruments are included in cash from operating activities on the Consolidated Statements of Cash Flows.

Commodity Risk Management

The Company enters into precious metal commodity swap contracts to effectively fix certain variable raw material costs typically for up to 18 months. These swaps are used 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. As a result, the Company records the fair value of the contracts primarily through AOCI based on the tested effectiveness of the commodity swaps. The Company measures the effectiveness of cash flow hedges of anticipated transactions on a spot-to-spot basis rather than on a forward-to-forward basis. Accordingly, the spot-to-spot change in the derivative fair value will be deferred in AOCI and released and recorded on the Consolidated Statements of Operations in the same period that the hedged transaction is recorded. The time value component of the fair value of the derivative is deemed ineffective and is reported currently in "Interest expense" on the Consolidated Statements of Operations in the period which it is applicable. Any cash flows associated with these instruments are included in cash from operating activities on the Consolidated Statements of Cash Flows.

The following tables summarize the amount of gains (losses) recorded in AOCI in the Consolidated Balance Sheets and income (expense) in the Company's Consolidated Statements of Operations related to all cash flow hedges for the three months ended June 30, 2015 and 2014:

June 30, 2015

(in thousands)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Effective Portion Reclassified from AOCI into Income (Expense)	Ineffective Portion Recognized in Income (Expense)
Effective Portion:				
Interest rate swaps	$ (58)	Interest expense	$ (1,074)	$ —
Foreign exchange forward contracts	(2,069)	Cost of products sold	6,839	—
Foreign exchange forward contracts	(139)	SG&A expenses	181	—
Commodity contracts	(96)	Cost of products sold	(121)	—
Ineffective Portion:				
Foreign exchange forward contracts	—	Other expense (income), net	—	(160)
Commodity contracts	—	Interest expense	—	(4)
Total in cash flow hedging	$ (2,362)		$ 5,825	$ (164)

June 30, 2014

(in thousands)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Effective Portion Reclassified from AOCI into Income (Expense)	Ineffective Portion Recognized in Income (Expense)
Effective Portion:				
Interest rate swaps	$ (149)	Interest expense	$ (929)	$ —
Foreign exchange forward contracts	(4,636)	Cost of products sold	(1,651)	—
Foreign exchange forward contracts	45	SG&A expenses	(58)	—
Commodity contracts	101	Cost of products sold	(158)	—
Ineffective Portion:				
Foreign exchange forward contracts	—	Other expense (income), net	—	(151)
Commodity contracts	—	Interest expense	—	(11)
Total for cash flow hedging	$ (4,639)		$ (2,796)	$ (162)

The following tables summarize the amount of gains (losses) recorded in AOCI in the Consolidated Balance Sheets and income (expense) in the Company's Consolidated Statements of Operations related to all cash flow hedges for the six months ended June 30, 2015 and 2014:

June 30, 2015

(in thousands)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Effective Portion Reclassified from AOCI into Income (Expense)	Ineffective Portion Recognized in Income (Expense)
Effective Portion:				
Interest rate swaps	$ (1,239)	Interest expense	$ (2,040)	$ —
Foreign exchange forward contracts	22,018	Cost of products sold	10,726	—
Foreign exchange forward contracts	324	SG&A expenses	344	—
Commodity contracts	(96)	Cost of products sold	(250)	—
Ineffective Portion:				
Foreign exchange forward contracts	—	Other expense (income), net	—	167
Commodity contracts	—	Interest expense	—	(8)
Total in cash flow hedging	$ 21,007		$ 8,780	$ 159

June 30, 2014

(in thousands)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Effective Portion Reclassified from AOCI into Income (Expense)	Ineffective Portion Recognized in Income (Expense)
Effective Portion:				
Interest rate swaps	$ (537)	Interest expense	$ (1,856)	$ —
Foreign exchange forward contracts	(3,569)	Cost of products sold	(3,296)	—
Foreign exchange forward contracts	35	SG&A expenses	(157)	—
Commodity contracts	203	Cost of products sold	(403)	—
Ineffective Portion:				
Foreign exchange forward contracts	—	Other expense (income), net	—	(45)
Commodity contracts	—	Interest expense	—	(24)
Total for cash flow hedging	$ (3,868)		$ (5,712)	$ (69)

Overall, the derivatives designated as cash flow hedges are considered to be highly effective. At June 30, 2015, the Company expects to reclassify $9.6 million of deferred net gains on cash flow hedges recorded in AOCI to the Consolidated Statements of Operations during the next 12 months. This reclassification is primarily due to the sale of inventory that includes hedged purchases and recognized interest expense on interest rate swaps. The term over which the Company is hedging exposures to variability of cash flows (for all forecasted transactions, excluding interest payments on variable interest rate debt) is typically 18 months.

For the rollforward of derivative instruments designated as cash flow hedges in AOCI see Note 3, Comprehensive Income.

Hedges of Net Investments in Foreign Operations

The Company has significant investments in foreign subsidiaries the most significant of which are denominated in euros, Swiss francs, Japanese yen and Swedish kronor. The net assets of these subsidiaries are exposed to volatility in currency exchange rates. The Company employs both derivative and non-derivative financial instruments to hedge a portion of this exposure . The derivative instruments consist of foreign exchange forward contracts and cross currency basis swaps. The non-derivative instruments consist of foreign currency denominated debt held at the parent company level. Translation gains and losses related to the net assets of the foreign subsidiaries are offset by gains and losses in derivative and non-derivative financial instruments designated as hedges of net investments, which are included in AOCI. Any cash flows associated with these instruments are included in investing activities on the Consolidated Statements of Cash Flows except for derivative instruments that include an other-than-insignificant financing element, in which case all cash flows will be classified as financing activities on the Consolidated Statements of Cash Flows.

The following table summarizes the notional amounts of hedges of net investments by derivative instrument type at June 30, 2015 and the notional amounts expected to mature during the next 12 months:

(in thousands)	Aggregate Notional Amount	Aggregate Notional Amount Maturing within 12 Months
Foreign exchange forward contracts	$ 420,892	$ 236,079

The fair value of the cross currency basis swaps and foreign exchange forward contracts is the estimated amount the Company would receive or pay at the reporting date, taking into account the effective interest rates, cross currency swap basis rates and foreign exchange rates. The effective portion of the change in the value of these derivatives is recorded in AOCI, net of tax effects.

The following tables summarize the amount of gains (losses) recorded in AOCI on the Consolidated Balance Sheets and other income (expense) on the Company’s Consolidated Statements of Operations related to the hedges of net investments for the three months ended June 30, 2015 and 2014:

June 30, 2015

(in thousands)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Recognized in Income (Expense)
Effective Portion:			
Foreign exchange forward contracts	$ (15,819)	Other expense (income), net	$ 1,191
Total for net investment hedging	$ (15,819)		$ 1,191

June 30, 2014

(in thousands)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Recognized in Income (Expense)
Effective Portion:			
Cross currency basis swaps	$ 1,572	Interest income	$ 674
		Interest expense	(384)
Foreign exchange forward contracts	1,272	Other expense (income), net	(73)
Total for net investment hedging	$ 2,844		$ 217

The following table summarizes the amount of gains (losses) recorded in AOCI on the Consolidated Balance Sheets and other income (expense) on the Company's Consolidated Statement of Operations related to the hedges of net investments for the six months ended June 30, 2015 and 2014:

June 30, 2015

(in thousands)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Recognized in Income (Expense)
Effective Portion:			
Foreign exchange forward contracts	$ (3,320)	Other expense (income), net	$ 855
Total for net investment hedging	$ (3,320)		$ 855

June 30, 2014

(in thousands)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Recognized in Income (Expense)
Effective Portion:			
Cross currency basis swaps	$ (3,087)	Interest income	$ 1,351
		Interest expense	157
Foreign exchange forward contracts	4,341	Other expense (income), net	175
Total for net investment hedging	$ 1,254		$ 1,683

Fair Value Hedges

The Company uses interest rate swaps to convert a portion of its fixed interest rate debt to variable interest rate debt. The Company has U.S. dollar denominated interest rate swaps with an initial total notional value of $150.0 million to effectively convert the underlying fixed interest rate of 4.1% on the Company's $250.0 million Private Placement Notes ("PPN") to variable rate for an initial term of five years, ending February 2016. The notional value of the swaps will decline proportionately as portions of the PPN mature. These interest rate swaps are designated as fair value hedges of the interest rate risk associated with the hedged portion of the fixed rate PPN. Accordingly, the Company will carry the portion of the hedged debt at fair value, with the change in debt and swaps offsetting each other on the Consolidated Statements of Operations. Any cash flows associated with these instruments are included in operating activities on the Consolidated Statements of Cash Flows.

The following table summarizes the notional amounts of fair value hedges by derivative instrument type at June 30, 2015 and the notional amounts expected to mature during the next 12 months:

(in thousands)	Aggregate Notional Amount	Aggregate Notional Amount Maturing within 12 Months
Interest rate swaps	$ 45,000	$ 45,000

The following tables summarize the amount of income (expense) recorded on the Company's Consolidated Statements of Operations related to the hedges of fair value for the three and six months ended June 30, 2015 and 2014:

(in thousands)	Consolidated Statements of Operations Location	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Interest rate swaps	Interest expense	$ 41	$ 133	$ 158	$ 220

Derivative Instruments Not Designated as Hedges

The Company enters into derivative instruments with the intent to partially mitigate the foreign exchange revaluation risk associated with recorded assets and liabilities that are denominated in a non-functional currency. The gains and losses on these derivative transactions offset the gains and losses generated by the revaluation of the underlying non-functional currency balances and are recorded in “Other expense (income), net” on the Consolidated Statements of Operations. The Company primarily uses foreign exchange forward contracts and cross currency basis swaps to hedge these risks. Any cash flows associated with the foreign exchange forward contracts and interest rate swaps not designated as hedges are included in cash from operating activities on the Consolidated Statements of Cash Flows. Any cash flows associated with the cross currency basis swaps not designated as hedges are included in investing activities on the Consolidated Statements of Cash Flows except for derivative instruments that include an other-than-insignificant financing element, in which case the cash flows will be classified as financing activities on the Consolidated Statements of Cash Flows.

The following tables summarize the aggregate notional amounts of the Company’s economic hedges not designated as hedges by derivative instrument types at June 30, 2015 and the notional amounts expected to mature during the next 12 months:

(in thousands)	Aggregate Notional Amount	Aggregate Notional Amount Maturing within 12 Months
Foreign exchange forward contracts	$ 478,338	$ 478,338
Interest rate swaps	2,213	805
Total for instruments not designated as hedges	$ 480,551	$ 479,143

The Company had a Swiss franc denominated cross currency basis swaps to offset an intercompany Swiss franc note receivable at a U.S. dollar functional entity. The hedge matured during the second quarter of 2015 to coincide with the repayment of the note.

The following table summarizes the amounts of gains (losses) recorded on the Company’s Consolidated Statements of Operations related to the economic hedges not designated as hedging for the three and six months ended June 30, 2015 and 2014:

		Gain (Loss) Recognized	
	Consolidated Statements of Operations	Three Months Ended June 30,	
(in thousands)	Location	2015	2014
Foreign exchange forward contracts (a)	Other expense (income), net	$ (766)	$ (716)
DIO equity option contracts	Other expense (income), net	102	90
Interest rate swaps	Interest expense	1	(16)
Cross currency basis swaps (a)	Other expense (income), net	(603)	(4,005)
Total for instruments not designated as hedges		$ (1,266)	$ (4,647)

(a) The gains and losses on these derivative transactions offset the gains and losses generated by the revaluation of the underlying non-functional currency balances which are recorded in “Other expense (income), net” on the Consolidated Statements of Operations.

		Gain (Loss) Recognized	
	Consolidated Statements of Operations	Six Months Ended June 30,	
(in thousands)	Location	2015	2014
Foreign exchange forward contracts (a)	Other expense (income), net	$ 7,789	$ (5,157)
DIO equity option contracts	Other expense (income), net	107	(138)
Interest rate swaps	Interest expense	(2)	(27)
Cross currency basis swaps (a)	Other expense (income), net	(1,825)	(3,180)
Total for instruments not designated as hedges		$ 6,069	$ (8,502)

(a) The gains and losses on these derivative transactions offset the gains and losses generated by the revaluation of the underlying non-functional currency balances which are recorded in “Other expense (income), net” on the Consolidated Statements of Operations.

Consolidated Balance Sheets Location of Derivative Fair Values

The following tables summarize the fair value and consolidated balance sheet location of the Company's derivatives at June 30, 2015 and December 31, 2014:

	June 30, 2015			
(in thousands) Designated as Hedges	Prepaid Expenses and Other Current Assets, Net	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts	$ 32,398	$ 1,833	$ 1,490	$ 2,675
Commodity contracts	—	—	152	—
Interest rate swaps	324	282	1,164	742
Total	$ 32,722	$ 2,115	$ 2,806	$ 3,417
Not Designated as Hedges				
Foreign exchange forward contracts	$ 7,273	$ —	$ 3,465	$ —
Interest rate swaps	—	—	51	77
Total	$ 7,273	$ —	$ 3,516	$ 77

	December 31, 2014			
(in thousands) Designated as Hedges	Prepaid Expenses and Other Current Assets, Net	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts	$ 28,036	$ 12,542	$ 2,740	$ 1,707
Commodity contracts	—	—	233	—
Interest rate swaps	617	135	575	377
Total	$ 28,653	$ 12,677	$ 3,548	$ 2,084
Not Designated as Hedges				
Foreign exchange forward contracts	$ 4,798	$ —	$ 4,764	$ —
DIO equity option contracts	—	—	—	115
Interest rate swaps	—	—	63	129
Cross currency basis swaps	2,683	—	—	—
Total	$ 7,481	$ —	$ 4,827	$ 244

Balance Sheet Offsetting

Substantially all of the Company's derivative contracts are subject to netting arrangements, whereby the right to offset occurs in the event of default or termination in accordance with the terms of the arrangements with the counterparty. While these contracts contain the enforceable right to offset through netting arrangements with the same counterparty, the Company elects to present them on a gross basis on the Consolidated Balance Sheets.

Offsetting of financial assets and liabilities under netting arrangements at June 30, 2015:

(in thousands)	Gross Amounts Recognized	Gross Amount Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets: Financial Instruments	Gross Amounts Not Offset in the Consolidated Balance Sheets: Cash Collateral Received/Pledged	Net Amount
Assets						
Foreign exchange forward contracts	$ 41,504	$ —	$ 41,504	$ (9,363)	$ —	$ 32,141
Interest rate swaps	606	—	606	(173)	—	433
Total Assets	$ 42,110	$ —	$ 42,110	$ (9,536)	$ —	$ 32,574

(in thousands)	Gross Amounts Recognized	Gross Amount Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets: Financial Instruments	Gross Amounts Not Offset in the Consolidated Balance Sheets: Cash Collateral Received/Pledged	Net Amount
Liabilities						
Foreign exchange forward contracts	$ 7,630	$ —	$ 7,630	$ (7,630)	$ —	$ —
Commodity contracts	152	—	152	—	—	152
Interest rate swaps	2,034	—	2,034	(1,906)	—	128
Total Liabilities	$ 9,816	$ —	$ 9,816	$ (9,536)	$ —	$ 280

Offsetting of financial assets and liabilities under netting arrangements at December 31, 2014:

(in thousands)	Gross Amounts Recognized	Gross Amount Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets: Financial Instruments	Gross Amounts Not Offset in the Consolidated Balance Sheets: Cash Collateral Received/Pledged	Net Amount
Assets						
Foreign exchange forward contracts	$ 45,377	$ —	$ 45,377	$ (7,797)	$ —	$ 37,580
Interest rate swaps	751	—	751	(274)	—	477
Cross currency basis swaps	2,683	—	2,683	(1,067)	—	1,616
Total Assets	$ 48,811	$ —	$ 48,811	$ (9,138)	$ —	$ 39,673

(in thousands)	Gross Amounts Recognized	Gross Amount Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets		Net Amount
				Financial Instruments	Cash Collateral Received/Pledged	
Liabilities						
Foreign exchange forward contracts	$ 9,208	$ —	$ 9,208	$ (8,186)	$ —	$ 1,022
Commodity contracts	235	—	235	—	—	235
DIO equity option contracts	115	—	115	—	—	115
Interest rate swaps	1,145	—	1,145	(952)	—	193
Total Liabilities	$ 10,703	$ —	$ 10,703	$ (9,138)	$ —	$ 1,565

NOTE 11 – FAIR VALUE MEASUREMENT

The Company records financial instruments at fair value with unrealized gains and losses related to certain financial instruments reflected in AOCI on the Consolidated Balance Sheets. In addition, the Company recognizes certain liabilities at fair value. The Company applies the market approach for recurring fair value measurements. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

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 estimated the fair value and carrying value of total long-term debt, including the current portion, was $1,195.3 million and $1,161.5 million, respectively at June 30, 2015. At December 31, 2014, the Company estimated the fair value and carrying value, including the current portion, was $1,286.2 million and $1,258.9 million, respectively. The interest rate on the $450.0 million Senior Notes, the $300.0 million Senior Notes, and the $250.0 million PPN are fixed rates of 4.1%, 2.8% and 4.1%, respectively, and their fair value is based on the interest rates as of June 30, 2015. The interest rates on variable rate term loan debt and commercial paper are consistent with current market conditions, therefore the fair value of these instruments approximates their carrying values.

The following tables set forth by level within the fair value hierarchy the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis at June 30, 2015 and December 31, 2014, which are classified as "Cash and cash equivalents," "Prepaid expenses and other current assets, net," "Other noncurrent assets, net," "Accrued liabilities," and "Other noncurrent liabilities" in the Consolidated Balance Sheets. Financial assets and liabilities that are recorded at fair value as of the balance sheet date are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(in thousands)	June 30, 2015 Total	Level 1	Level 2	Level 3
Assets				
Interest rate swaps	$ 606	$ —	$ 606	$ —
Foreign exchange forward contracts	41,504	—	41,504	—
DIO Corporation convertible bonds	153,613	—	—	153,613
Total assets	$ 195,723	$ —	$ 42,110	$ 153,613
Liabilities				
Interest rate swaps	$ 2,034	$ —	$ 2,034	$ —
Commodity contracts	152	—	152	—
Foreign exchange forward contracts	7,630	—	7,630	—
Long-term debt	45,326	—	45,326	—
Total liabilities	$ 55,142	$ —	$ 55,142	$ —

(in thousands)	December 31, 2014 Total	Level 1	Level 2	Level 3
Assets				
Interest rate swaps	$ 752	$ —	$ 752	$ —
Cross currency basis swaps	2,683	—	2,683	—
Foreign exchange forward contracts	45,376	—	45,376	—
DIO Corporation convertible bonds	57,698	—	—	57,698
Total assets	$ 106,509	$ —	$ 48,811	$ 57,698
Liabilities				
Interest rate swaps	$ 1,144	$ —	$ 1,144	$ —
Commodity contracts	233	—	233	—
Foreign exchange forward contracts	9,211	—	9,211	—
Long-term debt	106,023	—	106,023	—
DIO equity option contracts	115	—	—	115
Total liabilities	$ 116,726	$ —	$ 116,611	$ 115

Derivative valuations are based on observable inputs to the valuation model including interest rates, foreign currency exchange rates, future commodities prices and credit risks. As discussed in Note 10, Financial Instruments and Derivatives, commodity contracts, certain interest rate swaps and foreign exchange forward contracts are considered cash flow hedges. In addition, certain cross currency basis swaps and foreign exchange forward contracts are considered hedges of net investments in foreign operations.

The Company uses the income method valuation technique to estimate the fair value of the DIO Corporation convertible bonds. The significant unobservable inputs for valuing the corporate bonds are both the DIO Corporation's stock volatility factor of approximately 40% and corporate bond rating which implies approximately a 8.73% discount rate on the valuation model. Significant observable inputs used to value the corporate bonds include foreign exchange rates and DIO Corporation's period-ending market stock price.

The Company has valued the DIO equity option contracts using a Monte Carlo simulation which uses several estimates and probability assumptions by management including the future stock price, the stock price as a multiple of DIO earnings and the probability of the sellers to reduce their shares held by selling into the open market. The fair value of equity option contracts are reported in "Prepaid expenses and other current assets" on the Consolidated Balance Sheets and changes in the fair value are reported in "Other expense (income), net" in the Consolidated Statements of Operations.

The following table presents a rollforward of the Company's Level 3 holdings measured at fair value on a recurring basis using unobservable inputs:

(in thousands)	DIO Corporation Convertible Bonds	DIO Equity Options Contracts
Balance at December 31, 2014	$ 57,698	$ (115)
Unrealized gain:		
Reported in AOCI, pretax	101,351	—
Unrealized gain:		
Reported in other expense (income), net	—	107
Effects of exchange rate changes	(5,436)	8
Balance at June 30, 2015	$ 153,613	$ —

For the six months ended June 30, 2015, there were no purchases, issuances or transfers of Level 3 financial instruments.

NOTE 12 – INCOME TAXES

Uncertainties in Income Taxes

The Company recognizes in the interim consolidated financial statements, the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position.

It is reasonably possible that certain amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date of the Company's interim consolidated financial statements. Final settlement and resolution of outstanding tax matters in various jurisdictions during the next twelve months could include unrecognized tax benefits of approximately $2.2 million. Of this total, approximately $0.9 million represents the amount of unrecognized tax benefits that, if recognized would affect the effective income tax rate. In addition, expiration of statutes of limitation in various jurisdictions during the next 12 months could include unrecognized tax benefits of approximately $0.4 million.

Other Tax Matters

For the three months ended June 30, 2015, the Company recorded $3.1 million of tax expense related to prior year tax matters. In addition, the Company's effective tax rate was unfavorably impacted by the Company's change in the mix of consolidated earnings.

NOTE 13 – FINANCING ARRANGEMENTS

During the quarter ended March 31, 2015, the Company paid the second required payment of $100.0 million under the Private Placement Notes "PPN" by issuing commercial paper. The final required payment of $75.0 million due in February 2016 has been classified as current on the Consolidated Balance Sheets.

The second annual installment under the terms of the PNC Term Loan in the amount of $8.8 million will be due in August 2015 and has been classified as current on the Consolidated Balance Sheets.

At June 30, 2015, there was $30.0 million in outstanding borrowings, in the form of issued commercial paper, under the current $500.0 million multi-currency revolving credit facility and is classified as current on the Consolidated Balance Sheets.

Effective July 1, 2015, the Company amended the multi-currency revolving credit facility to extend the maturity date by one year until July 23, 2020. The Company is able to borrow up to $500.0 million through July 23, 2019 and up to $452.0 million through July 23, 2020. The Company's revolving credit facility, term loans and PPN contain certain affirmative and negative covenants relating to the Company's operations and financial condition. At June 30, 2015, the Company was in compliance with all debt covenants.

At June 30, 2015, the Company had $526 million of borrowing available under lines of credit, including lines available under its short-term arrangements and revolving credit agreement.

NOTE 14 – GOODWILL AND INTANGIBLE ASSETS

The Company performed the required annual impairment tests of goodwill as of April 30, 2015 on 16 reporting units. As discussed in Note 6, Segment Information, effective in the first quarter of 2015, the Company realigned reporting responsibilities for multiple locations. For any realignment that resulted in reporting unit changes, the Company applied the relative fair value method to determine the reallocation of goodwill of the associated reporting units.

To determine the fair value of the Company's reporting units, the Company uses a discounted cash flow model with market-based support as its valuation technique to measure the fair value for its reporting units. The discounted cash flow model uses five-year forecasted cash flows plus a terminal value based on a multiple of earnings. In addition, the Company applies gross margin and operating expense assumptions consistent with historical trends. The total cash flows were discounted based on a range between 7.6% to 12.5%, which included assumptions regarding the Company's weighted-average cost of capital. The Company considered the current market conditions both in the U.S. and globally, when determining its assumptions. Lastly, the Company reconciled the aggregated fair values of its reporting units to its market capitalization, which included a reasonable control premium based on market conditions. As a result of the annual impairment tests of goodwill, no impairment was identified.

In addition, the Company assessed the annual impairment of indefinite-lived intangible assets as of April 30, 2015, which largely consists of acquired tradenames, in conjunction with the annual impairment tests of goodwill. The performance of the Company's annual impairment test did not result in any impairment of the Company's indefinite-lived assets.

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

(in thousands)	Dental Consumables, Endodontic and Dental Laboratory Businesses	Healthcare, Orthodontic and Implant Businesses	Select Developed and Emerging Markets Businesses	Total
Balance at December 31, 2014	$ 565,714	$ 1,394,398	$ 129,227	$ 2,089,339
Effects of exchange rate changes	(6,268)	(76,509)	(7,954)	(90,731)
Balance at June 30, 2015	$ 559,446	$ 1,317,889	$ 121,273	$ 1,998,608

Identifiable definite-lived and indefinite-lived intangible assets consist of the following:

	June 30, 2015			December 31, 2014		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patents	$ 165,615	$ (91,135)	$ 74,480	$ 175,186	$ (95,526)	$ 79,660
Trademarks	68,271	(38,027)	30,244	75,645	(37,053)	38,592
Licensing agreements	34,071	(23,629)	10,442	34,638	(22,806)	11,832
Customer relationships	433,627	(114,086)	319,541	452,882	(104,703)	348,179
Total definite-lived	$ 701,584	$ (266,877)	$ 434,707	$ 738,351	$ (260,088)	$ 478,263
Indefinite-lived Trademarks and In-process R&D	$ 181,962	$ —	$ 181,962	$ 192,577	$ —	$ 192,577
Total identifiable intangible assets	$ 883,546	$ (266,877)	$ 616,669	$ 930,928	$ (260,088)	$ 670,840

During the three and six months ended June 30, 2015, the Company impaired a trademark for $3.7 million that was held in the Dental Consumable, Endodontics and Dental Laboratory Businesses segment which was recorded in "Restructuring and other costs" in the Consolidated Statements of Operations.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Litigation

On June 18, 2004, Marvin Weinstat, DDS and Richard Nathan, DDS filed a class action suit in San Francisco County, California alleging that the Company misrepresented that its Cavitron® ultrasonic scalers are suitable for use in oral surgical procedures. The Complaint seeks a recall of the product and refund of its purchase price to dentists who have purchased it for use in oral surgery. The Court certified the case as a class action in June 2006 with respect to the breach of warranty and unfair business practices claims. The class that was certified is defined as California dental professionals who, at any time during the period beginning June 18, 2000 through September 14, 2012, purchased and used one or more Cavitron® ultrasonic scalers for the performance of oral surgical procedures on their patients, which Cavitrons® were accompanied by Directions for Use that "Indicated" Cavitron® use for "periodontal debridement for all types of periodontal disease." The case went to trial in September 2013, and on January 22, 2014, the San Francisco Superior Court issued its decision in the Company's favor, rejecting all of the plaintiffs' claims. The plaintiffs have appealed the Superior Court's decision, and the appeal is now pending. The Company is defending against this appeal.

On December 12, 2006, a Complaint was filed by Carole Hildebrand, DDS and Robert Jaffin, DDS in the Eastern District of Pennsylvania (the Plaintiffs subsequently added Dr. Mitchell Goldman as a named class representative). The case was filed by the same law firm that filed the Weinstat case in California. The Complaint asserts putative class action claims on behalf of dentists located in New Jersey and Pennsylvania. The Complaint seeks damages and asserts that the Company's Cavitron® ultrasonic scaler was negligently designed and sold in breach of contract and warranty arising from misrepresentations about the potential uses of the product because it cannot assure the delivery of potable or sterile water. Following grant of a Company Motion and dismissal of the case for lack of jurisdiction, the plaintiffs filed a second complaint under the name of Dr. Hildebrand's corporate practice, Center City Periodontists, asserting the same allegations (this case is now proceeding under the name "Center City Periodontists"). The plaintiffs moved to have the case certified as a class action, to which the Company has objected and filed its brief. The Court subsequently granted a Motion filed by the Company and dismissed plaintiffs' New Jersey Consumer Fraud and negligent design claims, leaving only a breach of express warranty claim, in response to which the Company has filed a Motion for Summary Judgment. The Court has rescheduled a hearing to January 2016 on plaintiffs' class certification motion.

On January 20, 2014, the Company was served with a qui tam complaint filed by two former and one current employee of the Company under the Federal False Claims Act and equivalent state and city laws. The lawsuit was previously under seal in the U.S. District Court for the Eastern District of Pennsylvania. The complaint alleges, among other things, that the Company engaged in various illegal marketing activities, and thereby caused dental and other healthcare professionals to file false claims for reimbursement with Federal and State governments. The relators seek injunctive relief, fines, treble damages, and attorneys' fees and costs. On January 27, 2014, the United States filed with the Court a notice that it had elected not to intervene in the *qui tam* action at this time. The United States' notice indicated that the named state and city co-plaintiffs had authorized the United States to communicate to the Court that they also had decided not to intervene at this time. These non-intervention decisions do not prevent the *qui tam* relators from litigating this action, and the United States and/or the named states and/or cities may seek to intervene in the action at a later time. On September 4, 2014, the Company's motion to dismiss the complaint was granted in part and denied in part. The Company intends to vigorously defend itself in the litigation.

The Company does not believe a loss is probable related to the above litigation. Further a reasonable estimate of a possible range of loss cannot be made. In the event that one or more of these matters is unfavorably resolved, it is possible the Company's results from operations could be materially impacted.

In 2012, the Company received subpoenas from the United States Attorney's Office for the Southern District of Indiana (the "USAO") and from the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") requesting documents and information related to compliance with export controls and economic sanctions regulations by certain of its subsidiaries. The Company has voluntarily contacted OFAC and the Bureau of Industry and Security of the United States Department of Commerce ("BIS"), in connection with these matters as well as regarding compliance with export controls and economic sanctions regulations by certain other business units of the Company identified in connection with an internal review by the Company. In August 2014, the Company entered into a tolling agreement with OFAC, under which the statute of limitations for any violations by the Company is tolled until September 1, 2015. The Company is cooperating with the USAO, OFAC and BIS with respect to these matters.

At this stage of the inquiries, the Company is unable to predict the ultimate outcome of these matters or what impact, if any, the outcome of these matters might have on the Company's consolidated financial position, results of operations or cash flows. Violations of export control or economic sanctions laws or regulations could result in a range of governmental enforcement actions, including fines or penalties, injunctions and/or criminal or other civil proceedings, which actions could have a material adverse effect on the Company’s reputation, business, financial condition and results of operations. At this time, no claims have been made against the Company.

In addition to the matters disclosed above, the Company is, from time to time, subject to a variety of litigation and similar proceedings incidental to its business. These legal matters primarily involve claims for damages arising out of the use of the Company’s products and services and claims relating to intellectual property matters including patent infringement, employment matters, tax matters, commercial disputes, competition and sales and trading practices, personal injury and insurance coverage. The Company may also become subject to lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, representations, warranties or indemnities provided in connection with, divested businesses. Some of these lawsuits may include claims for punitive and consequential, as well as compensatory damages. Based upon the Company’s experience, current information and applicable law, it does not believe that these proceedings and claims will have a material adverse effect on its consolidated results of operations, financial position or liquidity. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to the Company’s business, financial condition, results of operations or liquidity.

While the Company maintains general, products, property, workers’ compensation, automobile, cargo, aviation, crime, fiduciary and directors’ and officers’ liability insurance up to certain limits that cover certain of these claims, this insurance may be insufficient or unavailable to cover such losses. In addition, while the Company believes it is entitled to indemnification from third parties for some of these claims, these rights may also be insufficient or unavailable to cover such losses.

Purchase Commitments

From time to time, the Company enters into long-term inventory purchase commitments with minimum purchase requirements for raw materials and finished goods to ensure the availability of products for production and distribution. These commitments may have a significant impact on levels of inventory maintained by the Company.

Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

This report contains information that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Generally, the use of terms such as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate,” “assumes,” and similar expressions identify forward-looking statements. All statements that address operating performance, events or developments that DENTSPLY International Inc. (“DENTSPLY” or the “Company”) expects or anticipates will occur in the future are forward-looking statements. Forward-looking statements are based on management's current expectations and beliefs, and are inherently susceptible to uncertainty, risks, and changes in circumstances that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part I, Item 1A (“Risk Factors”) of the Company's Form 10-K for the year ended December 31, 2014 and those described from time to time in our future reports filed with the Securities and Exchange Commission. The Company undertakes no duty and has no obligation to update forward-looking statements as a result of future events or developments.

OVERVIEW

Highlights

- For the three months ended June 30, 2015, the Company reported internal sales growth of 3.6% for the period, including 3.3% in the United States, 1.9% in Europe and 7.9% in the Rest of World region. Sales, excluding precious metal content, declined by 7.7%, including 10.9% of negative currency translation compared to the three months ended June 30, 2014.

- Gross profit rate for the three months ended June 30, 2015 increased 110 basis points to 59.2% from 58.1% for the three months ended June 30, 2014.

- Operating margin for the three months ended June 30, 2015 was 12.7% compared to 17.4% in the prior year quarter, reflecting operating improvements that were offset by charges associated with restructuring initiatives in the current period. Adjusted operating margin (a non-US GAAP measure) for the three months ended June 30, 2015 was 21.1%, a 180 basis point improvement from the prior year period.

- On May 22, 2015, the Company announced that it reorganized portions of its laboratory business and associated manufacturing capabilities within the Dental Consumables, Endodontics and Dental Laboratory Businesses segment.

Company Profile

DENTSPLY International Inc. is a leading manufacturer and distributor of dental and other consumable medical device products. The Company believes it is the world’s largest manufacturer of consumable dental products for the professional dental market. For over 115 years, DENTSPLY’s commitment to innovation and professional collaboration has enhanced its portfolio of branded consumables and small equipment. Headquartered in the United States, the Company has global operations with sales in more than 120 countries. The Company also has strategically located distribution centers to enable it to better serve its customers and increase its operating efficiency. While the United States and Europe are the Company’s largest markets, the Company serves all major markets worldwide.

Principal Products

The Company has four principal product categories: 1) Dental Consumable Products; 2) Dental Laboratory Products; 3) Dental Specialty Products; and 4) Consumable Medical Device Products.

Dental consumable products consist of dental supplies and devices and small equipment used in dental offices for the treatment of patients. The Company manufactures thousands of different dental consumable products marketed under more than one hundred brand names. DENTSPLY’s dental supplies and devices in the dental consumable products category include dental anesthetics, prophylaxis paste, dental sealants, impression materials, restorative materials, tooth whiteners and topical fluoride. Small equipment products in the dental consumable category consist of various durable goods used in dental offices for treatment of patients. DENTSPLY’s small equipment products include dental handpieces, intraoral curing light systems, dental diagnostic systems and ultrasonic scalers and polishers.

Dental laboratory products are used in the preparation of dental appliances by dental laboratories. DENTSPLY’s products in the dental laboratory products 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 design and machining (CAD/CAM) ceramic systems and porcelain furnaces.

Dental specialty products are specialized treatment products used within the dental office and laboratory settings. DENTSPLY’s products in this category include endodontic (root canal) instruments and materials, implants and related products, bone grafting materials, 3D digital scanning and treatment planning software, dental and orthodontic appliances and accessories.

Consumable medical device products consist mainly of urology catheters, certain surgical products, medical drills and other products.

Principal Measurements

The principal measurements used by the Company in evaluating its business are: (1) internal sales growth by geographic region; (2) constant currency sales growth by geographic region; (3) adjusted operating margins of each reportable segment including product pricing and cost controls; (4) the development, introduction and contribution of innovative new products; and (5) sales growth through acquisition.

The Company defines “internal sales growth” as the increase or decrease in net sales from period to period, excluding (1) precious metal content; (2) the impact of changes in currency exchange rates; and (3) net acquisition sales growth. The Company also tracks internal sales growth of continuing product lines as this is more reflective of the ongoing strength of the Company’s performance. The Company defines “net acquisition sales growth” as the net sales, excluding precious metal content, for a period of twelve months following the transaction date of businesses that have been acquired, less the net sales, excluding precious metal content, for a period of twelve months prior to the transaction date of businesses that have been divested. The Company defines “constant currency sales growth” as internal sales growth plus net acquisition sales growth.

The primary drivers of internal growth includes global dental market growth, innovation and new products launched by the Company, and continued investments in sales and marketing resources, including clinical education. Management believes that over time, the Company’s ability to execute its strategies allows it to grow at a modest premium to the growth rate of the underlying dental market. Management further believes that the global dental market has generally in the past and should over time in the future grow at a premium to underlying economic growth rates. Considering all of these factors, the Company assumes that the long-term growth rate for the dental market will range from 3% to 6% on average and that the Company targets a slight premium to market growth. Over the past several years, growth in the global dental and other healthcare markets have been restrained by lower economic growth in Western Europe and certain other markets compared to historical averages and, accordingly, market growth rates, and the Company’s internal growth rate remains uncertain in the near term.

The Company’s business is subject to quarterly fluctuations of consolidated net sales and net income. The Company typically implements most of its price changes at the beginning of the first or fourth quarters. Price changes, other marketing and promotional programs as well as the management of inventory levels by distributors and the implementation of strategic initiatives, may impact sales levels in a given period.

The Company also has a focus on maximizing operational efficiencies. Management continues to evaluate the consolidation of operations or functions to reduce costs. 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 global efficiency initiatives will improve the cost structure and help offset areas of rising costs such as energy, employee benefits and regulatory oversight and compliance. In connection with these efforts, the Company targets adjusted operating income margins to expand to 20% as the benefits of these initiatives are realized over time. In addition, the Company expects that it will record restructuring charges, from time to time, associated with such initiatives. These restructuring charges could be material to the Company’s consolidated financial statements and there can be no assurance that the target adjusted operating income margins will be achieved. Consistent with these efforts, the Company announced on May 22, 2015 that it reorganized portions of its laboratory business and associated manufacturing capabilities within the Dental Consumables, Endodontics and Dental Laboratory Businesses segment. The realignment of the laboratory business is designed to increase emphasis on innovative prosthetics materials while exiting portions of the laboratory equipment and fabrication businesses.

Product innovation is a key component of the Company’s overall growth strategy. New advances in technology are anticipated to have a significant influence on future products in dentistry and consumable medical device markets in which the Company operates. As a result, the Company continues to pursue research and development initiatives to support technological development, including collaborations with various research institutions and dental schools. In addition, the Company licenses and purchases technologies developed by third parties. Although the Company believes these activities will lead to new innovative dental and consumable medical device products, they involve new technologies and there can be no assurance that commercialized products will be developed.

The Company will continue to pursue opportunities to expand the Company's product offerings through acquisitions. Although the professional dental and the consumable medical device markets in which the Company operates have experienced consolidation, they remain fragmented. Management believes that there will continue to be adequate opportunities to participate as a consolidator in the industry for the foreseeable future.

Impact of Foreign Currencies and Interest Rates

Due to the international nature of DENTSPLY's business, movements in foreign exchange and interest rates may impact the Consolidated Statements of Operations. With more than 60% of the Company's net sales located in regions outside the U.S., the Company's consolidated net sales are impacted negatively by the strengthening or positively impacted by the weakening of the U.S. dollar. This impact is anticipated to be significant in 2015 compared to 2014 due to a dramatic weakening of the euro in the latter half of 2014 and early 2015 and the strengthening of the Swiss franc in early 2015. Additionally, movements in certain foreign exchange and interest rates may unfavorably or favorably impact the Company's results of operations, financial condition and liquidity.

Reclassification of Prior Year Amounts

Certain reclassifications have been made to prior year's data in order to conform to current year presentation. Specifically, during the March 31, 2015 quarter, the Company realigned reporting responsibilities for multiple locations as a result of changes to the management reporting structure. The segment information reflects the revised structure for all periods shown.

RESULTS OF OPERATIONS, QUARTER ENDED JUNE 30, 2015 COMPARED TO QUARTER ENDED JUNE 30, 2014

Net Sales

The discussion below summarizes the Company's sales growth, excluding precious metal content, into the following components: (1) constant currency sales growth, which includes internal sales growth and net acquisition sales growth, and (2) foreign currency translation. These disclosures of net sales growth provide the reader with sales results on a comparable basis between periods.

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 dental 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 cost of the precious metal content of the Company's sales is largely passed through to customers and has minimal effect on earnings, DENTSPLY reports net 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 dental alloy sale prices are typically adjusted when the prices of underlying precious metals change.

The presentation of net sales, excluding precious metal content, is considered a measure not calculated in accordance with the generally accepted accounting principles in the United States ("US GAAP"), and is therefore considered a non-US GAAP measure. The Company provides the following reconciliation of net sales to net sales, excluding precious metal content. The Company's 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.

(in millions)	Three Months Ended June 30, 2015	2014	$ Change	% Change
Net sales	$ 698.0	$ 765.2	$ (67.2)	(8.8%)
Less: precious metal content of sales	23.3	34.3	(11.0)	(32.1%)
Net sales, excluding precious metal content	$ 674.7	$ 730.9	$ (56.2)	(7.7%)

Net sales, excluding precious metal content, for the three months ended June 30, 2015 were $674.7 million, a decrease of $56.2 million from the second quarter of 2014. The change in net sales, excluding precious metal content, was primarily a result of 10.9% of unfavorable foreign currency translation. Excluding the impact of foreign currency translation, net sales, excluding precious metal content, grew 3.2%. Sales related to precious metal content declined 32.1% in the quarter, reflecting the continuing reduction in the use of precious metal alloys, which negatively impacts both the precious metal alloy and also the refinery product lines.

Constant Currency and Internal Sales Growth

The following table includes growth rates for net sales, excluding precious metal content, for the three months ended June 30, 2015 compared with the three months ended June 30, 2014.

	Three Months Ended June 30, 2015			
	United States	Europe	Rest of World	Worldwide
Internal sales growth	3.3 %	1.9%	7.9%	3.6%
Net acquisition (divestiture) sales growth	(0.6%)	(0.4)%	(0.4%)	(0.4)%
Constant currency sales growth	2.7 %	1.5%	7.5 %	3.2 %

United States

Net sales, excluding precious metal content, increased by 2.7% on a constant currency basis in the second quarter of 2015 as compared to the second quarter of 2014. Internal sales growth was 3.3% in the period, led by sales growth in dental consumable product categories.

Europe

Net sales, excluding precious metal content, increased by 1.5% on a constant currency sales growth basis in the second quarter of 2015 as compared to the first quarter of 2014. Internal sales growth was 1.9% in the period, primarily the result of sales growth in the dental specialty and dental consumables product categories partially offset by continued contraction in the CIS region and weaker sales of dental laboratory products.

Rest of World

Net sales, excluding precious metal content, increased by 7.5% on a constant currency sales growth basis in the second quarter of 2015 as compared to the second quarter of 2014. The increase in internal sales growth of 7.9% was led by the dental specialty product category.

Gross Profit

(in millions)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	$ Change	% Change
Gross profit	$ 399.7	$ 424.5	$ (24.8)	(5.8%)
Gross profit as a percentage of net sales, including precious metal content	57.3%	55.5%		
Gross profit as a percentage of net sales, excluding precious metal content	59.2%	58.1%		

Gross profit as a percentage of net sales, excluding precious metal content, increased by 110 basis points for the quarter ended June 30, 2015 as compared to the same three month period ended June 30, 2014. The increase in the gross profit rate was primarily due to favorable product mix as well as favorable foreign currency transactions including the effects of the Company's hedging program compared to the three months ended June 30, 2014.

Expenses

(in millions)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	$ Change	% Change
Selling, general and administrative expenses ("SG&A")	$ 275.0	$ 296.1	$ (21.1)	(7.1%)
Restructuring and other costs	38.9	1.2	37.7	NM
SG&A as a percentage of net sales, including precious metal content	39.4%	38.7%		
SG&A as a percentage of net sales, excluding precious metal content	40.8%	40.5%		

NM - Not meaningful

SG&A Expenses

SG&A expenses as a percentage of net sales, excluding precious metal content, for the quarter ended June 30, 2015 increased 30 basis points compared to the quarter ended June 30, 2014. The increase was primarily due to higher professional fees during the current period related to the global efficiency initiative.

Restructuring and Other Costs

The Company recorded net restructuring and other costs of $38.9 million for the three months ended June 30, 2015 compared to $1.2 million for the three months ended June 30, 2014. On May 22, 2015, the Company announced that it reorganized portions of its laboratory business and associated manufacturing capabilities within the Dental Consumables, Endodontics and Dental Laboratory Businesses segment. During the June 2015 quarter, the Company recorded $31.0 million of costs that consist primarily of employee severance benefits related to these and other similar actions. Also during the three and six months ended June 30, 2015, the Company recorded restructuring costs of $2.7 million and $7.5 million, respectively, within the Healthcare, Orthodontic and Implant Businesses segment primarily related to the global efficiency initiative. The Company expects additional restructuring plans during 2015 primarily related to this initiative. Additional future costs expected to be incurred during the remainder of 2015 associated with enacted plans are estimated to range from $25 million to $30 million, primarily related to employee severance benefits. The Company estimates the future annual savings related to these plans will be in the range of $25 million and $32 million to be realized over the next three to five years. There is no assurance that future savings will be fully achieved.

Other Income and Expense

(in millions)	Three Months Ended June 30, 2015	2014	Change
Net interest expense	$ 9.2	$ 10.1	$ (0.9)
Other expense (income), net	(0.4)	0.6	(1.0)
Net interest and other expense	$ 8.8	$ 10.7	$ (1.9)

Net Interest Expense

Net interest expense for the three months ended June 30, 2015 was $0.9 million lower compared to the three months ended June 30, 2014. The net decrease is a result of lower average debt levels in 2015 compared to the prior year period.

Other Expense (Income), Net

Other expense (income), net in the second quarter of 2015 was $1.0 million favorable compared to the three months ended June 30, 2014. Other expense (income), net in the second quarter of 2015 of $0.4 million is comprised primarily of $1.2 million of income on net investment hedges offset by $0.8 of currency transaction losses. Other expense (income), net in the three months ended June 30, 2014 of $0.6 million is comprised primarily of $0.2 million of interest and non-cash charges relating to fair value adjustments and $0.4 million of other expense.

Income Taxes and Net Income

(in millions, except per share data)	Three Months Ended June 30, 2015	2014	$ Change
Effective income tax rate	32.2%	22.4%	
Equity in net loss of unconsolidated affiliated company	$ (8.2)	$ (0.4)	$ (7.8)
Net income attributable to DENTSPLY International	$ 44.1	$ 90.0	$ (45.9)
Earnings per common share - diluted	$ 0.31	$ 0.62	

Provision for Income Taxes

The Company’s effective tax rate for the second quarter of 2015 and 2014 was 32.2% and 22.4%, respectively. In the three months ended June 30, 2015, the Company recorded $3.1 million of tax expense related to prior year tax matters. In addition the Company’s effective tax rate was unfavorably impacted by the Company’s change in the mix of consolidated earnings.

The Company’s effective income tax rate for the second quarter of 2015 included the net impact of restructuring, restructuring program related costs and other costs, amortization of purchased intangible assets, credit risk and fair value adjustments and income tax related adjustments which impacted income before income taxes and the provision for income taxes by $56.5 million and $5.7 million, respectively.

In the second quarter of 2014, the Company’s effective income tax rate included the net impact of amortization of purchased intangible assets, business combination related costs, income tax related adjustments, restructuring, restructuring program related costs and other costs and credit risk and fair value adjustments which impacted income before income taxes and the provision for income taxes by $13.5 million and $3.0 million, respectively.

Equity in net loss of unconsolidated affiliated company

The Company's 17% ownership investment of DIO Corporation ("DIO") resulted in a net loss of $8.2 million and $0.4 million on an after-tax basis for the second quarter of 2015 and 2014, respectively. The equity earnings of DIO include the result of mark-to-market changes related to the derivative accounting for the convertible bonds issued by DIO to DENTSPLY. The Company's portion of the mark-to-market loss recorded through DIO's net income for the second quarter of 2015 was approximately $8.4 million. For the second quarter of 2014, the mark-to-market net income recorded through DIO's net income was approximately $0.8 million.

Net Income attributable to DENTSPLY International

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 ("adjusted EPS"). The Company discloses adjusted net income attributable to DENTSPLY International to allow investors to evaluate the performance of the Company's operations exclusive of certain items that impact the comparability of results from period to period and may not be indicative of past or future performance of the normal operations of the Company and certain large non-cash charges related to purchased intangible assets. The Company believes that this information is helpful in understanding underlying operating trends and cash flow generation.

Adjusted net income and adjusted EPS are important internal measures for the Company. Senior management receives a monthly analysis of operating results that includes adjusted net income and adjusted EPS and the performance of the Company is measured on this basis along with other performance metrics.

The adjusted net income attributable to DENTSPLY International consists of net income attributable to DENTSPLY International adjusted to exclude the net of tax impact of the following:

(1) *Business combination related costs*. These adjustments include costs related to integrating and consummating recently acquired businesses and costs, gains and losses related to the disposal of businesses or product lines. These items are irregular in timing and as such may not be indicative of past and future performance of the Company and are therefore excluded to allow investors to better understand underlying operating trends.

(2) *Restructuring, restructuring program related costs and other costs*. These adjustments include costs related to the implementation of restructuring initiatives as well as certain other costs. These costs can include, but are not limited to, severance costs, facility closure costs, lease and contract terminations costs, related professional service costs, duplicate facility and labor costs associated with specific restructuring initiatives, as well as, legal settlements and impairments of assets. These items are irregular in timing, amount and impact to the Company's financial performance. As such, these items may not be indicative of past and future performance of the Company and are therefore excluded for the purpose of understanding underlying operating trends.

(3) *Amortization of purchased intangible assets.* This adjustment excludes the periodic amortization expense related to purchased intangible assets. Beginning in 2011, the Company began recording large non-cash charges related to the values attributed to purchased intangible assets. As such, amortization expense has been excluded from adjusted net income attributed to DENTSPLY International to allow investors to evaluate and understand operating trends excluding these large non-cash charges.

(4) *Credit risk and fair value adjustments*. These adjustments include both the cost and income impacts of adjustments in certain assets and liabilities including the Company's pension obligations, that are recorded through net income which are due solely to the changes in fair value and credit risk. These items can be variable and driven more by market conditions than the Company's operating performance. As such, these items may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

(5) *Certain fair value adjustments related to an unconsolidated affiliated company.* This adjustment represents the fair value adjustment of the unconsolidated affiliated company's convertible debt instrument held by the Company. The affiliate is accounted for under the equity method of accounting. The fair value adjustment is driven by open market pricing of the affiliate's equity instruments, which has a high degree of variability and may not be indicative of the operating performance of the affiliate or the Company.

(6) *Income tax related adjustments.* These adjustments include both income tax expenses and income tax benefits that are representative of income tax adjustments mostly related to prior periods, as well as the final settlement of income tax audits, and discrete tax items resulting from the implementation of restructuring initiatives. These adjustments are irregular

in timing and amount and may significantly impact the Company's operating performance. As such, these items may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

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 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.

	Three Months Ended June 30, 2015	
(in thousands, except per share amounts)	Net Income	Per Diluted Common Share
Net income attributable to DENTSPLY International	$ 44,099	$ 0.31
Restructuring, restructuring program related costs and other costs, net of tax	36,946	0.26
Certain fair value adjustments related to an unconsolidated affiliated company, net of tax	8,288	0.06
Amortization of purchased intangible assets, net of tax	7,644	0.05
Income tax related adjustments	5,037	0.04
Credit risk and fair value adjustments, net of tax	1,304	0.01
Adjusted non-US GAAP earnings	$ 103,318	$ 0.73

	Three Months Ended June 30, 2014	
(in thousands, except per share amounts)	Net Income	Per Diluted Common Share
Net income attributable to DENTSPLY International	$ 89,993	$ 0.62
Amortization of purchased intangible assets, net of tax	8,319	0.06
Income tax related adjustments	1,045	0.01
Restructuring, restructuring program related costs and other costs, net of tax	943	0.01
Business combination related costs, net of tax	380	—
Credit risk and fair value adjustments, net of tax	(177)	—
Certain fair value adjustments related to an unconsolidated affiliated company, net of tax	(832)	(0.01)
Adjusted non-US GAAP earnings	$ 99,671	$ 0.69

Adjusted Operating Income and Margin

Adjusted operating income and margin is another important internal measure for the Company. Operating income in accordance with US GAAP is adjusted for the items noted above which are excluded on a pre-tax basis to arrive at adjusted operating income, a non-US GAAP measure. The adjusted operating margin is calculated by dividing adjusted operating income by net sales, excluding precious metal content.

Senior management receives a monthly analysis of operating results that includes adjusted operating income. The performance of the Company is measured on this basis along with the adjusted non-US GAAP earnings noted above as well as other performance metrics. Adjusted operating income is considered a measure not calculated in accordance with accounting principles generally accepted in the United States; therefore, it is a non-US GAAP measure. This non-US GAAP measure may differ from other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP.

(in thousands, except percentage of net sales amount)		Three Months Ended June 30, 2015 Operating Income (Loss)	Percentage of Net Sales, Excluding Precious Metal Content
Operating income attributable to DENTSPLY International	$	85,801	12.7%
Restructuring, restructuring program related costs and other costs		43,873	6.5%
Amortization of purchased intangible assets		10,939	1.6%
Credit risk and fair value adjustments		2,006	0.3%
Adjusted non-US GAAP Operating Income	$	142,619	21.1%

(in thousands, except percentage of net sales amount)		Three Months Ended June 30, 2014 Operating Income (Loss)	Percentage of Net Sales, Excluding Precious Metal Content
Operating income attributable to DENTSPLY International	$	127,106	17.4%
Amortization of purchased intangible assets		11,961	1.6%
Restructuring, restructuring program related costs and other costs		1,280	0.2%
Business combination related costs		618	0.1%
Adjusted non-US GAAP Operating Income	$	140,965	19.3%

Operating Segment Results

Third Party Net Sales, Excluding Precious Metal Content

	Three Months Ended June 30,					
(in millions)		2015		2014		$ Change	% Change
Dental Consumables, Endodontic and Dental Laboratory Businesses	$	301.3	$	320.0	$	(18.7)	(5.8%)
Healthcare, Orthodontic and Implant Businesses		252.7		279.5		(26.8)	(9.6%)
Select Developed and Emerging Markets Businesses		120.7		131.4		(10.7)	(8.1%)

Segment Operating Income (Loss)

	Three Months Ended June 30,						
(in millions)		2015		2014		$ Change	% Change
Dental Consumables, Endodontic and Dental Laboratory Businesses	$	110.8	$	118.0	$	(7.2)	(6.1%)
Healthcare, Orthodontic and Implant Businesses		27.9		32.0		(4.1)	(12.8%)
Select Developed and Emerging Markets Businesses		(3.5)		(1.2)		(2.3)	NM

NM - Not meaningful

Dental Consumables, Endodontic and Dental Laboratory Businesses

Net sales, excluding precious metal content, decreased $18.7 million, or 5.8% for the three months ended June 30, 2015 as compared to the same period in 2014. On a constant currency basis, net sales, excluding precious metal content, increased 1.5% as compared to 2014, led primarily by the Dental Consumables businesses.

Operating income decreased $7.2 million, for the three months ended June 30, 2015 as compared to 2014. The decrease in operating income was primarily the result of negative foreign currency translation and certain expense related to the Company’s restructuring programs offset by improved gross profit within the Dental Consumables and Endodontic businesses.

Healthcare, Orthodontic and Implant Businesses

Net sales, excluding precious metal content, decreased $26.8 million, or 9.6% for the three months ended June 30, 2015 compared to 2014. On a constant currency basis, net sales, excluding precious metal content, increased 2.8% as compared to 2014 primarily led by the Implant and Healthcare businesses.

Operating income decreased $4.1 million or 12.8%, compared to 2014, primarily the result of the negative impact of foreign currency partially offset by operating improvements in the Implant and Healthcare businesses.

Select Developed and Emerging Markets Businesses

Net sales, excluding precious metal content, decreased $10.7 million, or 8.1% for the three months ended June 30, 2015 as compared to 2014. On a constant currency basis, net sales, excluding precious metal content, increased 8.1% as compared to 2014. The increase is the result of positive growth in all businesses within the segment.

Operating income declined by $2.3 million during the three months ended June 30, 2015 as compared to 2014 primarily as a result of lower gross profit rates on sales due to foreign currency transaction impacts.

RESULTS OF OPERATIONS, SIX MONTHS ENDED JUNE 30, 2015 COMPARED TO SIX MONTHS ENDED JUNE 30, 2014

Net Sales

	Six Months Ended June 30,			
(in millions)	2015	2014	$ Change	% Change
Net sales	$ 1,354.3	$ 1,495.3	$ (141.0)	(9.4%)
Less: precious metal content of sales	48.1	75.3	(27.2)	(36.1%)
Net sales, excluding precious metal content	$ 1,306.2	$ 1,420.0	$ (113.8)	(8.0)%

Net sales, excluding precious metal content, for the six months ended June 30, 2015 was $1,306.2 million, a decrease of $113.8 million or 8.0% compared to the six months ended June 30, 2014. The change in net sales, excluding precious metal content, was a result of 10.2% from unfavorable foreign currency translation. Excluding the impact of foreign currency translation, net sales, excluding precious metal content grew 2.2% compared to the six months ended June 30, 2014. Sales related to precious metal content declined 36% for the six month period, reflecting the continuing reduction in the use of precious metal alloys, which negatively impacts both the precious metal alloy and also the refinery product lines.

Constant Currency and Internal Sales Growth

The following table includes growth rates for net sales, excluding precious metal content, for the six months ended June 30, 2015 compared with the six months ended June 30, 2014.

	Six Months Ended June 30, 2015			
	United States	Europe	Rest of World	Worldwide
Internal sales growth	3.9 %	0.4%	5.0%	2.5%
Net acquisition (divestiture) sales growth	(0.7)%	0.1%	(0.4)%	(0.3)%
Constant currency sales growth	3.2 %	0.5%	4.6 %	2.2 %

<u>United States</u>

Net sales, excluding precious metal content, increased by 3.2% on a constant currency sales growth basis for the six months ended June 30, 2015 as compared to the same six month period of 2014. Internal sales growth was 3.9% for the six month period led by increased sales in the dental consumable product category.

<u>Europe</u>

Net sales, excluding precious metal content, increased by 0.5% on a constant currency sales growth basis for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. Internal sales growth was 0.4% for the six month period led by increased sales in the dental specialty and dental consumable product categories, partially offset by continued contraction in the CIS region and weaker dental laboratory product sales.

<u>Rest of World</u>

Net sales, excluding precious metal content, increased by 4.6% on a constant currency sales growth basis for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. Internal sales growth of 5.0% was led by the dental specialty products category.

Gross Profit

	Six Months Ended June 30,			
(in millions)	2015	2014	$ Change	% Change
Gross profit	$ 773.0	$ 818.7	$ (45.7)	(5.6%)
Gross profit as a percentage of net sales, including precious metal content	57.1%	54.7%		
Gross profit as a percentage of net sales, excluding precious metal content	59.2%	57.6%		

Gross profit as a percentage of net sales, excluding precious metal content, increased 160 basis points for the six month period ended June 30, 2015 compared to the six months ended June 30, 2014. The increase in the gross profit rate was primarily due to favorable product mix as well as favorable foreign currency transactions including the effects of the Company’s hedging program compared to the six months ended June 30, 2014.

Operating Expenses

(in millions)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	$ Change	% Change
Selling, general and administrative expenses ("SG&A")	$ 545.2	$ 584.0	$ (38.8)	(6.6%)
Restructuring and other costs	44.3	2.0	42.3	NM
SG&A as a percentage of net sales, including precious metal content	40.3%	39.1%		
SG&A as a percentage of net sales, excluding precious metal content	41.7%	41.1%		

NM - Not meaningful

SG&A Expenses

SG&A expenses as a percentage of net sales, excluding precious metal content, increased 60 basis points in the six months ended June 30, 2015 when compared to the same period ended June 30, 2014. The increase was primarily due to biennial trade shows and higher professional fees related to the operating margin improvement initiative in the current period.

Restructuring and Other Costs

The Company recorded net restructuring and other costs of $44.3 million for the six months ended June 30, 2015 compared to $2.0 million for the six months ended June 30, 2014. The increase of $42.3 million is related to restructuring plans discussed in the summary of results for the three months ended June 30, 2015.

Other Income and Expense

(in millions)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	Change
Net interest expense	$ 19.1	$ 19.6	$ (0.5)
Other expense (income), net	0.2	1.0	(0.8)
Net interest and other expense	$ 19.3	$ 20.6	$ (1.3)

Net Interest Expense

Net interest expense for the six months ended June 30, 2015 was $0.5 million lower compared to the six months ended June 30, 2014. The net decrease is a result of lower average debt levels in 2015 compared to the prior year period, partially offset by lower balance of cross currency basis swaps designated as net investment hedges generating lower interest income of $1.4 million versus the prior year six month period.

Other Expense (Income), Net

Other expense (income), net for the six months ended June 30, 2015 was $0.8 million lower compared to the six months ended June 30, 2014. Other expense (income), net for the six months ended June 30, 2015 was $0.2 million, comprised of $0.9 million of net interest income net investment hedges, $0.5 million of currency transaction losses and $0.6 million of other expense. Other expense (income), net for the six months ended June 30, 2014 was $1.0 million, primarily consisting of $0.7 million of currency transaction losses.

Income Taxes and Net Income

(in millions, except per share data)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	$ Change
Effective income tax rate	26.6%	22.9%	
Equity in net loss of unconsolidated affiliated company	$ (12.5)	$ (0.7)	$ (11.8)
Net income attributable to DENTSPLY International	$ 108.1	$ 162.9	$ (54.8)
Earnings per common share - diluted	$ 0.76	$ 1.13	

Provision for Income Taxes

The Company's effective tax rate for the six month period of 2015 and 2014 was 26.6% and 22.9%, respectively. In the six months ended June 30, 2015, the Company recorded $2.8 million of tax expense related to prior year tax matters. In addition, the Company's effective tax rate was unfavorably impacted by the Company's change in the mix of consolidated earnings.

The Company's effective income tax rate for the first six months of 2015 includes the net impact of restructuring, restructuring program related costs and other costs, amortization of purchased intangible assets, credit risk and fair value adjustments, business combination related costs and income tax related adjustments, which impacted income before income taxes and the provision for income taxes by $77.6 million and $11.6 million, respectively.

In the first six months of 2014, the Company's effective income tax rate included the net impact of amortization of purchased intangible assets, business combination related costs, restructuring, restructuring program related costs and other costs, credit risk and fair value adjustments, and income tax related adjustments which impacted income before income taxes and the provision for income taxes by $29.1 million and $5.7 million, respectively.

Equity in net (loss) income of unconsolidated affiliated company

The Company's 17% ownership investment of DIO Corporation ("DIO") resulted in a net loss of $12.5 million and $0.7 million on an after-tax basis for the six months ended June 30, 2015 and 2014, respectively. The equity earnings of DIO include the result of mark-to-market changes related to the derivative accounting for the convertible bonds issued by DIO to DENTSPLY. The Company's portion of the mark-to-market loss recorded through DIO's net income for the first six months of 2015 was approximately $12.9 million. For the six months ended June 30, 2014, the mark-to-market net income recorded through DIO's net income was approximately $1.1 million.

Net Income attributable to DENTSPLY International

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 ("adjusted EPS"). The Company discloses adjusted net income attributable to DENTSPLY International to allow investors to evaluate the performance of the Company's operations exclusive of certain items that impact the comparability of results from period to period and may not be indicative of past or future performance of the normal operations of the Company and certain large non-cash charges related to purchased intangible assets. The Company believes that this information is helpful in understanding underlying operating trends and cash flow generation.

Adjusted net income and adjusted EPS are important internal measures for the Company. Senior management receives a monthly analysis of operating results that includes adjusted net income and adjusted EPS and the performance of the Company is measured on this basis along with other performance metrics.

The adjusted net income attributable to DENTSPLY International consists of net income attributable to DENTSPLY International adjusted to exclude the net of tax impact of the following:

(1) *Business combination related costs*. These adjustments include costs related to integrating and consummating recently acquired businesses and costs, gains and losses related to the disposal of businesses or product lines. These items are

irregular in timing and as such may not be indicative of past and future performance of the Company and are therefore excluded to allow investors to better understand underlying operating trends.

(2) *Restructuring, restructuring program related costs and other costs*. These adjustments include costs related to the implementation of restructuring initiatives as well as certain other costs. These costs can include, but are not limited to, severance costs, facility closure costs, lease and contract terminations costs, related professional service costs, duplicate facility and labor costs associated with specific restructuring initiatives, as well as, legal settlements and impairments of assets. These items are irregular in timing, amount and impact to the Company's financial performance. As such, these items may not be indicative of past and future performance of the Company and are therefore excluded for the purpose of understanding underlying operating trends.

(3) *Amortization of purchased intangible assets.* This adjustment excludes the periodic amortization expense related to purchased intangible assets. Beginning in 2011, the Company began recording large non-cash charges related to the values attributed to purchased intangible assets. As such, amortization expense has been excluded from adjusted net income attributed to DENTSPLY International to allow investors to evaluate and understand operating trends excluding these large non-cash charges.

(4) *Credit risk and fair value adjustments*. These adjustments include both the cost and income impacts of adjustments in certain assets and liabilities including the Company's pension obligations, that are recorded through net income which are due solely to the changes in fair value and credit risk. These items can be variable and driven more by market conditions than the Company's operating performance. As such, these items may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

(5) *Certain fair value adjustments related to an unconsolidated affiliated company.* This adjustment represents the fair value adjustment of the unconsolidated affiliated company's convertible debt instrument held by the Company. The affiliate is accounted for under the equity method of accounting. The fair value adjustment is driven by open market pricing of the affiliate's equity instruments, which has a high degree of variability and may not be indicative of the operating performance of the affiliate or the Company.

(6) *Income tax related adjustments.* These adjustments include both income tax expenses and income tax benefits that are representative of income tax adjustments mostly related to prior periods, as well as the final settlement of income tax audits, and discrete tax items resulting from the implementation of restructuring initiatives. These adjustments are irregular in timing and amount and may significantly impact the Company's operating performance. As such, these items may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

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 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.

	Six Months Ended June 30, 2015	
(in thousands, except per share amounts)	Net Income	Per Diluted Common Share
Net income attributable to DENTSPLY International	$ 108,061	$ 0.76
Restructuring, restructuring program related costs and other costs, net of tax	41,406	0.29
Amortization of purchased intangible assets, net of tax	15,257	0.11
Certain fair value adjustments related to an unconsolidated affiliated company, net of tax	12,875	0.09
Income tax related adjustments	5,473	0.04
Credit risk and fair value adjustments, net of tax	3,280	0.02
Business combination related costs, net of tax	599	—
Adjusted non-US GAAP earnings	$ 186,951	$ 1.31

(in thousands, except per share amounts)	Six Months Ended June 30, 2014 Net Income	Per Diluted Common Share
Net income attributable to DENTSPLY International	$ 162,871	$ 1.13
Amortization of purchased intangible assets, net of tax	17,231	0.12
Income tax related adjustments	2,942	0.02
Business combination related costs, net of tax	2,346	0.02
Restructuring, restructuring program related costs and other costs, net of tax	1,588	0.01
Credit risk and fair value adjustments, net of tax	(801)	(0.01)
Certain fair value adjustments related to an unconsolidated affiliated company, net of tax	(1,035)	(0.01)
Adjusted non-US GAAP earnings	$ 185,142	$ 1.28

Adjusted Operating Income and Margin

Adjusted operating income and margin is another important internal measure for the Company. Operating income in accordance with US GAAP is adjusted for the items noted above which are excluded on a pre-tax basis to arrive at adjusted operating income, a non-US GAAP measure. The adjusted operating margin is calculated by dividing adjusted operating income by net sales, excluding precious metal content.

Senior management receives a monthly analysis of operating results that includes adjusted operating income. The performance of the Company is measured on this basis along with the adjusted non-US GAAP earnings noted above as well as other performance metrics. Adjusted operating income is considered a measure not calculated in accordance with accounting principles generally accepted in the United States; therefore, it is a non-US GAAP measure. This non-US GAAP measure may differ from other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP.

(in thousands, except percentage of net sales amount)	Six Months Ended June 30, 2015 Operating Income (Loss)	Percentage of Net Sales, Excluding Precious Metal Content
Operating income attributable to DENTSPLY International	$ 183,510	14.0%
Restructuring, restructuring program related costs and other costs	50,313	3.8%
Amortization of purchased intangible assets	21,845	1.7%
Credit risk and fair value adjustments	4,031	0.3%
Business combination related costs	788	0.1%
Adjusted non-US GAAP Operating Income	$ 260,487	19.9%

(in thousands, except percentage of net sales amount)	Six Months Ended June 30, 2014 Operating Income (Loss)	Percentage of Net Sales, Excluding Precious Metal Content
Operating income attributable to DENTSPLY International	$ 232,676	16.4%
Amortization of purchased intangible assets	24,536	1.7%
Business combination related costs	3,553	0.2%
Restructuring, restructuring program related costs and other costs	2,189	0.2%
Adjusted non-US GAAP Operating Income	$ 262,954	18.5%

Operating Segment Results

Third Party Net Sales, Excluding Precious Metal Content

(in millions)	Six Months Ended June 30, 2015	2014	$ Change	% Change
Dental Consumables, Endodontic and Dental Laboratory Businesses	$ 593.4	$ 625.1	$ (31.7)	(5.1%)
Healthcare, Orthodontic and Implant Businesses	488.5	543.7	(55.2)	(10.2%)
Select Developed and Emerging Markets Businesses	224.4	251.3	(26.9)	(10.7%)

Segment Operating Income (Loss)

(in millions)	Six Months Ended June 30, 2015	2014	$ Change	% Change
Dental Consumables, Endodontic and Dental Laboratory Businesses	$ 214.2	$ 224.7	$ (10.5)	(4.7%)
Healthcare, Orthodontic and Implant Businesses	54.4	56.6	(2.2)	(3.9)%
Select Developed and Emerging Markets Businesses	(7.4)	(2.5)	(4.9)	NM

NM - Not meaningful

Dental Consumables, Endodontic and Dental Laboratory Businesses

Net sales, excluding precious metal content, decreased $31.7 million, or 5.1% for the six months ended June 30, 2015 compared to the same period in 2014. On a constant currency basis, net sales, excluding precious metal content, increased 1.9% as compared to the same period in 2014 as a result of sales growth in the dental consumable product businesses.

Operating income decreased $10.5 million for the six months ended June 30, 2015 compared to 2014. The decrease in operating income was primarily the result of decreased sales.

Healthcare, Orthodontic and Implant Businesses

Net sales, excluding precious metal content, decreased $55.2 million, or 10.2% for the six months ended June 30, 2015 compared to 2014. On a constant currency basis, net sales, excluding precious metal content, increased 1.8% as compared to the same period in 2014 due to increased sales growth in the Healthcare and Implants businesses.

Operating income decreased $2.2 million compared to the same period in 2014. Gross profit rate improvements in the Implant and Healthcare businesses were more than offset by foreign currency translation.

Select Developed and Emerging Markets Businesses

Net sales, excluding precious metal content, decreased $26.9 million, or 10.7% for the six months ended June 30, 2015 compared to 2014. On a constant currency basis, net sales, excluding precious metal content, increased 3.9% when compared to the same period of 2014. The increase was led by strong growth in Asia and Latin America.

Operating income decreased $4.9 million during the six months ended June 30, 2015 compared to 2014 primarily as a result of lower gross profit rates in all businesses due to foreign currency transaction impacts.

CRITICAL ACCOUNTING POLICIES

Except as noted below, there have been no other significant material changes to the critical accounting policies as disclosed in the Company's Form 10-K for the year ended December 31, 2014.

Annual Goodwill Impairment Testing

Goodwill

Goodwill is not amortized; instead, it is tested for impairment annually or more frequently if indicators of impairment exist or if a decision is made to sell a business. The valuation date for annual impairment testing is April 30.

The performance of the Company's 2015 annual impairment test did not result in any impairment of the Company's goodwill. The weighted average cost of capital (" WACC") rates utilized in the 2015 analysis ranged from 7.6% to 12.5%. Had the WACC rate of each of the Company's reporting units been hypothetically increased by 100 basis points at April 30, 2015, the fair value of those reporting units would still exceed net book value. If the fair value of each of the Company's reporting units had been hypothetically reduced by 5% at April 30, 2015, the fair value of those reporting units would still exceed net book value. If the fair value of each of the Company's reporting units had been hypothetically reduced by 10% at April 30, 2015, three reporting units, one reporting unit within each of the Company's three segments, would have a fair value that would approximate net book value. Goodwill for the reporting unit within the Healthcare, Orthodontic and Implant Businesses segment totals $62.4 million at June 30, 2015. Goodwill for the reporting unit within the Dental Consumables, Endodontic and Dental Laboratory Businesses segment totals $120.0 million. Goodwill for the reporting unit within the Select Developed and Emerging Markets Businesses segment totals $16.0 million. To the extent that future operating results of the reporting units do not meet the forecasted cash flows the Company can provide no assurance that a future goodwill impairment charge would not be incurred.

Indefinite-Lived Assets

Indefinite-lived intangible assets consist of tradenames and are not subject to amortization; instead, they are tested for impairment annually or more frequently if indicators of impairment exist or if a decision is made to sell a business. The valuation date for annual impairment testing is April 30.

The performance of the Company's 2015 annual impairment test did not result in any impairment of the Company's indefinite-lived assets. If the fair value of each of the Company's indefinite-lived intangibles assets had been hypothetically reduced by 10% or the discount rate had been hypothetically increased by 50 basis points at April 30, 2015, the fair value of these assets would still exceed their book value.

LIQUIDITY AND CAPITAL RESOURCES

Six months ended June 30, 2015

Cash flow from operating activities during the six months ended June 30, 2015 was $211.2 million compared to $220.2 million during the six months ended June 30, 2014. The year over year decrease in the first six months' cash from operations of $9.0 million was primarily related to working capital changes in accounts receivable, accrued liabilities and income taxes, offset partially by improvements in inventory and net income, after adjusting for non cash items. The Company's cash and cash equivalents decreased by $55.2 million to $96.5 million during the six months ended June 30, 2015, which were used to fund debt repayments.

For the six months ended June 30, 2015, the number of days of sales outstanding in accounts receivable increased by three days to 58 days as compared to 55 days at December 31, 2014. On a constant currency basis, the number of days of sales in inventory increased by two days to 115 days at June 30, 2015 as compared to 113 days at December 31, 2014.

The cash outflows for investing activities during the first six months of 2015 included capital expenditures of $34.1 million and the purchase of minority shares in a business for $80.4 million. The Company expects capital expenditures to be in the range of approximately $90.0 million to $100.0 million for the full year 2015.

At June 30, 2015, the Company had authorization to maintain up to 34.0 million shares of treasury stock under the stock repurchase program as approved by the Board of Directors. Under this program, the Company repurchased 1.9 million shares during the first six months of 2015 for $99.0 million. As of June 30, 2015, the Company held 23.0 million shares of treasury stock. The Company received proceeds of $18.8 million as a result of the exercise of 0.6 million of stock options during the six months ended June 30, 2015.

The Company's total borrowings decreased by a net $66.5 million during the six months ended June 30, 2015, which includes an increase of $2.1 million due to exchange rate fluctuations on debt denominated in foreign currencies. At June 30, 2015, the Company's ratio of total net debt to total capitalization was 32.2% compared to 32.3% at December 31, 2014. The Company defines net debt as total debt, including current and long-term portions, less cash and cash equivalents and total capitalization as the sum of net debt plus equity.

On February 19, 2015 the Company paid the second required payment of $100.0 million under the Private Placement Notes due February 2016 by issuing commercial paper. The final required payment of $75.0 million under the Private Placement Notes is due in February 2016 and has been classified as current on the Consolidated Balance Sheet.

The Company is obligated to pay annual principal amortization of $8.8 million representing a 5% mandatory principal amortization due in each of the first six years under the terms of the PNC Term Loan with a final maturity of August 26, 2020. The second annual installment in the amount of $8.8 million will be due in August 2015 and has been classified as current on the Consolidated Balance Sheet.

Under its five-year multi-currency revolving credit agreement, the Company is able to borrow up to $500.0 million through July 23, 2019, and up to $452.0 million through July 23, 2020. The facility is unsecured and contains certain affirmative and negative covenants relating to the operations and financial condition of the Company. The most restrictive of these covenants pertain to asset dispositions and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. At June 30, 2015, the Company was in compliance with these covenants. The Company also has available an aggregate $500.0 million under a U.S. dollar commercial paper facility. The five-year revolver serves as a back-up to the commercial paper facility, thus the total available credit under the commercial paper facility and the multi-currency revolving credit facilities in the aggregate is $500.0 million. At June 30, 2015, outstanding borrowings were $30.0 million under the multi-currency revolving facility.

The Company also has access to $62.1 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. At June 30, 2015, the Company had $6.0 million outstanding under these short-term lines of credit. At June 30, 2015, the Company had total unused lines of credit related to the revolving credit agreement and the uncommitted short-term lines of credit of $526.0 million.

At June 30, 2015, the Company held $58.5 million of precious metals on consignment from several financial institutions. The consignment agreements allow the Company to acquire the precious metal at market rates at a point in time which is 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.

At June 30, 2015, the majority of the Company's cash and cash equivalents were held outside of the United States. Most of these balances could be repatriated to the United States, however, under current law, would potentially be subject to U.S. federal income tax, less applicable foreign tax credits. Historically, the Company has generated more than sufficient operating cash flows in the United States to fund domestic operations. Further, the Company expects on an ongoing basis, to be able to finance domestic and international 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. The

Company intends to finance the current portion of long-term debt due in 2015 utilizing the available commercial paper and the revolving credit facilities as well as other sources of credit.

There have been no material changes to the Company's scheduled contractual cash obligations disclosed in its Form 10-K for the year ended December 31, 2014.

NEW ACCOUNTING PRONOUNCEMENTS

Refer to Part 1, Item 1, Note 1, Significant Accounting Policies, to the Unaudited Interim Consolidated Financial Statements for a discussion of recent accounting standards and pronouncements.

Item 3 – Quantitative and Qualitative Disclosures about Market Risk

There have been no significant material changes to the market risks as disclosed in the Company’s Form 10-K for the year ended December 31, 2014.

Item 4 – Controls and Procedures

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 defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) 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, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that it is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company’s internal controls over financial reporting that occurred during quarter ended June 30, 2015 that have materially affected, or are likely to materially affect, its internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1 – Legal Proceedings

Reference to Part I, Item 1, Note 15, Commitments and Contingencies, to the Unaudited Interim Consolidated Financial Statements.

Item 1A – Risk Factors

There have been no significant material changes to the risk factors as disclosed in the Company's Form 10-K for the year ended December 31, 2014.

Item 2 – Unregistered Sales of Securities and Use of Proceeds

Issuer Purchases of Equity Securities

At June 30, 2015, the Company had authorization to maintain up to 34.0 million shares of treasury stock under the stock repurchase program as approved by the Board of Directors. During the quarter ended June 30, 2015, the Company had the following activity with respect to this repurchase program:

(in thousands, except per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Cost of Shares Purchased	Number of Shares that May be Purchased Under the Share Repurchase Program
April 1, 2015 to April 30, 2015	76.1	$ 50.87	$ 3,870.1	11,039.2
May 1, 2015 to May 31, 2015	55.9	51.77	2,895.2	11,032.8
June 1, 2015 to June 30, 2015	68.2	52.49	3,582.4	11,032.8
	200.2	$ 51.68	$ 10,347.7	

Item 6 – Exhibits

Exhibit Number	Description
3.2	By-Laws Amended and Restated
4.3 (a)	First Amendment to the $500.0 Million Credit Agreement dated as of July 23, 2014 between the Company and the Subsidiary Borrowers party thereto
10.3	Restricted Stock Unit Deferral Plan
10.14	Board of Directors Compensation Arrangement
10.20	2010 Equity Incentive Plan, Amended and Restated
31	Section 302 Certification Statements
32	Section 906 Certification Statements
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Signatures

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

DENTSPLY International Inc.

/s/ *Bret W. Wise* July 30, 2015

Bret W. Wise
Chairman of the Board and
Chief Executive Officer

Date

/s/ *Christopher T. Clark* July 30, 2015

Christopher T. Clark
President and
Chief Financial Officer

Date

May 20, 2015

DENTSPLY International Inc.

AMENDED AND RESTATED BY-LAWS

BY-LAWS INDEX

May 20, 2015

AMENDED AND RESTATED BY-LAWS

OF

DENTSPLY INTERNATIONAL INC.

(formerly GENDEX Corporation)

ARTICLE I

STOCKHOLDERS' MEETINGS

Section 1. **Annual Meetings**. The annual meeting of the stockholders, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting, shall be held on such date and at such time as shall be designated from time to time by the Board of Directors.

Section 2. **Special Meetings**. Except as otherwise required by law and subject to the rights of the holders of any class or series of capital stock having a preference over the common stock as to dividends or upon liquidation, special meetings of stockholders of the corporation may be called only by the Chairman of the Board, the Chief Executive Officer or the President pursuant to a resolution adopted by the Board of Directors.

Section 3. **Place of Meeting**. The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting, or for any special meeting called pursuant to Article I, Section 2, above. A waiver of notice signed by all stockholders entitled to vote at a meeting may designate any place, either within or without the State of Delaware, as the place for the holding of such meeting. If no designation is made, or if a special meeting shall be otherwise called, the place of meeting shall be the principal office of the corporation.

Section 4. **Notice of Meeting**. Written notice stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting either personally or by mail, by or at the discretion of the Chief Executive Officer, the President or the officer or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the stockholder at his address as it appears on the stock record books of the corporation, with postage thereon prepaid.

Section 5. **Fixing of Record Date**.

(a) For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors of the corporation may fix, in advance, a date as the record date for any such determination of stockholders, such date in any case to be not more than sixty (60) nor less than ten (10) days prior to the date of any proposed meeting of stockholders. In no event shall the stock transfer books be closed. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this Section, such determination shall be applied to any adjournment thereof.

(b) For the purpose of determining stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or in order to make a determination of stockholders for any other lawful purpose, the Board of Directors of the corporation may fix a date as the record date for any such determination of stockholders, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. In no event shall the stock transfer books be closed.

Section 6. **Quorum**. A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. Provided that a meeting has been duly convened in accordance herewith, any meeting of the stockholders may be adjourned from time to time without further notice. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. Any meeting (a) at which all of the outstanding shares are present in person or represented by proxy and at which none of such shares attend for the purpose of objecting, at the beginning of the meeting, to the transaction of any business thereat because the meeting was not lawfully called or convened, or (b) at which all of the outstanding stock has waived notice, or (c) for which notice shall have been duly given as provided herein, shall be deemed a properly constituted meeting of the stockholders.

Section 7. **Proxies**. At all meetings of stockholders, a stockholder entitled to vote may vote by proxy appointed in writing by the stockholder or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid only at the meeting for which it has been given or any adjournment thereof.

Section 8. **Voting of Shares**. At each meeting of stockholders, every stockholder entitled to vote thereat shall be entitled to vote in person or by a duly authorized proxy, which proxy may be appointed by an instrument in writing executed by such stockholder or his duly authorized attorney or through electronic means, if applicable, such as the internet. Subject to the provisions of applicable law and the corporation’s Certificate of Incorporation, each holder of common stock shall be entitled to one (1) vote for each share of stock standing registered in his name at the close of business on the day fixed by the Board of Directors as the record date for the determination of the stockholders entitled to notice of and vote at such meeting. Shares standing in the name of another corporation may be voted by any officer of such corporation or any proxy appointed by any officer of such corporation in the absence of express notice of such corporation given in writing to the Secretary of this corporation in connection with the particular meeting, that such officer has no authority to vote such shares.

Section 9. List of Stockholders. A complete list of the stockholders entitled to vote at the ensuing meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be prepared by the Secretary, or other officer of the corporation having charge of said stock ledger. Such list shall be open to the examination of any stockholder during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where said meeting is to be held, and the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any stockholder who may be present.

Section 10. Waiver of Notice by Stockholders. Whenever any notice whatever is required to be given to any stockholder of the corporation under the provisions of these By-Laws or under the provisions of the Certificate of Incorporation or under the provisions of any statute, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the stockholder entitled to such notice, shall be deemed equivalent to the giving of such notice.

Section 11. Advance Notice of Stockholder-Proposed Business at Annual Meetings. No business may be transacted at an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the annual meeting by any stockholder of the corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 11 and on the record date for the determination of stockholders entitled to notice of and to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 11.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10^{th}) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of such stockholder and any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom, (ii) the name and record address of such stockholder, (iii) as to the stockholder giving the notice and any Stockholder Associated Person, (A) the class, series and number of all shares of stock of the corporation which are owned by such stockholder and by such Stockholder Associated Person, if any, (B) the nominee holder for, and number of, shares owned beneficially but not of record by such stockholder and by any such Stockholder Associated Person, and (C) any derivative positions held or beneficially held by the stockholder and by any such Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder or any such Stockholder Associated Person with respect to any share of stock of the corporation; (iv) as to the stockholder giving the notice and any Stockholder Associated Person covered by clause (iii) of this paragraph, the name and address of such stockholder, as they appear on the corporation's stock ledger, and current name and address, if different, and of such Stockholder Associated Person; (v) a description of all proxy, contract, arrangement, understanding, or relationship between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; and (vi) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at the annual meeting except business brought before the annual meeting in accordance with the procedures set forth in this Section 11; provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 11 shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

For purposes of this Section 11 and of Section 12 of this Article I, "Stockholder Associated Person" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder and (iii) any person controlling, controlled by or under common control with such Stockholder Associated Person.

Section 12. **Procedure for Nomination of Directors**. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation, except as may be otherwise provided in the Certificate of Incorporation with respect to the right of holders of preferred stock of the corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of the corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 12 and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting and (ii) who complies with the notice procedures set forth in this Section 12.

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the corporation (a) in the case of an annual meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10^{th}) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10^{th}) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice and any Stockholder Associated Person, (i) the name and record address of such stockholder, (ii) the class, series and number of all shares of stock of the corporation which are owned by such stockholder and by such Stockholder Associated Person, if any, (iii) the nominee holder for, and number of, shares owned beneficially but not of record by such stockholder and by any such Stockholder Associated Person, (iv) any derivative positions held or beneficially held by the stockholder and by any such Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder or any such Stockholder Associated Person with respect to any share of stock of the corporation, (v) a description of all arrangements or understandings between such stockholder or any such Stockholder Associated Person and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (vi) as to the stockholder giving the notice, a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (vii) any other information relating to the stockholder giving the notice that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section 12. If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Section 13. **<u>Election of Directors</u>.** Except as provided in Section 8 of Article II of these bylaws, a nominee for director shall be elected to the Board of Directors if the votes cast for such nominee's election exceed the votes cast against such nominee's election; provided, however, that directors shall be elected by a plurality of the votes cast at any meeting of stockholders for which (i) the Secretary of the Corporation receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for director set forth in Article I, Section 12 of these bylaws and (ii) such nomination has not been withdrawn by such stockholder on or prior to the fourteenth day before the date the Corporation first mails to the stockholders its notice of such meeting. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee, but only to withhold their vote.

ARTICLE II

<u>BOARD OF DIRECTORS</u>

Section 1. **<u>General Powers</u>**. The business and affairs of the corporation shall be managed by its Board of Directors. The Board of Directors may adopt, amend or repeal by-laws adopted by the Board or by the stockholders.

Section 2. **<u>Number of Directors, Tenure and Qualifications</u>**. The number of members of the Board of Directors shall be not less than three (3) nor more than thirteen (13), as determined from time to time by the Board of Directors. The directors need not be stockholders of the corporation. Effective immediately upon the filing of the Certificate of Amendment to the Restated Certificate of Incorporation of the corporation, the term of office for the class of directors elected in 2011 shall expire at the annual meeting of stockholders to be held in 2014, the term of office for the class of directors elected in 2012 shall expire at the annual meeting of stockholders to be held in 2015, and the term of office for the class of directors elected in 2013 shall expire at the annual meeting of stockholders to be held in 2016, with the members of each class to hold office until their successors are elected and qualified. Commencing at the annual meeting of stockholders to be held in 2014, directors succeeding those whose terms are then expired shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the year following the year of their election and until their successors are elected and qualified. Commencing with the annual meeting of stockholders to be held in 2016, the classification of the board of directors shall terminate and all directors shall be of one class. Any additional director elected to fill a vacancy resulting from an increase in the number of directors shall hold office until the next annual meeting of stockholders, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, incapacitation or removal from office, and except as otherwise required by law. In the event such election is not held at the annual meeting of stockholders, it shall be held at any adjournment thereof or a special meeting. Except as otherwise required by law, any vacancy on the board of directors that results from an increase in the number of directors shall be filled only by a majority of the board of directors then in office, provided that a quorum is present, and any other vacancy occurring in the board of directors shall be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor. A director may be removed only for cause by the stockholders.

Section 3. **Regular Meetings**. Regular meetings of the Board of Directors shall be held without any other notice than this By-Law immediately after, and at the same place as, the annual meeting of stockholders, and each adjourned session thereof. The Board of Directors may designate the time and place, either within or without the State of Delaware, for the holding of additional regular meetings without other notice than such designation.

Section 4. **Special Meetings**. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chief Executive Officer, the President or by members of the Board of Directors constituting no less than three-fourths (3/4) of the total number of directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix any place either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. **Notice**. Notice of any special meeting shall be given at least five (5) days previously thereto by written notice delivered or mailed to each director at his last known address, or at least forty-eight (48) hours previously thereto by personal delivery or by facsimile to a telephone number provided to the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by facsimile, such notice shall be deemed to be delivered when transmitted with receipt confirmed. Whenever any notice whatever is required to be given to any director of the corporation under the provisions of these By-Laws or under the provisions of the Certificate of Incorporation or under the provisions of any statute, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting and objects thereat to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. **Quorum**. Two-Thirds (2/3) of the directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 7. **Manner of Acting**. The act of the majority of the directors then in office shall be the act of the Board of Directors, unless the act of a greater number is required by these By-Laws or By-Law.

Section 8. **Vacancies**. Except as otherwise required by law, any vacancy on the Board of Directors that results from an increase in the number of directors shall be filled only by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors shall be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor. The resignation of a director shall be effective upon receipt by the corporation, unless some subsequent time is fixed in the resignation, and then from that time. Acceptance of such resignation by the corporation shall not be required.

Section 9. **Compensation**. The Board of Directors, by affirmative vote of a majority of the directors, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all directors for services to the corporation as directors, officers or otherwise, or may delegate such authority to an appropriate committee.

Section 10. **Presumption of Assent**. A director of the corporation who is present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 11. **Committees**. The Board of Directors by resolution may designate one (1) or more committees, each committee to consist of one (1) or more directors elected by the Board of Directors, which to the extent provided in such resolution, as initially adopted, and as thereafter supplemented or amended by further resolution adopted by a like vote, shall have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the business and affairs of the corporation, except action with respect to amendment of the Certificate of Incorporation or By-Laws, adoption of an agreement of merger or consolidation (other than the adoption of a Certificate of Ownership and Merger in accordance with Section 253 of the General Corporation Law of the State of Delaware, as such law may be amended or supplemented), recommendation to the stockholders of the sale, lease or exchange of all or substantially all of the corporation's property or assets, recommendation to the stockholders of the dissolution or the revocation of a dissolution of the corporation, election of officers or the filling of vacancies on the Board of Directors or on committees created pursuant to this Section or declaration of dividends. The Board of Directors may elect one (1) or more of its members as alternate members of any such committee who may take the place of any absent or disqualified member or members at any meeting of such committee, upon request by the Chairman of the Board, the Chief Executive Officer or the President or upon request by the chairman of such meeting. Each such committee may fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

Section 12. **Removal of Directors**. Exclusive of directors, if any, elected by the holders of one (1) or more classes of preferred stock, no director of the corporation may be removed from office, except for cause and by the affirmative vote of two-thirds (2/3) of the outstanding shares of capital stock of the corporation entitled to vote at a meeting of the stockholders duly called for such purpose. As used in this Article II, the meaning of “cause” shall be limited to malfeasance arising from the performance of a director’s duty which has a materially adverse effect on the business of the corporation.

Section 13. **Action of the Board by Written Consent**. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting of the Board of Directors or any committee thereof if prior to such action a written consent thereto is signed by all members of the Board or of the committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or the committee.

Section 14. **Conferences**. Members of the Board of Directors or any committee designated by the Board may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 14 shall constitute presence in person at such meeting.

ARTICLE III

OFFICERS

Section 1. **Number**. The officers of the corporation shall consist of a Chairman of the Board and a Chief Executive Officer. The Board of Directors may appoint as officers a Vice Chairman of the Board, President, such number of Senior Vice Presidents and Vice Presidents, a Secretary, a Treasurer, one (1) or more Assistant Treasurers, one (1) or more Assistant Secretaries, and such other officers as are created by the Board from time to time. The same person may hold two (2) or more of such offices.

Section 2. **Election and Term of Office**. The Chairman of the Board and the Vice Chairman of the Board shall be elected by the directors from among their own number; other officers need not be directors. In addition to the powers conferred upon them by these By-Laws, all officers elected or appointed by the Board of Directors shall have such authority and shall perform such duties as from time to time may be prescribed by the Board of Directors by resolution.

Section 3. **<u>Removal</u>**. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

Section 4. **<u>Chairman of the Board</u>**. The Chairman of the Board shall preside at all meetings of the Board of Directors and meetings of the stockholders. He shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 5. **<u>Vice Chairman of the Board</u>**. In the absence of the Chairman of the Board because of death or physical disability which prevents the Chairman of the Board from performing his duties, or in the event of his inability or refusal to act, the Vice Chairman of the Board shall perform the duties of the Chairman of the Board and, when so acting, have the powers of and be subject to all of the restrictions upon the Chairman of the Board.

Section 6. **<u>Chief Executive Officer</u>**. The Chief Executive Officer shall be the principal executive officer of the corporation and shall have the general charge of and control over the business, affairs, and personnel of the corporation, subject to the authority of the Board of Directors. The Chief Executive Officer may, together with the Secretary, sign all certificates for shares of the capital stock of the corporation and shall perform such other duties as shall be delegated to him by the Board of Directors. Except as may be specified by the Board of Directors, the Chief Executive Officer shall have the power to enter into contracts and make commitments on behalf of the corporation and shall have the right to execute deeds, mortgages, bonds, contracts and other instruments necessary or proper to be executed in connection with the corporation's regular business and may authorize the President, and any other officer of the corporation, to sign, execute and acknowledge such documents and instruments in his place and stead.

Section 7. **<u>President</u>**. The President shall be the chief operating officer of the corporation, and shall report to the Chief Executive Officer. The President may, together with the Secretary, sign all certificates for shares of the capital stock of the corporation and may, together with the Secretary, execute on behalf of the corporation any contract, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or the Chief Executive Officer to some other officer or agent, and shall perform such duties as are assigned to him by the Board of Directors or the Chief Executive Officer.

Section 8. **<u>Senior Vice President and Vice Presidents</u>**. Each Senior Vice President or Vice President shall perform such duties and have such authority as from time to time may be assigned to him by the Board of Directors, the Chief Executive Officer or the President.

Section 9. **<u>Secretary and Assistant Secretaries</u>**. The Secretary shall have custody of the seal of the corporation and of all books, records and papers of the corporation, except such as shall be in the charge of the Treasurer or some other person authorized to have custody and be in possession thereof by resolution of the Board of Directors. The Secretary shall record the proceedings of the meetings of the stockholders and of the Board of Directors in books kept by him for that purpose and may, at the direction of the Board of Directors, give any notice required by statute or by these By-Laws of all such meetings. The Secretary shall, together with the Chief Executive Officer or the President, sign certificates for shares of the capital stock of the corporation. Any Assistant Secretaries elected by the Board of Directors, in order of their seniority, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary as aforesaid. The Secretary or any Assistant Secretary may, together with the Chief Executive Officer, the President or any other authorized officer, execute on behalf of the corporation any contract which has been approved by the Board of Directors, and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the President shall prescribe.

Section 10. **Treasurer and Assistant Treasurer**. The Treasurer shall keep accounts of all moneys of the corporation received and disbursed, and shall deposit all monies and valuables of the corporation in its name and to its credit in such banks and depositories as the Board of Directors shall designate. Any Assistant Treasurers elected by the Board of Directors, in order of their seniority, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the President shall prescribe.

Section 11. **Salaries**. The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

Section 12. **Representation in Other Companies**. Unless otherwise ordered by the Board of Directors, the Chief Executive Officer, the President or a Vice President designated by the President shall have full power and authority on behalf of the corporation to attend and to act and to vote at any meetings of security holders of corporations in which the corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities, and which as the owner thereof the corporation might have possessed and exercised, if present. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

ARTICLE IV

STOCK AND TRANSFER OF STOCK

Section 1. **Shares of Stock**. The shares of capital stock of the corporation shall be represented by a certificate, unless and until the Board of Directors of the corporation adopts a resolution permitting shares to be uncertificated. Notwithstanding the adoption of any such resolution providing for uncertificated shares, every holder of capital stock of the corporation theretofore represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate for shares of capital stock of the corporation signed by the Chief Executive Officer or the President and by the Secretary. To the extent that shares are represented by certificates, the certificates shall be in such form as shall be determined by the Board of Directors and shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. With respect to certificated shares of stock, all certificates surrendered to the corporation for transfer shall be canceled and no new certificate or uncertificated shares shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate, a new certificate or uncertificated shares may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

Section 2. **__Transfer of Shares__**. Stock of the corporation shall be transferable in the manner prescribed by applicable law and in these By-Laws. Transfers of stock shall be made on the books of the corporation, and in the case of certificated shares of stock, only by the person named in the certificate or by such person’s attorney lawfully constituted in writing and upon the surrender of the certificate therefor, properly endorsed for transfer and payment of all necessary transfer taxes; or, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person’s attorney lawfully constituted in writing, and upon payment of all necessary transfer taxes and compliance with appropriate procedures for transferring shares in uncertificated form; provided, however, that such surrender and endorsement, compliance or payment of taxes shall not be required in any case in which the officers of the corporation shall determine to waive such requirement. Prior to due presentment for registration of transfer of a certificate representing shares of capital stock of the corporation or of proper transfer instructions with respect to uncertificated shares, the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner. Where a certificate for shares is presented to the corporation with a request to register for transfer, the corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The corporation may require reasonable assurance that said endorsements are genuine and effective and in compliance with such other regulations as may be prescribed under the authority of the Board of Directors.

ARTICLE V

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 1. **__Indemnification Generally__**. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or is alleged to have violated the Employee Retirement Income Security Act of 1974, as amended, against expenses (including attorneys’ fees), judgments, fines, penalties, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. **Indemnification in Actions By or In the Right Of the Corporation**. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense and settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Section 3. **Success on the Merits; Indemnification Against Expenses**. To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or Section 2 of this Article V, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 4. **Determination that Indemnification is Proper**. Any indemnification under Section 1 or Section 2 of this Article V, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances under the standard of conduct set forth in such Section 1 or Section 2 of this Article V, as the case may be. Such determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding;

(b) If such a quorum is not obtainable, or, even if obtainable if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or

(c) By the stockholders.

Section 5. **Insurance; Indemnification Agreements**. The corporation may, but shall not be required to, supplement the right of indemnification under this Article V by any lawful means, including, without limitation by reason of enumeration, (i) the purchase and maintenance of insurance on behalf of any one or more of such indemnitees, whether or not the corporation would be obligated to indemnify such person under this Article V or otherwise, and (ii) individual or group indemnification agreements with any one or more of such indemnities.

Section 6. **Advancement of Expenses. Expenses (including attorneys' fees)** incurred by an indemnitee in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as to such amounts.

Section 7. **Rights Not Exclusive**. The indemnification and advancement of expenses provided by this Article V shall be not deemed exclusive of any other right to which an indemnified person may be entitled under Section 145 of the General Corporation Law of the State of Delaware (or any successor provision) or otherwise under applicable law, or under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 8. **Severability**. To the extent that any court of competent jurisdiction shall determine that the indemnification provided under this Article V shall be invalid as applied to a particular claim, issue or matter, the provisions hereof shall be deemed amended to allow indemnification to the maximum extent permitted by law.

Section 9. **Modification**. This Article V shall be deemed to be a contract between the corporation and each previous, current or future director, officer, employee or agent. The provisions of this Article V shall be applicable to all actions, claims, suits or proceedings, commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this Article V shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding which is based in any material respect from any alleged action or failure to act prior to such amendment, modification or repeal.

ARTICLE VI

EXCLUSIVE FORUM

Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of the corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim against the corporation or any director or officer or other employee of the corporation arising pursuant to any provision of the Delaware General Corporation Law or the corporation's Certificate of Incorporation or By-Laws (as either may be amended from time to time), or (iv) any action asserting a claim against the corporation or any director or officer or other employee of the corporation governed by the internal affairs doctrine shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware).

EXECUTION COPY

AMENDMENT NO. 1

Dated as of July 1, 2015

to

CREDIT AGREEMENT

Dated as of July 23, 2014

THIS AMENDMENT NO. 1 (this "Amendment") is made as of July 1, 2015 by and among DENTSPLY International Inc., a Delaware corporation and the Subsidiary Borrowers party hereto (each individually a "Borrower" and collectively, the "Borrowers"), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, N.A., as Administrative Agent (the "Administrative Agent"), under that certain Credit Agreement dated as of July 23, 2014 by and among the Borrowers, the financial institutions from time to time party thereto as Lenders (the "Lenders") and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized definitional terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Borrowers have requested that the requisite Lenders and the Administrative Agent agree to an amendment to the Credit Agreement;

WHEREAS, the Borrowers, the Lenders party hereto and the Administrative Agent have so agreed on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrowers, the Lenders party hereto and the Administrative Agent hereby agree to enter into this Amendment.

1. Amendment to the Credit Agreement. Effective as of the date of satisfaction of the conditions precedent set forth in Section 2 below (the "Amendment No. 1 Effective Date"), the parties hereto agree that the Credit Agreement is hereby amended as follows:

(a) Section 2.05(a) of the Credit Agreement is hereby amended to delete the phrase "the Swingline Lender agrees to make Swingline Loans" appearing therein and replace such phrase with "the Swingline Lender may in its sole discretion make Swingline Loans".

(b) Section 2.06(b) of the Credit Agreement is hereby amended to delete the reference to "$50,000,000" appearing therein and replace such reference with $25,000,000.

(c) Section 2.21(a) of the Credit Agreement is hereby amended to restate the second parenthetical therein in its entirety as follows: "(each such date or such other date as is agreed to by the Extending Lenders in respect of the effective date of the applicable extension, an "Extension Date")".

(d) Section 2.21(c) of the Credit Agreement is hereby amended to insert the following language immediately at the end thereof: "or such other date as is acceptable to the Company"

2. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the conditions precedent that:

(i) the Administrative Agent shall have received counterparts of this Amendment duly executed by each Borrower, the Required Lenders and the Administrative Agent; and

(ii) the Administrative Agent shall have received payment and/or reimbursement of the Administrative Agent's and its affiliates' fees and expenses (including, to the extent invoiced, reasonable fees and expenses of counsel for the Administrative Agent) in connection with this Amendment.

3. Representations and Warranties of the Borrowers. Each Borrower hereby represents and warrants to the Lenders and the Administrative Agent on the Amendment No. 1 Effective Date as follows:

(a) This Amendment and the Credit Agreement as modified hereby constitute the valid and legally binding obligations of such Borrower, enforceable in accordance with their respective terms, except as such enforceability may be limited by the effect of any applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

(b) As of the date hereof and after giving effect to the terms of this Amendment, (i) the representations and warranties of such Borrower set forth in the Credit Agreement are true and correct on and as of the date hereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date) and (ii) no Default or Event of Default has occurred and is continuing.

4. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Each Loan Document and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except with respect to the subject matter hereof, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement, the Loan Documents or any other documents, instruments and agreements executed and/or delivered in connection therewith.

(d) This Amendment is a "Loan Document" under (and as defined in) the Credit Agreement.

5. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

6. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

7. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, e-mailed.pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

DENTSPLY INTERNATIONAL INC., as a Borrower

By ____________________________________

Name:

Title:

JPMORGAN CHASE BANK, N.A., individually as a Lender
and as Administrative Agent

By ____________________________________

Name:

Title:

Signature Page to Amendment No. 1 to
Credit Agreement dated as of July 23, 2014
DENTSPLY International Inc.

CITIBANK, N.A., as a Lender

By ____________________________________

Name:

Title:

Signature Page to Amendment No. 1 to
Credit Agreement dated as of July 23, 2014
DENTSPLY International Inc.

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as a Lender

By ____________________________________

Name:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By ____________________________________

Name:

Title:

COMMERZBANK AG, NEW YORK AND GRAND CAYMAN BRANCHES, as a Lender

By ____________________________________

Name:

Title:

HSBC BANK USA, NATIONAL ASSOCIATION, as a Lender

By ____________________________________

Name:

Title:

MORGAN STANLEY BANK, N.A., as a Lender

By ______________________________________

Name:

Title:

Signature Page to Amendment No. 1 to
Credit Agreement dated as of July 23, 2014
DENTSPLY International Inc.

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By ______________________________________

Name:

Title:

Signature Page to Amendment No. 1 to
Credit Agreement dated as of July 23, 2014
DENTSPLY International Inc.

TD BANK, N.A., as a Lender

By ____________________________________

Name:

Title:

U.S. BANK, NATIONAL ASSOCIATION, as a Lender

By ____________________________________

Name:

Title:

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), as a Lender

By ____________________________________

Name:

Title:

Signature Page to Amendment No. 1 to
Credit Agreement dated as of July 23, 2014
DENTSPLY International Inc.

DZ BANK AG
DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT AM MAIN, NEW YORK BRANCH, as a Lender

By ____________________________________

Name:

Title:

Signature Page to Amendment No. 1 to
Credit Agreement dated as of July 23, 2014
DENTSPLY International Inc.

DENTSPLY INTERNATIONAL INC.
RESTRICTED STOCK UNIT DEFERRAL PLAN

ARTICLE 1
Purposes

The purpose of this Restricted Stock Unit Deferral Plan is to provide certain officers and directors of DENTSPLY INTERNATIONAL INC.(the “Company”) the opportunity to defer the receipt of shares of Common Stock otherwise issued upon the vesting of Restricted Stock Units granted to such officers and directors under the 2002 Dentsply International Inc. Amended & Restated Equity Incentive Plan and the Amended and Restated DENTSPLY International Inc. 2010 Equity Incentive Plan (each an “Equity Plan” and together the “Equity Plans”). All capitalized terms used in the Plan shall have the meanings set forth in Article 2.

ARTICLE 2
Definitions

“Board” means the Board of Directors of the Company.

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Stock” means the common stock of the Company, par value $0.01.

“Company” means DENTSPLY International Inc., a Delaware corporation.

“Deferral Account” means a bookkeeping account in the name of a Participant maintained pursuant to Article 6.

“Deferral Election” means an election by a Participant, in accordance with Article 5, to defer the receipt of shares of Common Stock otherwise issued to such Participant upon the vesting of Restricted Stock Units held by such Participant.

“Deferred Stock Unit” means a bookkeeping unit credited to a Participant’s Deferral Account having a value equal to one share of Common Stock.

“Effective Date” means February 5, 2007.

“Participant” means an eligible executive who makes a Deferral Election under the Plan.

“Plan” means this Restricted Stock Unit Deferral Plan.

“Restricted Stock Units” means restricted stock units granted by the Company under an Equity Plan, each of which represents a right to receive a share of Common Stock upon the satisfaction of applicable vesting conditions.

"Settlement Date" shall have the meaning set forth in Section 7.1.

"Termination Date" means the date on which a Participant ceases service as an employee of the Company or any of its subsidiaries or as a member of the Board.

ARTICLE 3
Administration

The Plan shall be administered by the Human Resources Committee of the Board (the "Committee"). The Committee shall interpret the Plan and the application thereof, and establish rules and regulations it deems necessary or desirable for the administration of the Plan. All such interpretations, rules and regulations shall be final, binding and conclusive.

ARTICLE 4
Eligibility

Each member of the Board and each employee of the Company or any of its subsidiaries who is assigned to Grant Tier 1 through Tier 7 in the Committee's administration of the Equity Plans may elect to participate in the Plan by submitting a Deferral Election in accordance with Article 5.

ARTICLE 5
Deferral of Awards

Not later than the earlier to occur of (i) 30 days after the date on which a Restricted Stock Unit award is granted to a Participant and (ii) 12 months prior to the first date on which any of the Restricted Stock Units subject to such award are scheduled to vest, such Participant may elect, in the form and manner prescribed by the Company, to defer the receipt of the shares of Common Stock subject to such award to a date subsequent to the date on which such Restricted Stock Units become vested, as follows:

a) Participants will have the option to defer all or part of each RSU award for a period of one year, three years, five years, or until retirement or Termination Date. Such deferral election will apply to the entire portion of the RSU that is deferred, i.e. a deferral cannot be split into multiple future distribution dates.

b) The deferral period begins upon vesting.

c) All deferrals are irrevocable.

d) A separate election must be submitted with respect to each Restricted Stock Unit award granted to and deferred by a Participant.

ARTICLE 6
Deferral Accounts

Section 6.1. Deferral Account . A Deferral Account shall be established and maintained by the Company on behalf of each Participant who submits a Deferral Election in accordance with Article 5. Upon the vesting of each Restricted Stock Unit that is subject to a Participant's Deferral Election, such Participant's Deferral Account shall be credited with a fully vested and nonforfeitable Deferred Stock Unit. To the extent that Restricted Stock Units held by a Participant are forfeited, any Deferral Election with respect to such Restricted Stock Units shall terminate and have no effect. If the Company shall pay a dividend on shares of Common Stock that are issued and outstanding, an amount equal to the amount of the dividend payable on each share of Common Stock multiplied by the number of Deferred Stock Units credited to each Participant's Deferral Account as of the record date for such dividend shall be credited to such Participant's Deferral Account and be deemed invested in additional whole or partial Deferred Stock Units.

ARTICLE 7
Distribution of Deferred Share Units

Section 7.1. Time of Distribution. Distribution of deferred accounts will be made within thirty (30) days of the expiration of the applicable deferral period (the "Settlement Date"); provided that if Participant has deferred until his or her Termination Date, such payment shall be made as soon as practicable after the six-month anniversary of the Participant's Termination Date.

Section 7.2. Form of Payment. The payment with respect to Deferred Stock Units shall be in whole shares of Common Stock, and any fractional shares shall be paid in cash.

ARTICLE 8
Payment Upon Death of a Participant

Section 8.1. Payment to Beneficiary. In the event a Participant dies before all Deferred Stock Units credited to his or her Deferral Account have been paid, payment of the remainder of the Participant's Deferral Account shall be paid to the Participant's beneficiary in a single lump sum payment as soon as administratively practicable after the date of the Participant's death.

ARTICLE 9
General

Section 9.1. Relationship to Equity Plans. Restricted Stock Unit awards, including any such awards that are deferred hereunder, shall be subject to the terms and conditions of the Equity Plan under which such awards are granted, and the applicable award agreement thereunder.

Section 9.2. Tax Withholding. As a condition precedent to the receipt of any shares of Common Stock or other payment pursuant to the Plan, the Participant shall pay to the Company, at such times as the Company shall determine, such amounts as the Company shall deem necessary to satisfy any withholding taxes due on income that the Participant recognizes as a result of the payment of the Deferred Share Units. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company, its affiliates and subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant.

Section 9.3. Effective Date; Termination. This Plan shall be effective as of the Effective Date. The Committee may terminate this Plan at any time. Termination of this Plan shall not affect the payment of any amounts credited to a Participant's Deferral Account.

Section 9.4. Amendments. The Committee may amend this Plan as it shall deem advisable, subject to any requirements of applicable law, rule or regulation.

Section 9.5. Non-Transferability of Benefits. No benefit payable at any time under the Plan may be assigned, alienated, pledged or transferred except, in the event of a Participant's death, to his beneficiary.

Section 9.6. Adjustment. The number of Deferred Stock Units credited to a Participant's Deferral Account shall be subject to adjustment in accordance with the terms of the applicable Equity Plan.

Section 9.7. Compliance with Section 409A of Code. This Plan is intended to comply with the provisions of section 409A of the Code, and shall be interpreted and construed accordingly. In the event that, notwithstanding such intention, the Plan or any provision thereof fails to meet the requirements of Section 409A of the Code and the regulations promulgated thereunder, then the Company or the Committee may permit the acceleration of the time for distribution of shares hereunder, notwithstanding any of the other provisions of the Plan, but any such accelerated payout may not exceed the amount required to be included in the Participant's income as a result of the failure to comply with the requirements of Section 409A and the regulations promulgated thereunder. For purposes of this provision, an amount will be deemed to have been included in a Participant's income if the amount is timely reported on Form W-2 or Form 1099-MISC, as appropriate.

Section 9.8. Governing Law. This Plan and all determinations made and actions taken pursuant thereto shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

Exhibit 10.14

SUMMARY OF OUTSIDE DIRECTOR COMPENSATION

Effective July 1, 2015, compensation paid to non-employee directors of the Company is as follows:

Cash Compensation

- An annual cash retainer of $70,000, paid quarterly in advance.

Annual retainers of $20,000 for the Lead Director; $22,500 for the Audit Committee Chair, $20,000 for the HR Committee Chair; and $15,000 for the Governance Committee Chair, each paid quarterly in advance.

- Annual Committee member retainers of $7,500 for Audit Committee members, $5,000 for HR Committee members; and $5,000 for Governance Committee members, each paid quarterly in advance.
- A fee of $1,000 for each Executive Committee meeting attended in person or by telephone.

Outside directors may elect to defer their cash compensation under the DENTSPLY International Inc. Directors' Deferred Compensation Plan (as amended).

Equity Compensation

- An annual grant of options to purchase a number of shares of common stock equal in value to $75,000, calculated using the Black-Scholes valuation method. The stock options vest in full one year from the date of grant and have an exercise price equal to the closing price of the Company's common stock on the date of grant. Stock options are exercisable for ten years from the grant date, subject to earlier expiration in the event of termination or retirement.
- An annual grant of restricted stock units (RSUs), the number of which is determined by dividing $75,000 by the closing price of the Company's common stock on the date of grant. The RSUs vest one year from the date of grant and are payable to outside directors in shares of common stock upon vesting unless the director elects to defer settlement of the RSUs to a future date. Outside directors are entitled to receive dividend equivalents on the RSUs in the event the Company pays a regular cash dividend on its common stock.

DENTSPLY International Inc.
2010 Equity Incentive Plan

SECTION 1 PURPOSE

The purpose of the DENTSPLY International Inc. 2010 Equity Incentive Plan (the "Plan") is to benefit DENTSPLY International Inc. ("DENTSPLY") and its "Subsidiaries," as defined below (hereinafter referred to, either individually or collectively, as the "Company") by recognizing the contributions made to the Company by officers and other key employees, consultants and advisers, to provide such persons with an additional incentive to devote themselves to the future success of the Company, and to improve the ability of the Company to attract, retain and motivate such persons. The Plan is also intended as an additional incentive to members of the Board of Directors of DENTSPLY (the "Board") who are not employees of the Company ("Outside Directors") to serve on the Board and to devote themselves to the future success of the Company. "Subsidiaries," as used in the Plan, has the definition set forth in Section 424 (f) of the Internal Revenue Code of 1986, as amended (the "Code").

Stock options which constitute "incentive stock options" within the meaning of Section 422 of the Code ("ISOs"), stock options which do not constitute ISOs ("NSOs"), stock which is subject to certain forfeiture risks and restrictions ("Restricted Stock"), stock delivered upon vesting of units ("Restricted Stock Units") and stock appreciation rights ("Stock Appreciation Rights") may be awarded under the Plan. ISOs and NSOs are collectively referred to as "Options." Options, Restricted Stock, Restricted Stock Units and Stock Appreciation Rights are collectively referred to as "Awards." The persons to whom Options are granted under the Plan are hereinafter referred to as "Optionees." The persons to whom Restricted Stock, Restricted Stock Units and/or Stock Appreciation Rights are granted under the Plan are hereinafter referred as to "Grantees."

SECTION 2 ELIGIBILITY

Outside Directors shall be eligible to participate in the Plan in the same manner as Key Employees (as defined below) and other participants in the Plan. The Committee (as defined in Section 3) shall initially, and from time to time thereafter, select those officers and other key employees of the Company, including members of the Board who are also employees ("Employee Directors"), and consultants and advisers to the Company, to participate in the Plan on the basis of the importance of their services in the management, development and operations of the Company. Officers, other key employees and Employee Directors are collectively referred to as "Key Employees."

SECTION 3 ADMINISTRATION

3.1 The Committee

The Plan shall be administered by the Human Resources Committee of the Board or a subcommittee thereof (“Committee”). The Committee shall be comprised of two (2) or more members of the Board. All members of the Committee shall qualify as "Non-Employee Directors" as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "1934 Act"), or any successor rule or regulation, "independent directors" as defined in Section 4200(15) of the Marketplace Rules of The Nasdaq Stock Market and "outside directors" as defined in Section 162(m) or any successor provision of the Code and applicable Treasury regulations thereunder, if such qualification is deemed necessary in order for the grant or the exercise of Options under the Plan to qualify for any tax or other material benefit to Optionees or the Company under applicable law.

3.2 Authority of the Committee

Subject to the express provisions of the Plan, the Committee shall have sole discretion concerning all matters relating to the Plan and Awards granted hereunder. The Committee, in its sole discretion, shall determine the Key Employees, consultants and advisors to whom, and the time or times at which, Awards will be granted, the number of shares to be subject to each Award, the expiration date of each Award, the time or times within which the Option may be exercised or forfeiture restrictions lapse, the cancellation or termination of the Award and the other terms and conditions of the grant of the Award. The terms and conditions of Awards need not be the same with respect to each Optionee and/or Grantee or with respect to each Award. The Governance Committee, which is responsible for Director compensation, makes such determinations with respect to Outside Directors.

The Committee may, subject to the provisions of the Plan, establish such rules and regulations as it deems necessary or advisable for the proper administration of the Plan, and may make determinations and may take such other actions in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or other action made or taken pursuant to the Plan, including interpretation of the Plan and the specific terms and conditions of the Award granted hereunder by the Committee, shall be final, binding and conclusive for all purposes and upon all persons.

3.3 Award Agreement

Each Award shall be evidenced by a written agreement or grant certificate specifying the type of Award granted, the number of shares of Common Stock ("Common Stock") to be subject to such Award and, as applicable, the vesting schedule, the exercise or grant price, the terms for payment of the exercise price, the expiration date of the Option, the restrictions imposed upon the Restricted Stock and/or Restricted Stock Units and such other terms and conditions established by the Committee, in its sole discretion, which are not inconsistent with the Plan.

SECTION 4 SHARES OF COMMON STOCK SUBJECT TO THE PLAN

4.1 Subject to adjustment as provided in Sections 4.1 and 4.2, Options, Restricted Stock, Restricted Stock Units and Stock Appreciation Rights with respect to an aggregate of thirteen million (13,000,000) shares of common stock of DENTSPLY (the "Common Stock") (plus any shares of Common Stock covered by any remaining authorizations under the DENTSPLY International Inc. 2002 Equity Incentive Plan, as amended), may be granted under the Plan (the "Maximum Number"). The Maximum Number shall be increased, if at all, on January 1 of each calendar year during the term of the Plan (as set forth in Section 15) by the excess of the amount by which seven percent (7%) of the outstanding shares of Common Stock on such date exceeds the thirteen million (13,000,000) shares authorized at the time of adoption of this Plan. Notwithstanding the foregoing, and subject to adjustment as provided in Section 4.2, (i) Options with respect to no more than one million (1,000,000) shares of Common Stock may be granted as ISOs under the Plan, (ii) no more than two million five hundred thousand (2,500,000) shares may be awarded as Restricted Stock or Restricted Stock Units under the Plan, and (iii) in any calendar year no Key Employee shall be granted Options or Stock Appreciation Rights with respect to more than five hundred thousand (500,000) shares of Common Stock, or Restricted Stock and Restricted Stock Units in excess of 150,000 shares of Common Stock. Any shares of Common Stock reserved for issuance upon exercise of Options or Stock Appreciation Rights which expire, terminate or are cancelled, and any shares of Common Stock subject to any grant of Restricted Stock or Restricted Stock Units which are forfeited, may again be subject to new Awards under the Plan. For the avoidance of doubt, notwithstanding any adjustment in the Maximum Number, as provided above, all Awards granted under the Plan on or following the Effective Date, subject to forfeitures or cancellation, shall be counted towards the Maximum Number.

4.2 The number of shares of Common Stock subject to the Plan and to Awards granted under the Plan shall be adjusted as follows: (a) in the event that the number of outstanding shares of Common Stock is changed by any stock dividend, stock split or combination of shares, the number of shares subject to the Plan and to Awards previously granted thereunder shall be proportionately adjusted, (b) in the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, there shall be substituted on an equitable basis as determined by the Board of Directors, in its sole discretion, for each share of Common Stock then subject to the Plan and for each share of Common Stock then subject to an Award granted under the Plan, the number and kind of shares of stock, other securities, cash or other property to which the holders of Common Stock of the Company are entitled pursuant to the transaction, and (c) in the event of any other changes in the capitalization of the Company, the Committee, in its sole discretion, shall provide for an equitable adjustment in the number of shares of Common Stock then subject to the Plan and to each share of Common Stock then subject to Award granted under the Plan. In the event of any such adjustment, the exercise price per share of any Options or Stock Appreciation Rights shall be proportionately adjusted.

SECTION 5 GRANTS OF OPTIONS TO EMPLOYEES, OUTSIDE DIRECTORS, CONSULTANTS AND ADVISERS

5.1 Grants

Subject to the terms of the Plan, the Committee (the Governance Committee with respect to Outside Directors) may from time to time grant Options which are ISOs to Key Employees and Options which are NSOs to Outside Directors, Key Employees, consultants and advisers of the Company. Each such grant shall specify whether the Options so granted are ISOs or NSOs, provided, however, that if, notwithstanding its designation as an ISO, all or any portion of an Option does not qualify under the Code as an ISO, the portion which does not so qualify shall be treated for all purposes as a NSO.

5.2 Expiration

Except to the extent otherwise provided in or pursuant to Sections 10 and 11, each Option shall expire, and all rights to purchase shares of Common Stock shall expire, on the tenth anniversary of the date on which the Option was granted.

5.3 Vesting

Except to the extent otherwise provided in or pursuant to Sections 10 and 11, or in the proviso to this sentence, Options shall vest pursuant to the following schedule: with respect to one-third of the total number of shares of Common Stock subject to Option on the first anniversary following the date of its grant, and with respect to an additional one-third of the total number of shares of Common Stock subject to the Option, on each anniversary thereafter during the succeeding two years; provided, however, that the Committee, in its sole discretion, shall have the authority to shorten or lengthen the vesting schedule with respect to any or all Options, or any part thereof, granted under the Plan.

5.4 Required Terms and Conditions of ISOs

ISOs may be granted to Key Employees. Each ISO granted to a Key Employee shall be in such form and subject to such restrictions and other terms and conditions as the Committee may determine, in its sole discretion, at the time of grant, subject to the general provisions of the Plan, the applicable Option agreement or grant certificate, and the following specific rules:

(a) Except as provided in Section 5.4(c), the exercise price per share of each ISO shall be the "Fair Market Value" of a share of Common Stock on the date such ISO is granted. For purposes of the Plan, "Fair Market Value" shall mean the closing sales price of the Common Stock on The NASDAQ National Market, or other national securities exchange which is the principal securities market on which the Common Stock is traded (as reported in The Wall Street Journal, Eastern Edition)."

(b) The aggregate Fair Market Value (determined with respect to each ISO at the time such Option is granted) of the shares of Common Stock with respect to which ISOs are exercisable for the first time by an Optionee during any calendar year (under all incentive stock option plans of the Company) shall not exceed $100,000.

(c) Notwithstanding anything herein to the contrary, if an ISO is granted to an individual who owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, (i) the exercise price of each ISO shall be not less than one hundred ten percent (110%) of the Fair Market Value of a share of Common Stock on the date the ISO is granted, and (ii) the ISO shall expire and all rights to purchase shares thereunder shall cease no later than the fifth anniversary of the date the ISO was granted.

5.5 Required Terms and Conditions of NSOs

Each NSO granted to Outside Directors, Key Employees, consultants and advisers shall be in such form and subject to such restrictions and other terms and conditions as the Committee may determine, in its sole discretion, at the time of grant, subject to the general provisions of the Plan, the applicable Option agreement or grant certificate, and the following specific rule: except as otherwise determined by the Committee in its sole discretion with respect to a specific grant, the exercise price per share of each NSO shall be not less than the Fair Market Value of a share of Common Stock on the date the NSO is granted.

SECTION 6 EXERCISE OF OPTIONS

6.1 Notices

A person entitled to exercise an Option may do so by delivery of a written notice to that effect, in a form specified by the Committee, specifying the number of shares of Common Stock with respect to which the Option is being exercised and any other information or documents the Committee may prescribe. The notice shall be accompanied by payment as described in Section 6.2. All notices, documents or requests provided for herein shall be delivered to the Secretary of the Company.

6.2 Exercise Price

Except as otherwise provided in the Plan or in any Option agreement or grant certificate, the Optionee shall pay the exercise price of the number of shares of Common Stock with respect to which the Option is being exercised upon the date of exercise of such Option (a) in cash, (b) pursuant to a cashless exercise arrangement with a broker on such terms as the Committee may determine, (c) by delivering shares of Common Stock held by the Optionee for at least six (6) months and having an aggregate Fair Market Value on the date of exercise equal to the Option exercise price, (d) in the case of a Key Employee, by such other medium of payment as the Committee, in its sole discretion, shall authorize, or (e) by any combination of (a), (b), (c), and (d). The Company shall issue, in the name of the Optionee, stock certificates representing the total number of shares of Common Stock issuable pursuant to the exercise of any Option as soon as reasonably practicable after such exercise, provided that any shares of Common Stock purchased by an Optionee through a broker pursuant to clause (b) above shall be delivered to such broker in accordance with applicable law.

SECTION 7 STOCK APPRECIATION RIGHTS

The Committee (the Governance Committee with respect to Outside Directors) may award shares of Common Stock to Outside Directors, Key Employees and consultants and advisors under a Stock Appreciation Right Award, upon such terms as the Committee deems applicable, including the provisions set forth below:

7.1 General Requirements.

Stock Appreciation Rights may be granted in tandem with another Award, in addition to another Award, or freestanding and unrelated to another Award. Stock Appreciation Rights granted in tandem with or in addition to an Award may be granted either at the same time as the Award or, except in the case of Incentive Stock Options, at a later time. The Committee shall determine the number of shares of Common Stock to be issued pursuant to a Stock Appreciation Right Award and the conditions and limitations applicable to the exercise thereof subject to the following specific rule: except as otherwise determined by the Committee in its sole discretion with respect to a specific grant, the exercise price per share of each Stock Appreciation Right shall be not less than the Fair Market Value of a share of Common Stock on the date the Stock Appreciation Right is granted.

7.2 Expiration.

Except to the extent otherwise provided in or pursuant to Sections 10 and 11, each Stock Appreciation Right Award shall expire, and all rights to purchase shares of Common Stock shall expire, on the tenth anniversary of the date on which the Stock Appreciation Right Award was granted.

7.3 Payment.

A Stock Appreciation Right shall entitle the Grantee to receive, upon exercise of the Stock Appreciation Right or any portion thereof, an amount equal to the product of (a) the excess of the Fair Market Value of a share of Common Stock on the date of exercise over the grant price thereof and (b) the number of shares of Common Stock as to which such Stock Appreciation Right Award is being exercised. Payment of the amount determined under this Section 7.2 shall be made solely in shares of Common Stock, provided that, the Stock Appreciation Rights which are settled shall be counted in full against the number of shares available for award under the Plan, regardless of the number of shares of Common Stock issued upon settlement of the Stock Appreciation Right.

7.4 Exercise.

(a) Except to the extent otherwise provided in Sections 10 or 11, or in the proviso to this sentence, Stock Appreciation Rights shall vest pursuant to the following schedule: with respect to one-third of the total number of shares of Common Stock subject to the Stock Appreciation Right on the first anniversary following the date of its grant, and with respect to an additional one-third of the total number of shares of Common Stock subject to the Stock Appreciation Right, on each anniversary thereafter during the succeeding two years; provided, however, that the Committee, in its sole discretion, shall have the authority to shorten or lengthen the vesting schedule with respect to any or all Stock Appreciation Rights, or any part thereof, granted under the Plan. Notwithstanding the foregoing, a tandem stock appreciation right shall be exercisable at such time or times and only to the extent that the related Award is exercisable.

(b) A person entitled to exercise a Stock Appreciation Right Award may do so by delivery of a written notice to that effect, in a form specified by the Committee, specifying the number of shares of Common Stock with respect to which the Stock Appreciation Right Award is being exercised and any other information or documents the Committee may prescribe. Upon exercise of a tandem Stock Appreciation Right Award, the number of shares of Common Stock covered by the related Award shall be reduced by the number of shares with respect to which the Stock Appreciation Right has been exercised.

SECTION 8 TRANSFERABILITY OF OPTIONS AND STOCK APPRECIATION RIGHTS

Unless otherwise determined by the Committee, no Option or Stock Appreciation Right granted pursuant to the Plan shall be transferable otherwise than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code.

SECTION 9 RESTRICTED STOCK AND RESTRICTED STOCK UNITS

The Committee may award shares of Common Stock to Outside Directors, Key Employees and consultants and advisors under an Award of Restricted Stock and/or Restricted Stock Units, upon such terms as the Committee deems applicable, including the provisions set forth below.

9.1 General Requirements.

Shares of Common Stock issued or transferred pursuant to an Award of Restricted Stock and/or Restricted Stock Units may be issued or transferred for consideration or for no consideration, and subject to restrictions or no restrictions, as determined by the Committee. The Committee may establish conditions under which restrictions on shares of Restricted Stock and/or Restricted Stock Units shall lapse over a period of time or according to such other criteria (including performance-based criteria which are intended to satisfy the qualified performance-based compensation exception from the tax deductibility limitations of Section 162(m) of the Code) as the Committee deems appropriate. The period of time during which shares of Restricted Stock and/or Restricted Stock Units remain subject to restrictions will be designated in the written agreement or grant certificate as the "Restricted Period."

9.2 Number of Shares.

The Committee shall determine the number of shares of Common Stock to be issued pursuant to an Award of Restricted Stock and/or Restricted Stock Units and the restrictions applicable to the shares subject to such Award.

9.3 Restrictions on Transfer and Legend on Stock Certificate.

During the Restricted Period, subject to such exceptions as the Committee may deem appropriate, a Grantee may not sell, assign, transfer, donate, pledge or otherwise dispose of the shares of Restricted Stock or Restricted Stock Units. Each certificate for a share of Restricted Stock shall contain a legend giving appropriate notice of the applicable restrictions. The Grantee shall be entitled to have the legend removed from the stock certificate covering the shares of Restricted Stock subject to restrictions when all restrictions on such shares lapse. The Board may determine that the Company will not issue certificates for shares of Restricted Stock until all restrictions on such shares lapse, or that the Company will retain possession of certificates for shares of Restricted Stock until all restrictions on such shares lapse.

9.4 Right to Dividends.

During the Restricted Period, except as otherwise set forth in the applicable written agreement or grant certificate, in the event that dividends are paid on shares of Common Stock, an amount equal to the dividend paid on each such share shall be credited to the shares subject to Award of Restricted Stock Units ("Dividend Credits"). Any Dividend Credits shall be paid to the Grantee if and when the restrictions with respect to such Restricted Stock Units lapse as set forth in Section 9.5.

9.5 Lapse of Restrictions.

(a) All restrictions imposed on Restricted Stock and/or Restricted Stock Units shall lapse upon the expiration of the applicable Restricted Period and the satisfaction of all conditions imposed by the Committee (the date on which restrictions lapse as to any shares of Restricted Stock or Restricted Stock Units, the "Vesting Date"). The Committee may determine, as to any grant of Restricted Stock and/or Restricted Stock Units, that the restrictions shall lapse without regard to any Restricted Period.

(b) Upon the lapse of restrictions with respect to any Restricted Stock Units, the value of such Restricted Stock Units shall be paid to the Grantee in shares of Common Stock. For purposes of the preceding sentence, each Restricted Stock Unit as to which restrictions have lapsed shall have a value equal to the Fair Market Value as of the Units Vesting Date. "Units Vesting Date" means, with respect to any Restricted Stock Units, the date on which restrictions with respect to such Restricted Stock Units lapse.

9.6 Performance-Based Criteria

At the Committee's discretion, awards of Restricted Stock and Restricted Stock Units may be made subject to the attainment of performance goals which are intended to satisfy the qualified performance-based compensation exception from the tax deductibility limitations of Section 162(m) of the Code. The performance criteria shall consist of one or more or any combination of the following measures: net sales (with or without precious metal content); sales growth; operating income; earnings before or after tax; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; cash flow; gross or net margin; earnings per share (whether on a pre-tax, after-tax, operational or other basis); ratio of debt to debt plus equity; credit quality or debt ratings; capital expenditures; expenses or expense levels; ratio of operating earnings to revenues or any other operating ratios; the extent to which business goals are met; the accomplishment of mergers, acquisitions, dispositions, or similar extraordinary business transactions; price of the Company’s Common Stock; market share criteria; management of costs; return on assets, net assets, invested capital, equity, or stockholders’ equity; market share; inventory levels, inventory turn or shrinkage; regulatory compliance; total return to stockholders (“Performance Criteria”). The Performance Criteria may be applied to the performance of the Company as a whole or any business unit of the Company and may be measured relative to a peer group or index selected by the Committee, provided that, the Performance Criteria shall be calculated consistently with the Company’s financial statements, under generally accepted accounting principles, or under a methodology established by the Committee in connection with the granting of an Award which is consistently applied with respect to that Award. To the extent the Committee deems appropriate, Performance Criteria may exclude or otherwise be adjusted for (i) extraordinary, unusual and/or non-recurring items of gain or loss, (ii) gains or losses on the disposition of a business, (iii) the effect of changes in tax and/or accounting regulations, laws or principles and the interpretation thereof, or (iv) the effects of mergers, acquisitions and/or dispositions. This Section 9.6 shall not limit the discretion of the Committee to grant Awards that do not satisfy the requirements of the qualified performance-based compensation exception from the tax deductibility limitations of Section 162(m) of the Code.

SECTION 10 EFFECT OF TERMINATION OF EMPLOYMENT

10.1 Termination Generally

(c) Except as provided in Section 10.2, 10.3 or 11, or as determined by the Committee, in its sole discretion, all rights to exercise the vested portion of any Option held by an Optionee or of any Stock Appreciation Right Award held by a Grantee whose employment and/or relationship with the Company or service on the Board is terminated for any reason other than "Cause," as defined below, shall terminate ninety (90) days following the date of termination of employment, relationship or service on the Board, as the case may be (“Exercise Period”). All rights to exercise the vested portion of any Option held by an Optionee or of any Stock Appreciation Right Award held by a Grantee whose employment and/or relationship with the Company is terminated for "Cause" shall terminate on the date of termination of employment and/or the relationship. For the purposes of this Plan, "Cause" shall mean a finding by the Committee that the Optionee has engaged in conduct that is fraudulent, disloyal, criminal or injurious to the Company, including, without limitation, acts of dishonesty, embezzlement, theft, felonious conduct or unauthorized disclosure of trade secrets or confidential information of the Company. Unless otherwise provided in the Plan or determined by the Committee, vesting of Options and Stock Appreciation Right Awards for Key Employees and consultants ceases immediately upon the date of termination of employment and/or the relationship with the Company and any portion of an Option and/or Stock Appreciation Right Award that has not vested on or before such date is forfeited on such date.

(d) If a Grantee who has received an Award of Restricted Stock and/or Restricted Stock Units ceases to be employed by the Company during the Restricted Period, or if other specified conditions are not met, the Award of Restricted Stock and/or Restricted Stock Units shall terminate as to all shares covered by the Award as to which the restrictions have not lapsed, and, in the case of Restricted Stock, those shares of Common Stock shall be canceled in exchange for the purchase price, if any, paid by the Grantee for such shares. The Committee may provide, however, for complete or partial exceptions to this requirement as it deems appropriate.

(e) The transfer of employment from the Company to a Subsidiary, or from a Subsidiary to the Company, or from a Subsidiary to another Subsidiary, shall not constitute a termination of employment for purposes of the Plan. Awards granted under the Plan shall not be affected by any change of duties in connection with the employment of the Key Employee or by a leave of absence authorized by the Company.

10.2 Death and Disability

In the event of the death or Disability (as defined below) of an Optionee or Grantee during employment or such Optionee's or Grantee relationship with the Company or service on the Board, (a) all Options held by the Optionee and all Stock Appreciation Right Awards held by the Grantee shall become fully exercisable on such date of death or Disability and (b) all restrictions and conditions on all Restricted Stock and/or Restricted Stock Units held by the Grantee shall lapse on such date of death or Disability. Each of the Options held by such an Optionee and each of the Stock Appreciation Right Awards held by such a Grantee shall expire on the earlier of (i) the first anniversary of the date of death or Disability and (ii) the date that such Option or Stock Appreciation Right Award expires in accordance with its terms, provided that, in any event, NSOs granted under this Plan shall not expire earlier than one year from the date of death or disability. For purposes of this Section 11.2, "Disability" shall mean the inability of an individual to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months. The Committee, in its sole discretion, shall determine the existence and date of any Disability.

10.3 Retirement

(a) Key Employees. In the event the employment of a Key Employee with the Company shall be terminated by reason of "Normal Retirement" or "Early Retirement," as defined below (collectively a “Qualified Retirement”), Awards with only a time qualification for vesting will fully vest if a Qualified Retirement occurs no earlier than the one year anniversary of the grant date of the Award. With respect to Awards having any Performance Criteria, such Awards shall fully vest only upon and when both of the following have occurred: (i) if the Qualified Retirement occurs no earlier than the one year anniversary of the grant date of the Award, and (ii) all of the Performance Criteria associated with the Award are met. Each of the Options and Stock Appreciation Right Awards held by such a Key Employee that vests shall expire on the earlier of (i) the fifth anniversary of the date of the Employee retirement, or (ii) the date that such Option or Award expires in accordance with its terms. For the purposes hereof, "Normal Retirement" shall mean retirement of a Key Employee at or after age 65 and "Early Retirement" shall mean retirement of a Key Employee at or after age 60 with a minimum of 15 years of service with DENTSPLY International Inc. or any other company that was a direct or indirect controlled subsidiary of DENTSPLY International Inc. at the time the Key Employee rendered such service. In the event the employment of a Key Employee with the Company shall be terminated by reason of a retirement that is not a Normal Retirement or Early Retirement, the Committee may, in its sole discretion, determine the vesting, exercisability and exercise periods applicable to any Awards under this Plan held by such Key Employee.

(b) Outside Directors. In the event the service on the Board of an Outside Director shall be terminated by reason of the retirement of such Outside Director ("Outside Director Retirement"), all Options and Stock Appreciation Right Awards held by such Outside Director shall become fully exercisable on the date of such Outside Director Retirement. Each of the Options and Stock Appreciation Right Awards held by such an Outside Director shall expire on the earlier of (i) the date that such Option or Stock Appreciation Right Award expires in accordance with its terms or (ii) the five year anniversary date of such Outside Director Retirement. In the event the service on the Board of an Outside Director shall be terminated by reason of an "Outside Director Retirement", all restrictions and conditions on all Restricted Stock and/or Restricted Stock Units held by such Outside Director shall lapse on the date of such Outside Director Retirement. For purposes of this provision, Outside Director Retirement shall mean retirement in accordance with the Company’s mandatory retirement policy for Directors.

(c) Key Employees Who Are Employee Directors. Section 10.3(a) shall be applicable to Options, Stock Appreciation Rights, Restricted Stock and/or Restricted Stock Units held by any Key Employee who is an Employee Director at the time that such Key Employee's employment with the Company terminates by reason of Employee Retirement. If such Key Employee continues to serve on the Board as of the date of such Key Employee’s Employee Retirement, then Section 10.3(b) shall be applicable to Options, Stock Appreciation Rights Restricted Stock and/or Restricted Stock Units granted after such date.

SECTION 11 CHANGE IN CONTROL

11.1 Effect of Change in Control

Notwithstanding any of the provisions of the Plan or any written agreement or grant certificate evidencing Awards granted hereunder, immediately upon a "Change in Control" (as defined in Section 11.2), all outstanding Options and Stock Appreciation Rights granted to Key Employees or Outside Directors, whether or not otherwise exercisable as of the date of such Change in Control, shall accelerate and become fully exercisable and all restrictions thereon shall terminate in order that Optionees and Grantees may fully realize the benefits thereunder, and all restrictions and conditions on all Restricted Stock and Restricted Stock Units granted to Key Employees or Outside Directors shall lapse upon the effective date of the Change of Control. The Committee may determine in its discretion (but shall not be obligated to do so) that any or all holders of outstanding Options and Stock Appreciation Right Awards which are exercisable immediately prior to a Change of Control (including those that become exercisable under this Section 11.1) will be required to surrender them in exchange for a payment, in cash or Common Stock as determined by the Committee, equal to the value of such Options and Stock Appreciation Right Awards, with such payment to take place as of the date of the Change in Control or such other date as the Committee may prescribe.

11.2 Definition of Change in Control

The term "Change in Control" shall mean the occurrence, at any time during the term of an Award granted under the Plan, of any of the following events:

(c) The acquisition, other than from the Company, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) 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 30% or more of either (i) the then outstanding shares of the Common Stock (the "Outstanding Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Voting Securities"); or

(d) Less than a majority of the Board (rounded down to the nearest whole number) is comprised of individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board"), 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; or

(e) 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 shares of common stock and the combined voting power of 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

(f) 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.

(g) In addition to the foregoing, with respect to any Key Employee covered under this provision, consummation by the Company of 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 55% 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, 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, and any Key Employees who were employed by the Company and were Optionees or Grantees under the Plan at the time of such Business Combination is terminated other than for Cause or voluntarily leaves the employ of the Company within two (2) years from the date of any such Business Combination as the result of a voluntary termination of employment by such Key Employee within sixty (60) days after any one or more of the following events have occurred:

(i) failure by the Company to maintain the duties, status, and responsibilities of the Key Employee substantially consistent with those prior to the Business Combination, or

a reduction by the Company in the Key Employee’s base salary as in effect as of the date prior to the Business Combination, or

the failure of the Company to maintain and to continue the Key Employee’s participation in the Company’s benefit plans as in effect from time to time on a basis substantially equivalent to the participation and benefits of Company employees similarly situated to the Employee.

SECTION 12 RIGHTS AS STOCKHOLDER

An Optionee or Grantee (or a transferee of any such person pursuant to Section 8) shall have no rights as a stockholder with respect to any Common Stock covered by an Award or receivable upon the exercise of Award until the Optionee, Grantee or transferee shall have become the holder of record of such Common Stock, and no adjustments shall be made for dividends or distributions in cash or other property or rights in respect to such Common Stock for which the applicable record date is prior to the date on which the Optionee or Grantee shall have become the holder of record of the shares of Common Stock purchased pursuant to exercise of the Award.

SECTION 13 POSTPONEMENT OF EXERCISE

The Committee may postpone any exercise of an Option or Stock Appreciation Right Awards for such time as the Committee in its sole discretion may deem necessary in order to permit the Company to comply with any applicable laws or rules, regulations or other requirements of the Securities and Exchange Commission or any securities exchange or quotation system upon which the Common Stock is then listed or quoted. Any such postponement shall not extend the term of an Option or Stock Appreciation Right Award, unless such postponement extends beyond the expiration date of the Award in which case the expiration date shall be extended thirty (30) days, and neither the Company nor its directors, officers, employees or agents shall have any obligation or liability to an Optionee or Grantee, or to his or her successor or to any other person.

SECTION 14 TAXES

14.1 Taxes Generally

The Company shall have the right to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a participant the amount (in cash, shares or other property) of any applicable withholding or other taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such taxes. Notwithstanding the above, the Company shall automatically withhold any such taxes, as applicable, in the form of shares of stock or any payment under an Award, for and upon the vesting of any Restricted Stock or Restricted Stock Units Award.

14.2 Payment of Taxes

A participant, with the approval of the Committee, may satisfy the obligation set forth in Section 14.1, in whole or in part, by (a) directing the Company to withhold such number of shares of Common Stock otherwise issuable upon exercise or vesting of an Award (as the case may be) having an aggregate Fair Market Value on the date of exercise equal to the amount of tax required to be withheld, or (b) delivering shares of Common Stock of the Company having an aggregate Fair Market Value equal to the amount required to be withheld on any date. The Committee may, in its sole discretion, require payment by the participant in cash of any such withholding obligation and may disapprove any election or delivery or may suspend or terminate the right to make elections or deliveries under this Section 14.2.

SECTION 15 TERMINATION, AMENDMENT AND TERM OF PLAN

15.1 The Board or the Committee may terminate, suspend, or amend the Plan, in whole or in part, from time to time, without the approval of the stockholders of the

Company provided, however, that no Plan amendment shall be effective until approved by the stockholders of the Company if the effect of the amendment is to lower the exercise price of previously granted Options or Stock Appreciation Rights or if such stockholder approval is required in order for the Plan to continue to satisfy the requirements of Rule 16b-3 under the 1934 Act or applicable tax or other laws. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding awards may not be amended to reduce the exercise price of outstanding Options of Stock Appreciation Rights or cancel, exchange, substitute, buyout or surrender outstanding Options or Stock Appreciation Rights with an exercise price that is less than the exercise price of the original Options or Stock Appreciation Rights without stockholder approval.

15.2 The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award granted hereunder in the manner and to the extent it shall deem desirable, in its sole discretion, to effectuate the Plan. No amendment or termination of the Plan shall adversely affect any Award theretofore granted without the consent of the recipient, except that the Committee may amend the Plan in a manner that does affect Awards theretofore granted upon a finding by the Committee that such amendment is in the best interests of holders of outstanding Options affected thereby.

15.3 The Plan was adopted and authorized on March 24, 2010 by the Board of Directors for submission to the stockholders of the Company for their approval. If the Plan is approved by the stockholders of the Company, it shall be deemed to have become effective as of March 24, 2010. Unless earlier terminated in accordance herewith, the Plan shall terminate on March 24, 2020. Termination of the Plan shall not affect Awards previously granted under the Plan.

SECTION 16 GOVERNING LAW

The Plan shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to any conflict of law provisions which would result in the application of the laws of any other jurisdiction.

SECTION 17 NO RIGHT TO AWARD; NO RIGHT TO EMPLOYMENT

No person shall have any claim of right to be granted an Award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee of the Company any right to be retained in the employ of the Company or as giving any member of the Board any right to continue to serve in such capacity.

SECTION 18 AWARDS NOT INCLUDABLE FOR BENEFIT PURPOSES

Income recognized by a participant pursuant to the provisions of the Plan shall not be included in the determination of benefits under any employee pension benefit plan (as such term is defined in Section 3(2) of the Employee Retirement Income Security Act of 1974) or group insurance or other benefit plans applicable to the participant which are maintained by the Company, except as may be provided under the terms of such plans or determined by resolution of the Committee.

SECTION 19 NO STRICT CONSTRUCTION

No rule of strict construction shall be implied against the Company, the Committee, or any other person in the interpretation of any of the terms of the Plan, any Award granted under the Plan or any rule or procedure established by the Board.

SECTION 20 CAPTIONS

All Section headings used in the Plan are for convenience only, do not constitute a part of the Plan, and shall not be deemed to limit, characterize or affect in any way any provisions of the Plan, and all provisions of the Plan shall be construed as if no captions have been used in the Plan.

SECTION 21 SEVERABILITY

Whenever possible, each provision in the Plan and every Award at any time granted under the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan or any Award at any time granted under the Plan shall be held to be prohibited by or invalid under applicable law, then such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law, and all other provisions of the Plan and every other Award at any time granted under the Plan shall remain in full force and effect.

SECTION 22 MODIFICATION FOR GRANTS OUTSIDE THE U.S.

The Board may, without amending the Plan, determine the terms and conditions applicable to grants of Awards to participants who are foreign nationals or employed outside the United States in a manner otherwise inconsistent with the Plan if the Board deems such terms and conditions necessary in order to recognize differences in local law or regulations, tax policies or customs.

Exhibit 31.1

<u>Section 302 Certifications Statement</u>

I, Bret W. Wise, certify that:

1. I have reviewed this Form 10-Q 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 (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 control over financial reporting, or caused such internal control over financial reporting to be designed under our 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 (the registrant’s fourth fiscal quarter in the case of an annual report) 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 control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

   (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: July 30, 2015

/s/ *<u>Bret W. Wise</u>*
Bret W. Wise
Chairman of the Board and
Chief Executive Officer

Exhibit 31.2

Section 302 Certifications Statement

I, Christopher T. Clark, certify that:

1. I have reviewed this Form 10-Q 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 (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 control over financial reporting, or caused such internal control over financial reporting to be designed under our 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

   (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: July 30, 2015

/s/ *Christopher T. Clark*
Christopher T. Clark
President and
Chief Financial Officer

Exhibit 32

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 Quarterly Report of DENTSPLY International Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), We, Bret W. Wise, Chairman of the Board of Directors and Chief Executive Officer of the Company and Christopher T. Clark, 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/ *Bret W. Wise*
Bret W. Wise
Chairman of the Board and
Chief Executive Officer

/s/ *Christopher T. Clark*
Christopher T. Clark
President and
Chief Financial Officer

July 30, 2015