

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended **December 31, 2011**
Commission File Number 0-16211

DENTSPLY International Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

39-1434669

(I.R.S. Employer Identification No.)

221 West Philadelphia Street, York, PA

(Address of principal executive offices)

17405-0872

(Zip Code)

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

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

Title of each class

Name of each exchange on which registered

Common Stock, par value \$.01 per share

The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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

Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, 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 No

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes No

The aggregate market value of the voting common stock held by non-affiliates of the registrant computed by reference to the closing price as of the last business day of the registrants most recently completed second quarter June 30, 2011, was \$5,613,249,611.

The number of shares of the registrant's Common Stock outstanding as of the close of business on February 21, 2012 was 142,040,786.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the definitive Proxy Statement of DENTSPLY International Inc. (the "Proxy Statement") to be used in connection with the 2012 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K to the extent provided herein. Except as specifically incorporated by reference herein the Proxy Statement is not deemed to be filed as part of this Form 10-K.

DENTSPLY International Inc.
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PART I

FORWARD-LOOKING STATEMENTS

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,” 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”) and elsewhere in this report 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.

PART I

Item 1. Business

History and Overview

DENTSPLY, a Delaware corporation which dates its history to 1899, believes it is the world’s largest designer, developer, manufacturer and marketer of a broad range of professional dental products, with a primary focus on dental consumable products, dental laboratory products and dental specialty products. During 2011, the Company purchased Astra Tech AB, "Astra Tech" which expanded the Company’s dental specialty products and greatly increased the consumable medical devices product lines. The Company’s worldwide headquarters and executive offices are located in York, Pennsylvania.

Consolidated net sales, excluding precious metal content, of the Company’s dental products accounted for approximately 93% of DENTSPLY’s consolidated net sales, excluding precious metal content, for the year ended December 31, 2011. The remaining consolidated net sales, excluding precious metal content, is related to consumable medical device products and materials sold to the investment casting industry. The presentation of net sales, excluding precious metal content, is considered a measure not calculated in accordance with generally accepted accounting principles in the United States of America (“US GAAP”), and is therefore considered a non-US GAAP measure. This non-US GAAP measure is discussed further in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and a reconciliation of net sales to net sales, excluding precious metal content, is provided.

Through 2011, the Company conducted its business through four operating segments, all of which were primarily engaged in the design, manufacture and distribution of dental and healthcare products in four principal categories: 1) dental consumable products, 2) dental laboratory products 3) dental specialty products and 4) consumable medical device products.

In addition to the United States (“U.S.”), the Company conducts its business in over 120 foreign countries, principally through its foreign subsidiaries. DENTSPLY has a long-established presence in Canada and in the European market, particularly in Germany, Switzerland, Sweden, France, Italy and the United Kingdom. The Company also has a significant market presence in Central and South America, South Africa and the Pacific Rim. DENTSPLY has also established marketing activities in Moscow, Russia to serve the countries of the Commonwealth of Independent States (“CIS”).

For 2011, 2010 and 2009, the Company’s net sales, excluding precious metal content, to customers outside the U.S., including export sales, accounted for approximately 66%, 63% and 62%, respectively, of consolidated net sales, excluding precious metal content. Reference is made to the information about the Company’s U.S. and foreign sales by shipment origin set forth in Note 4, Segment and Geographic Information, to the consolidated financial statements in this Form 10-K.

Principal Products

The worldwide professional dental industry encompasses the diagnosis, treatment and prevention of disease and ailments of the teeth, gums and supporting bone. DENTSPLY’s principal dental product categories are dental consumable products, dental laboratory products and dental specialty products. Additionally, the Company’s consumable medical device products provide for urological and surgical applications. These products are produced by the Company in the U.S. and internationally and are distributed

throughout the world under some of the most well-established brand names and trademarks in the industry, including ANKYLOS, AQUASIL, AQUASIL ULTRA, ASTRA TECH, ATLANTIS, CALIBRA, CAULK, CAVITRON, CERAMCO, CERCON, CITANEST, DELTON, DENTSPLY, DETREY, DYRACT, ECLIPSE, ELEPHANT, ESTHET.X, FRIADENT, FRIALIT, GENIE, GOLDEN GATE, IN-OVATION, INTERACTIVE MYSTIQUE, LOFRIC, MAILLEFER, MIDWEST, NUPRO, ORAQIX, OSSEOSPEED, PEPGEN P-15, POLOCAINE, PORTRAIT, PRIME & BOND, PROFILE, PROTAPER, RINN, SANI-TIP, SHADEPILOT, STYLUS, SULTAN, SUREFIL, THERMAFIL, TRUBYTE, XENO, XIVE, XYLOCAINE and ZHERMACK .

Dental Consumable Products

Dental consumable products consist of dental sundries and small equipment used in dental offices for the treatment of patients. Net sales of dental consumable products, excluding precious metal content, accounted for approximately 33%, 35% and 35% of the Company's consolidated net sales, excluding precious metal content, for the years ended December 31, 2011, 2010 and 2009, respectively.

DENTSPLY's dental sundry products in the dental consumable products category include dental anesthetics, prophylaxis paste, dental sealants, impression materials, restorative materials, tooth whiteners and topical fluoride. The Company manufactures thousands of different dental sundry consumable products marketed under more than one hundred brand names.

Small equipment products in the dental consumable products category consist of various durable goods used in dental offices for the treatment of patients. DENTSPLY's small equipment products include high and low speed handpieces, intraoral curing light systems, dental diagnostic systems and ultrasonic scalers and polishers.

Dental Laboratory Products

Dental laboratory products are used in the preparation of dental appliances by dental laboratories. Net sales of dental laboratory products, excluding precious metal content, accounted for approximately 14%, 16% and 17% of the Company's consolidated net sales, excluding precious metal content, for the years ended December 31, 2011, 2010 and 2009, respectively.

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 machining (CAM) ceramic systems and porcelain furnaces.

Dental Specialty Products

Dental specialty products are specialized treatment products used within the dental office and laboratory settings. Net sales of dental specialty products, excluding precious metal content, accounted for approximately 46%, 46% and 45% of the Company's consolidated net sales, excluding precious metal content, for the years ended December 31, 2011, 2010 and 2009, respectively. DENTSPLY's products in this category include endodontic (root canal) instruments and materials, implants and related products, bone grafting materials, 3D digital implantology, dental lasers and orthodontic appliances and accessories.

Consumable Medical Device Products

Consumable medical device products consist mainly of urological products including catheters, certain surgical products, medical drills and other non-medical products. Net sales of consumable medical device products, excluding precious metal content, accounted for approximately 7%, 3% and 3% of the Company's consolidated net sales, excluding precious metal content, for the years ended December 31, 2011, 2010 and 2009, respectively.

Markets, Sales and Distribution

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

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

- Natural teeth are being retained longer - Individuals with natural teeth are much more likely to visit a dentist in a given year than those without any natural teeth remaining.
- The changing dental practice in North America and Western Europe - Dentistry in North America and Western Europe has been transformed from a profession primarily dealing with pain, infections and tooth decay to one with increased emphasis on preventive care and cosmetic dentistry.
- The demands for patient comfort and ease of product use and handling.
- Per capita and discretionary incomes are increasing in emerging nations - As personal incomes continue to rise in the emerging nations of the Pacific Rim, CIS and Latin America, healthcare, including dental services, is a growing priority.
- The Company's business is less susceptible than other industries to general downturns in the economies in which it operates. Many of the products the Company offers relate to dental procedures and health conditions that are considered necessary by patients regardless of the economic environment. Dental specialty products and products that support discretionary dental procedures are the most susceptible to recessionary conditions.

DENTSPLY believes that demand in a given geographic market for its dental and healthcare products vary according to the stage of social, economic and technical development of the particular market. Geographic markets for DENTSPLY's dental and healthcare products can be categorized into the following two stages of development:

The U.S., Canada, Western Europe, Japan, Australia and certain other countries are highly developed markets that demand the most advanced dental and health products and have the highest level of expenditures for dental and medical care. In these markets, dental care is increasingly focused upon preventive care and specialized dentistry, in addition to basic procedures, such as excavation of teeth and filling of cavities, tooth extraction and denture replacement. These markets require varied and complex dental products, utilize sophisticated diagnostic and imaging equipment and demand high levels of attention to protect against infection and patient cross-contamination. A broader segment of the population in these markets can afford higher end treatments in both dental and medical care.

In certain countries in Central America, South America, Eastern Europe, Pacific Rim, Middle East and Africa, most dental care is often limited to excavation of teeth and filling of cavities and other restorative techniques, reflecting more modest per capita expenditures for dental and medical care. These markets demand diverse products and broader alternatives to address patient and professional needs. However, there is also a portion of the population in these markets that receive excellent dental and medical care similar to that received in developed countries. As such our higher end products are actively sold into all of these regions.

The Company offers products and equipment for use in markets at both of these stages of development. The Company believes that demand for more technically advanced products will increase as each of these markets develop. The Company also believes that its recognized brand names, high quality and innovative products, technical support services and strong international distribution capabilities position it well, to benefit from opportunities in virtually any market.

Reference is made to the information about the Company's foreign and domestic operations and export sales set forth in Note 4, Segment and Geographic Information, to the Consolidated Financial Statements in this Form 10-K.

Dental

DENTSPLY distributes approximately 56% of its dental products through distributors and importers. However, certain highly technical products such as precious metal dental alloys, dental ceramics, crown and bridge porcelain products, endodontic instruments and materials, orthodontic appliances, implants, and bone substitute and grafting materials are sold directly to the dental laboratory or dental professionals in some markets. During 2011, 2010 and 2009, one customer, Henry Schein Incorporated, a dental distributor, accounted for 11% of DENTSPLY's consolidated net sales in each year. No other single customer represented ten percent or more of DENTSPLY's consolidated net sales during 2011, 2010 or 2009.

Although many of its dental sales are made to distributors, dealers and importers, DENTSPLY focuses its marketing efforts on the dentists, dental hygienists, dental assistants, dental laboratories and dental schools which are the end-users of its products. As part of this end-user "pull through" marketing approach, DENTSPLY employs approximately 3,650 highly trained, product-specific sales and technical staff to provide comprehensive marketing and service tailored to the particular sales and technical support requirements of the distributors, dealers and the end-users. The Company conducts extensive distributor, dealer and end-

user marketing programs. Additionally, the Company trains laboratory technicians, dental hygienists, dental assistants and dentists in the proper use of its products and introduces them to the latest technological developments at its educational courses conducted throughout the world. The Company also maintains ongoing relationships with various dental associations and recognized worldwide opinion leaders in the dental field, although there is no assurance that these influential dental professionals will continue to support the Company's products.

Healthcare

The Company's urology products business operates directly in 15 countries throughout Europe and North America, with distributors in 22 additional markets. The largest markets include Germany, UK, France and Italy. Sales channels target urologists, urology nurses, general practitioners and direct-to-patients.

The surgery products business operates directly in 11 countries throughout Europe and Australia, with distributors in 25 additional markets. The largest markets include UK, Italy and Australia. Sales channels target surgeons, hospital nurses, physiotherapists, hospital purchasing departments and medical supply distributors.

Historical reimbursement levels within Europe are higher for hydrophilic catheters which explain a greater patient usage of hydrophilic products in that market. In the U.S., the reimbursement environment is improving as the infection control cost benefits of disposable catheters gain acceptance among payors.

The Company also maintains ongoing relationships with various medical associates, professional and key opinion leaders to help promote our products, although there are no assurances that they will continue to support the Company's products in the future.

Product Development

Technological innovation and successful product development are critical to strengthening the Company's prominent position in the healthcare and dental markets that it serves. It is also required to maintain and grow its leadership positions in product categories where it has a high market share and to grow market share in other product categories. While many of DENTSPLY's existing products undergo evolutionary improvements, the Company also continues to focus efforts on successfully launching innovative products that represent fundamental change.

New advances in technology are also anticipated to have a significant influence on future products in dentistry and in select areas of healthcare. As a result, the Company pursues research and development initiatives to support this technological development, including collaborations with external research institutions, dental and medical schools. Through its own internal research centers as well as through its collaborations with external research institutions, dental and medical schools, the Company directly invested \$66.7 million, \$49.4 million and \$50.3 million in 2011, 2010 and 2009, respectively, in connection with the development of new products, improvement of existing products and advances in technology. The continued development of these areas is a critical step in meeting the Company's strategic goal as a leader in defining the future of dentistry and in select areas in health care.

In addition to the direct investment in product development and improvement, the Company also invests in these activities through acquisitions, and by entering into licensing agreements with third parties as well as purchasing technologies developed by third parties.

Acquisition Activities

DENTSPLY believes that the dental products industry continues to experience consolidation with respect to both product manufacturing and distribution, although it continues to be fragmented creating a number of acquisition opportunities. DENTSPLY also seeks to expand its position in consumable medical device products through acquisitions. In 2011, the Company acquired Astra Tech AB, a Sweden-based provider of dental implants, customized implant abutments, and urology and surgery products, from AstraZeneca. Also in 2011, the Company completed the acquisition of the remaining shares of Materialise Dental NV, in which it had acquired a minority interest in 2006. Materialise Dental, operating out of Leuven, Belgium, offers planning and simulation software tools to dental professionals worldwide. Additionally, in 2011 the Company purchased a US-based developer and seller of dental lasers and a small distributor of dental specialty products and a small dental equipment manufacturer, both located in Europe.

The Company continues to view acquisitions as a key part of its growth strategy. These acquisition activities are intended to supplement the Company's core growth and assure ongoing expansion of its business, including new technologies, additional

products, and geographic breadth.

Operating and Technical Expertise

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

Financing

On August 31, 2011, the Company acquired Astra Tech in an all cash transaction for \$1.8 billion, issuing \$1.2 billion of new debt and using \$624.5 million of available net cash, resulting in a net decrease in cash and equivalents of \$462.9 million during the year ended December 31, 2011 to \$77.1 million. As a result of the acquisition financing, DENTSPLY's total long-term debt, including the current portion, at December 31, 2011 and 2010 was \$1,491.4 million and \$606.5 million, respectively, and the ratios of long-term debt, including the current portion, to total capitalization were 44.2% and 24.1%. DENTSPLY defines total capitalization as the sum of total long-term debt, including the current portion, plus total equity. The Company's long-term debt, including the current portion, increased by a net of \$884.9 million during the year ended December 31, 2011. This net change included a net increase in long-term borrowings of \$876.9 million during the year ended 2011, plus an increase of \$8.0 million due to exchange rate fluctuations on debt denominated in foreign currencies. The Company's short-term debt, including Commercial Paper of \$266.8 million, increased by a net of \$270.0 million during the year ended December 31, 2011 to \$275.3 million. The Company may incur additional debt in the future for funding needs, including but not limited to, funding additional acquisitions and capital expenditures.

Additional information about DENTSPLY's working capital, liquidity and capital resources is provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-K.

Competition

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

The size and number of the Company's competitors vary by product line and from region to region. There are many companies that produce some, but not all, of the same types of products as those produced by the Company.

Regulation

The Company's products are subject to regulation by, among other governmental entities, the U.S. Food and Drug Administration (the "FDA"). In general, if a dental or medical "device" is subject to FDA regulation, compliance with the FDA's requirements constitutes compliance with corresponding state regulations. In order to ensure that dental and medical products distributed for human use in the U.S. are safe and effective, the FDA regulates the introduction, manufacture, advertising, labeling, packaging, marketing and distribution of, and record-keeping for, such products. The introduction and sale of dental and medical products of the types produced by the Company are also subject to government regulation in the various foreign countries in which they are produced or sold. DENTSPLY believes that it is in substantial compliance with the FDA and foreign regulatory requirements that are applicable to its products and manufacturing operations.

Dental and medical devices of the types sold by DENTSPLY are generally classified by the FDA into a category that renders them subject only to general controls that apply to all medical devices, including regulations regarding alteration, misbranding, notification, record-keeping and good manufacturing practices. In the European Union, DENTSPLY's products are subject to the medical devices laws of the various member states, which are based on a Directive of the European Commission. Such laws generally regulate the safety of the products in a similar way to the FDA regulations. DENTSPLY products in Europe bear the CE mark showing that such products adhere to European regulations.

All dental amalgam filling materials, including those manufactured and sold by DENTSPLY, contain mercury. Various groups have alleged that dental amalgam containing mercury is harmful to human health and have actively lobbied state and federal

lawmakers and regulators to pass laws or adopt regulatory changes restricting the use, or requiring a warning against alleged potential risks, of dental amalgams. The FDA's Dental Devices Classification Panel, the National Institute of Health and the U.S. Public Health Service have each indicated that no direct hazard to humans from exposure to dental amalgams has been demonstrated. In response to concerns raised by certain consumer groups regarding dental amalgam, the FDA formed an advisory committee in 2006 to review peer-reviewed scientific literature on the safety of dental amalgam. In July 2009, the FDA concluded its review of dental amalgam, confirming its use as a safe and effective restorative material. Also, as a result of this review, the FDA classified amalgam and its component parts, elemental mercury and powder alloy, as a Class II medical device. Previously there was no classification for encapsulated amalgam and dental mercury (Class I) and alloy (Class II) were classified separately. This new regulation places encapsulated amalgam in the same class of devices as most other restorative materials, including composite and gold fillings, and makes amalgam subject to special controls by FDA. In that respect, FDA recommended that certain information about dental amalgam be provided, which includes information indicating that dental amalgam releases low levels of mercury vapor, that studies on people age six and over and FDA estimated exposures of children under six, have not indicated any adverse health risk associated with the use of dental amalgam. After the FDA issued this regulation, several petitions were filed asking the FDA to reconsider its position. Another advisory panel was established by the FDA to consider these petitions. Hearings of the advisory panel were held in December 2010. The FDA has taken no action as of the filing date of this Form 10-K from this latest advisory panel meeting.

In Europe, particularly in Scandinavia and Germany, the contents of mercury in amalgam filling materials have been the subject of public discussion. As a consequence, in 1994 the German health authorities required suppliers of dental amalgam to amend the instructions for use of amalgam filling materials to include a precaution against the use of amalgam for children less than eighteen years of age and to women of childbearing age. Additionally, some groups have asserted that the use of dental amalgam should be prohibited because of concerns about environmental impact from the disposition of mercury within dental amalgam, which has resulted in the sale of mercury containing products being banned in Sweden and severely curtailed in Norway. DENTSPLY also manufactures and sells non-amalgam dental filling materials that do not contain mercury.

Sources and Supply of Raw Materials and Finished Goods

The Company manufactures the majority of the products sold by the Company. All of the raw materials used by the Company in the manufacture of its products are purchased from various suppliers and are typically available from numerous sources. No single supplier accounts for a significant percentage of DENTSPLY's raw material requirements. In addition to those products both manufactured and sold by the Company, some finished goods products sold by the Company are purchased from third-party suppliers. Of these finished goods products purchased from third-party suppliers, a significant portion of the Company's injectable anesthetic products, orthodontic products, dental cutting instruments, catheters and nickel titanium products are purchased from a limited number of suppliers and in certain cases single source suppliers.

Intellectual Property

Products manufactured by DENTSPLY are sold primarily under its own trademarks and trade names. DENTSPLY also owns and maintains more than 2,500 patents throughout the world and is licensed under a small number of patents owned by others.

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

Employees

As of December 31, 2011, the Company and its subsidiaries employed approximately 11,800 employees. A small percentage of the Company's U. S. employees are represented by labor unions. A facility in Des Plaines, Illinois is represented by the International Association of Machinists and Aerospace Workers AFL-CIO, under a collective bargaining agreement that expires on May 31, 2012. Additionally, the Company's Ransom & Randolph facility in Maumee, Ohio is represented by Local No. 12 of the International Union, United Automobile, Aerospace and Agriculture Implement Workers of America under a collective bargaining agreement that expires on January 31, 2017. In Germany, approximately 40% of DeguDent employees, approximately 30% of Friadent employees, approximately 15% of VDW employees, approximately 30% of DeTrey employees and in Sweden approximately 60% of Astra Tech employees are represented by labor unions. The Company believes that its relationship with its employees is good.

Environmental Matters

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

Other Factors Affecting the Business

Approximately two-thirds of the Company's sales are located in regions outside the U.S., and the Company's consolidated net sales can be impacted negatively by the strengthening or positively by the weakening of the U.S. dollar. Additionally, movements in certain foreign exchange rates may unfavorably or favorably impact the Company's results of operations, financial condition and liquidity.

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 early in the fourth quarter or beginning of the year. 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. Sales for the industry and the Company are generally strongest in the second and fourth calendar quarters and weaker in the first and third calendar quarters, due to the effects of the items noted above and due to the impact of summer holidays and vacations, particularly throughout Europe.

The Company maintains short lead times within its manufacturing, as such, the backlog on products is not material to the financial statements.

Securities and Exchange Act Reports

The U.S. Securities and Exchange Commission ("SEC") maintains a website that contains reports, proxy and information statements, and other information regarding issuers, including the Company, that file electronically with the SEC. The public can obtain any documents that the Company files with the SEC at <http://www.sec.gov>. The Company files annual reports, quarterly reports, proxy statements and other documents with the SEC under the Securities Exchange Act of 1934, as amended ("Exchange Act"). The public may read and copy any materials the Company files with the SEC at its Public Reference Room at the following address:

The Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

The public may obtain information on the operation of this Public Reference Room by calling the SEC at 1-800-SEC-0330.

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

Item 1A. Risk Factors

The following are the significant risk factors that could materially impact DENTSPLY's business, financial condition or future results. The order in which these factors appear should not be construed to indicate their relative importance or priority.

Negative changes could occur in the dental markets, the general economic environments, or government reimbursement or regulatory programs of the regions in which the Company operates.

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

Prolonged negative economic conditions in domestic and global markets may adversely affect the Company's suppliers and customers and consumers, which could harm the Company's financial position.

Prolonged negative changes in domestic and global economic conditions or disruptions of either or both of the financial and credit markets may affect the Company's supply chain and the customers and consumers of the Company's products and may have a material adverse effect on the Company's results of operations, financial condition and liquidity.

Due to the Company's international operations, the Company is exposed to the risk of changes in foreign exchange rates.

Due to the international nature of DENTSPLY's business, movements in foreign exchange rates may impact the consolidated statements of operations. With approximately two-thirds of the Company's sales located in regions outside the U.S., and the Company's consolidated net sales are impacted negatively by the strengthening or positively by the weakening of the U.S. dollar. Additionally, movements in certain foreign exchange rates may unfavorably or favorably impact the Company's results of operations, financial condition and liquidity.

Volatility in the capital markets or investment vehicles could limit the Company's ability to access capital or could raise the cost of capital.

Although the Company continues to have positive operating cash flow, a disruption in the credit markets may reduce sources of liquidity available to the Company. The Company relies on multiple financial institutions to provide funding pursuant to existing and/or future credit agreements, and those institutions may not be able to provide funding in a timely manner, or at all, when required by the Company. The cost of or lack of available credit could impact the Company's ability to develop sufficient liquidity to maintain or grow the Company, which in turn may adversely affect the Company's businesses and results of operations, financial condition and liquidity.

The Company also manages cash and cash equivalents and short-term investments through various institutions. There may be a risk of loss on investments based on the volatility of the underlying instruments that would not allow the Company to recover the full principal of its investments.

The Company may not be able to access or renew its precious metal consignment facilities resulting in a liquidity constraint equal to the fair market value of the precious metal value of inventory and would subject the Company to inventory valuation risk as the value of the precious metal inventory fluctuates resulting in greater volatility to reported earnings.

The Company's quarterly operating results and market price for the Company's common stock may be volatile.

DENTSPLY experiences fluctuations in quarterly sales and earnings due to a number of factors, many of which are substantially outside of the Company's control, including:

- The timing of new product introductions by DENTSPLY and its competitors;
- Timing of industry tradeshows;
- Developments in government reimbursement policies;
- Changes in customer preferences and product mix;
- The Company's ability to supply products to meet customer demand;
- Fluctuations in manufacturing costs;

- Changes in income tax laws and incentives which could create adverse tax consequences;
- Fluctuations in currency exchange rates; and
- General economic conditions, as well as those specific to the healthcare and related industries.

As a result, the Company may fail to meet the expectations of securities analysts and investors, which could cause its stock price to decline. The quarterly fluctuations generally result in net sales and operating profits historically being higher in the second and fourth quarters. The Company typically implements most of its price changes early in the fourth quarter or beginning of the year. These price changes, other marketing and promotional programs, which are offered to customers from time to time in the ordinary course of business, the management of inventory levels by distributors and the implementation of strategic initiatives, may impact sales levels in a given period. Net sales and operating profits generally have been lower in the first and third quarters, primarily due not only to increased sales in the quarters preceding these quarters, but also due to the impact of summer holidays and vacations, particularly throughout Europe.

In addition to fluctuations in quarterly earnings, a variety of other factors may have a significant impact on the market price of DENTSPLY's common stock causing volatility. These factors include, but are not necessarily limited to, the publication of earnings estimates or other research reports and speculation in the press or investment community; changes in the Company's industry and competitors; the Company's financial condition and cash flows; any future issuances of DENTSPLY's common stock, which may include primary offerings for cash, stock splits, issuances in connection with business acquisitions, restricted stock and the grant or exercise of stock options from time to time; general market and economic conditions; and any outbreak or escalation of hostilities in geographical areas the Company does business.

Also, the NASDAQ National Market ("NASDAQ") can experience extreme price and volume fluctuations that can be unrelated or disproportionate to the operating performance of the companies listed on the NASDAQ. Broad market and industry factors may negatively affect the market price of the Company's common stock, regardless of actual operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against companies. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which could harm the Company's business.

The dental supplies market is highly competitive and there is no guarantee that the Company can compete successfully.

The worldwide market for dental supplies is highly competitive. There can be no assurance that the Company will successfully identify new product opportunities and develop and market new products successfully, or that new products and technologies introduced by competitors will not render the Company's products obsolete or noncompetitive. Additionally, the size and number of the Company's competitors vary by product line and from region to region. There are many companies that produce some, but not all, of the same types of products as those produced by the Company. Certain of DENTSPLY's competitors may have greater resources than the Company.

The Company may be unable to develop innovative products or obtain regulatory approval for new products.

The market for DENTSPLY's products is characterized by rapid and significant technological change, evolving industry standards and new product introductions. There can be no assurance that DENTSPLY's products will not become noncompetitive or obsolete as a result of such factors or that we will be able to generate any economic return on the Company's investment in product development. If the Company's products or technologies become noncompetitive or obsolete, DENTSPLY's business could be negatively affected.

DENTSPLY has identified new products as an important part of its growth opportunities. There can be no assurance that DENTSPLY will be able to continue to develop innovative products and that regulatory approval of any new products will be obtained from applicable U.S. or international government or regulatory authorities, or that if such approvals are obtained, such products will be favorably accepted in the marketplace. Additionally, there is no assurance that entirely new technology or approaches to dental treatment or competitors' new products will not be introduced that could render the Company's products obsolete.

The Company may fail to comply with applicable government regulations.

The Company must obtain certain approvals and marketing clearances from governmental authorities, including the FDA and similar health authorities in foreign countries to market and sell its products. These regulatory agencies regulate the marketing, manufacturing, labeling, packaging, advertising, sale and distribution of medical devices.

The regulatory review process which must be completed prior to marketing a new medical device may delay or hinder a product's timely entry into the marketplace. Moreover, there can be no assurance that the review or approval process for these products by the FDA or any other applicable governmental authority will occur in a timely fashion, if at all, or that additional regulations will not be adopted or current regulations amended in such a manner as will adversely affect the Company. The FDA also oversees the content of advertising and marketing materials relating to medical devices which have received FDA clearance. Failure to comply with the FDA's advertising guidelines may result in the withdrawal of products or imposition of penalties.

DENTSPLY's business operations are also subject to periodic review and inspection by the FDA and other domestic government authorities and similar foreign authorities to monitor DENTSPLY's compliance with the regulations administered by such authorities. There can be no assurance that these authorities will not raise compliance concerns. Failure to satisfy any such requirements can result in governmental enforcement actions, including possible product seizure, injunction and/or criminal or civil proceedings.

Challenges may be asserted against the Company's dental amalgam product.

All dental amalgam filling materials, including those manufactured and sold by DENTSPLY, contain mercury. Some groups have asserted that amalgam should be discontinued because of its mercury content and/or that disposal of mercury containing products may be harmful to the environment. If governmental authorities elect to place restrictions or significant regulations on the sale and/or disposal of dental amalgam, that could have an adverse impact on the Company's sales of dental amalgam. DENTSPLY also manufactures and sells non-amalgam dental filling materials that do not contain mercury.

The Company may be unable to obtain a supply for certain finished goods purchased from third parties.

A significant portion of the Company's injectable anesthetic products, orthodontic products, dental cutting instruments, catheters, nickel titanium products and certain other products and raw materials are purchased from a limited number of suppliers and in certain cases single source suppliers, some of which may also compete with the Company. As there are a limited number of suppliers for these products, there can be no assurance that the Company will be able to obtain an adequate supply of these products and raw materials in the future. Any delays in delivery of or shortages in these products could interrupt and delay manufacturing of the Company's products and result in the cancellation of orders for these products. In addition, these suppliers could discontinue the manufacture or supply of these products to the Company at any time. DENTSPLY may not be able to identify and integrate alternative sources of supply in a timely fashion or at all. Any transition to alternate suppliers may result in delays in shipment and increased expenses and may limit the Company's ability to deliver products to customers. If the Company is unable to develop reasonably priced alternative sources in a timely manner, or if the Company encounters delays or other difficulties in the supply of such products and other materials from third parties, the Company's business and results of operation may be harmed.

The Company has lost and continues to lose customers of its Orthodontics business due to the disruption in its ability to source certain orthodontic products from its key supplier located in Japan's evacuation area.

One of the Company's key suppliers, which was the source of certain orthodontic products comprising approximately 9% of the Company's 2010 consolidated net sales, excluding precious metal content, is located in the zone that was evacuated following the March 2011 tsunami in Japan. The supplier lost access to its facility and as a result, supply was severely disrupted through the remainder of 2011 and is expected to only gradually return to a normal level over the coming quarters during 2012. Although the Company has secured limited alternative sources of supply there is no assurance that the Company will be able to secure sufficient alternate supplies or that the Company's customers will convert to such alternate products or sources; nor is there any assurance that customers who turn to other sources of products during the Company's period of product shortages will return to the Company's products once the Company's key supplier has resumed full production capacity and/or the Company has secured an acceptable alternative source of supply.

The Company's expansion through acquisition involves risks and may not result in the expected benefits.

The Company continues to view acquisitions as a key part of its growth strategy. The Company continues to be active in evaluating potential acquisitions although there is no assurance that these efforts will result in completed transactions as there are many factors that affect the success of such activities. If the Company does succeed in acquiring a business or product, there can be no assurance that the Company will achieve any of the benefits that it might anticipate from such an acquisition and the attention and effort devoted to the integration of an acquired business could divert management's attention from normal business operations. If the Company makes acquisitions, it may incur debt, assume contingent liabilities or create additional expenses, any of which might adversely affect its financial results. Any financing that the Company might need for acquisitions may only be available on terms that restrict its business or that impose additional costs that reduce its operating results.

The Company may fail to successfully integrate Astra Tech or realize the benefits of the acquisition.

The success of the Company's acquisition of Astra Tech depends upon its ability to realize anticipated benefits from integrating Astra Tech's business into its operations. Prior to the completion of the acquisition, the Company was permitted to undertake only limited planning regarding the integration of the two companies. The Company's ongoing business could be disrupted and management's attention diverted due to integration planning activities and as a result of the actual integration of the two companies following the acquisition. The Company may fail to realize the anticipated benefits of the integration on a timely basis, or at all, for a variety of reasons, including, but not limited to, the following:

- difficulties entering new markets or manufacturing in new geographies where the Company has no or limited direct prior experience;
- difficulties managing Astra Tech's healthcare business in which the Company's management has no or limited direct prior experience;
- difficulties in coordinating geographically separate organizations;
- failure to identify or assess the magnitude of certain liabilities we are assuming in the acquisition, which could result in unexpected litigation or regulatory exposure, unfavorable accounting treatment, unexpected increases in taxes due, a loss of anticipated tax benefits or other adverse effects on the Company's business, operating results or financial condition;
- failure to realize the anticipated increase in the Company's revenues due to the acquisition if customers adjust their purchasing decisions and allocate more market share to the Company's competitors;
- difficulties or delays in incorporating acquired technologies or products with the Company's existing product lines and maintaining uniform standards, controls, processes and policies;
- failure to successfully manage relationships with the Company's combined supplier and customer base;
- difficulties in modifying Astra Tech's existing accounting and internal control systems to comply with Section 404 of the Sarbanes-Oxley Act of 2002, to which Astra Tech is not currently and had not been historically subject to, which could adversely impact the effectiveness of internal control over financial reporting for the combined company; and
- loss of key employees including sales representatives.

Changes in, or interpretations of, accounting principles could result in unfavorable accounting charges.

The Company prepares its consolidated financial statements in accordance with US GAAP. These principles are subject to interpretation by the SEC and various bodies formed to interpret and create appropriate accounting principles. Market conditions have prompted accounting standard setters to issue new guidance which further interprets or seeks to revise accounting pronouncements related to financial instruments, structures or transactions as well as to issue new standards expanding disclosures. It is possible that future accounting standards the Company would be required to adopt could change the current accounting treatment applied to the Company's consolidated financial statements and such changes could have a material adverse effect on the Company's business, results of operations, financial condition and liquidity.

If the Company's goodwill or intangible assets become impaired, the Company may be required to record a significant charge to earnings.

Under US GAAP, the Company reviews its goodwill and intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Additionally, goodwill is required to be tested for impairment at least annually. The valuations used to determine the fair values used to test goodwill or intangible assets are dependent upon various assumptions and reflect management's best estimates. Net sales growth, discount rates, earnings multiples and future cash flows are critical assumptions used to determine these fair values. Slower net sales growth rates in the dental industry, an increase in discount rates, unfavorable changes in earnings multiples or a decline in future cash flows, among other factors, may cause a change in circumstances indicating that the carrying value of the Company's goodwill or intangible assets may not be recoverable. The Company may be required to record a significant charge to earnings in the financial statements during the period in which any impairment of the Company's goodwill or intangible assets is determined.

Changes in, or interpretations of, tax rules, structures, country profitability mix and regulations may adversely affect the Company's effective tax rates.

The Company is a U.S. based multinational company subject to tax in multiple U.S. and foreign tax jurisdictions. Unanticipated changes in the Company's tax rates could affect its future results of operations. The Company's future effective tax rates could be unfavorably affected by changes in, or interpretation of, tax rules and regulations in the jurisdictions in which the Company

does business, by structural changes in the Company's businesses, by unanticipated decreases in the amount of revenue or earnings in countries with low statutory tax rates, by lapses of the availability of the U.S. research and development tax credit, or by changes in the valuation of the Company's deferred tax assets and liabilities.

The Company faces the inherent risk of litigation and claims.

The Company's business involves a risk of product liability and other types of legal actions or claims, including possible recall actions affecting the Company's products. The primary risks to which the Company is exposed are related to those products manufactured by the Company. The Company has insurance policies, including product liability insurance, covering these risks in amounts that are considered adequate; however, the Company cannot provide assurance that the maintained coverage is sufficient to cover future claims or that the coverage will be available in adequate amounts or at a reasonable cost. Also, other types of claims asserted against the Company may not be covered by insurance. A successful claim brought against the Company in excess of available insurance, or another type of claim which is uninsured or that results in significant adverse publicity against the Company, could harm its business and overall cash flows of the Company.

Various parties, including the Company, own and maintain patents and other intellectual property rights applicable to the dental field. Although the Company believes it operates in a manner that does not infringe upon any third party intellectual property rights, it is possible that a party could assert that one or more of the Company's products infringe upon such party's intellectual property and force the Company to pay damages and/or discontinue the sale of certain products.

Increasing exposure to markets outside of the U.S. and Europe.

We anticipate that sales outside of the U.S. and Europe will continue to expand and account for a significant portion of DENTSPLY's revenue. Operating in such locations is subject to a number of uncertainties, including, but not limited to, the following:

- Economic and political instability;
- Import or export licensing requirements;
- Trade restrictions;
- Product registration requirements;
- Longer payment cycles;
- Changes in regulatory requirements and tariffs;
- Fluctuations in currency exchange rates;
- Potentially adverse tax consequences; and
- Potentially weak protection of intellectual property rights.

The Company's success is dependent upon its management and employees.

The Company's success is dependent upon its management and employees. The loss of senior management employees or failure to recruit and train needed managerial, sales and technical personnel, could have a material adverse effect on the Company.

The Company may be unable to sustain the operational and technical expertise that is key to its success.

DENTSPLY believes that its manufacturing capabilities are important to its success. The manufacture of the Company's products requires substantial and varied technical expertise. Complex materials technology and processes are necessary to manufacture the Company's products. There can be no assurance that the Company will be able to maintain the necessary operational and technical expertise that is key to its success.

The Company may not generate sufficient cash flow to service its debt, pay its contractual obligations and operate the business.

DENTSPLY's ability to make payments on its indebtedness and contractual obligations, and to fund its operations depends on its future performance and financial results, which, to a certain extent, are subject to general economic, financial, competitive, regulatory and other factors and the interest rate environment that are beyond its control. Although senior management believes that the Company has and will continue to have sufficient liquidity, there can be no assurance that DENTSPLY's business will generate sufficient cash flow from operations in the future to service its debt, pay its contractual obligations and operate its business.

The Company may not be able to repay its outstanding debt in the event that cross default provisions are triggered due to a breach of loan covenants.

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

After closing the Astra Tech acquisition, DENTSPLY has a significant amount of indebtedness. A breach of the covenants under DENTSPLY's debt instruments outstanding from time to time could result in an event of default under the applicable agreement.

In connection with the financing of the acquisition of Astra Tech, the Company incurred additional debt of approximately \$1.2 billion. As a consequence, after closing the Acquisition, DENTSPLY has a significant amount of indebtedness. DENTSPLY also has the ability to incur up to \$500 million of indebtedness under the Revolving Credit Facility and may incur significantly more indebtedness in the future.

DENTSPLY's level of indebtedness and related debt service obligations could have negative consequences including:

- making it more difficult for the Company to satisfy its obligations with respect to its indebtedness;
- requiring DENTSPLY to dedicate significant cash flow from operations to the payment of principal and interest on its indebtedness, which would reduce the funds the Company has available for other purposes, including working capital, capital expenditures and acquisitions; and
- reducing DENTSPLY's flexibility in planning for or reacting to changes in its business and market conditions.

DENTSPLY's current indebtedness contains a number of covenants and financial ratios, which it is required to satisfy. Under the agreements governing the DENTSPLY's 4.11% Senior Notes due 2016, the Company is required to maintain a ratio of consolidated debt to consolidated EBITDA of less than or equal to 4.00 to 1.00 until September 30, 2012. Following such period, DENTSPLY will be required to maintain a ratio of consolidated debt to consolidated EBITDA of less than or equal to 3.50 to 1.00. The Company may need to reduce the amount of its indebtedness outstanding from time to time in order to comply with such ratio, but no assurance can be given that DENTSPLY will be able to do so. DENTSPLY's failure to maintain such ratio or a breach of the other covenants under its debt instruments outstanding from time to time could result in an event of default under the applicable agreement. Such a default may allow the creditors to accelerate the related indebtedness and may result in the acceleration of any other indebtedness to which a cross-acceleration or cross-default provision applies.

Certain provisions in the Company's governing documents may make it more difficult for third party offerors to acquire DENTSPLY.

Certain provisions of DENTSPLY's Certificate of Incorporation and By-laws and of Delaware law could have the effect of making it difficult for a third party to acquire control of DENTSPLY. Such provisions include, among others, the division of the Board of Directors of DENTSPLY into three classes, with the three-year term of a class expiring each year, a provision allowing the Board of Directors to issue preferred stock having rights senior to those of the common stock and certain procedural requirements which make it difficult for stockholders to amend DENTSPLY's By-laws and call special meetings of stockholders. In addition, members of DENTSPLY's management and participants in its Employee Stock Ownership Plan ("ESOP") collectively own approximately 4% of the outstanding common stock of DENTSPLY.

Issues related to the quality and safety of the Company's products, ingredients or packaging could cause a product recall resulting in harm to the Company's reputation and negatively impacting the Company's operating results.

The Company's products generally maintain a good reputation with customers and end-users. Issues related to quality and safety of products, ingredients or packaging, could jeopardize the Company's image and reputation. Negative publicity related to these types of concerns, whether valid or not, might negatively impact demand for the Company's products or cause production and delivery disruptions. The Company may need to recall products if they become unfit for use. In addition, the Company could potentially be subject to litigation or government action, which could result in payment of fines or damages. Cost associated with these potential actions could negatively affect the Company's operating results, financial condition and liquidity.

The Company relies heavily on information and technology to operate its business networks, and any disruption to its technology infrastructure or the internet could harm the Company's operations.

DENTSPLY operates many aspects of its business including financial reporting and customer relationship management through server- and web-based technologies, and stores various types of data on such servers or with third-parties who may in turn store it on servers or in the “cloud”. Any disruption to the internet or to the Company's or its service providers' global technology infrastructure, including malware, insecure coding, “Acts of God,” attempts to penetrate networks, data leakage and human error, could pose a threat to the Company's operations. While DENTSPLY has invested and continues to invest in information technology risk management and disaster recovery plans, these measures cannot fully insulate the Company from technology disruptions or data loss and the resulting adverse effect on the Company's operations and financial results.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The following is a listing of DENTSPLY's principal manufacturing and distribution locations as of December 31, 2011:

Location	Function	Leased or Owned
United States:		
Milford, Delaware (1)	Manufacture of dental consumable products	Owned
Bradenton, Florida (3)	Manufacture of orthodontic accessory products	Leased
Baldwin, Georgia (3)	Manufacture of orthodontic accessory products	Leased
Des Plaines, Illinois (1)	Manufacture and assembly of dental handpieces	Leased
Elgin, Illinois (1)	Manufacture of dental x-ray film holders, film mounts and accessories	Owned/Leased
Waltham, Massachusetts (3)	Manufacture and distribution of dental implant products	Leased
Bohemia, New York (3)	Manufacture and distribution of orthodontic products and materials	Leased
Maumee, Ohio (4)	Manufacture and distribution of investment casting products	Owned
Lancaster, Pennsylvania (5)	Distribution of dental products	Leased
York, Pennsylvania (4)	Manufacture and distribution of artificial teeth and other dental laboratory products	Owned
York, Pennsylvania (1)	Manufacture of small dental equipment, bone grafting products, and preventive dental products	Owned
Johnson City, Tennessee (3)	Manufacture and distribution of endodontic instruments and materials	Leased
Foreign:		
Beringen, Belgium (4)	Manufacture and distribution of dental products	Owned
Leuven, Belgium (4)	Manufacture and distribution of 3D digital implantology	Leased
Catanduva, Brazil (3)	Manufacture and distribution of dental anesthetic products	Owned
Petropolis, Brazil (3)	Manufacture and distribution of artificial teeth, dental consumable products and endodontic material	Owned

Shanghai, China (4)	Manufacture and distribution of dental products	Leased
Tianjin, China (2)	Manufacture and distribution of dental products	Leased
Ivry Sur-Seine, France (4)	Manufacture and distribution of investment casting products	Leased
Bohmte, Germany (4)	Manufacture and distribution of dental laboratory products	Owned
Hanau, Germany (4)	Manufacture and distribution of precious metal dental alloys, dental ceramics and dental implant products	Owned
Konstanz, Germany (1)	Manufacture and distribution of dental consumable products	Owned
Mannheim, Germany (4)	Manufacture and distribution of dental implant products	Owned/Leased
Munich, Germany (3)	Manufacture and distribution of endodontic instruments and materials	Owned
Radolfzell, Germany (5)	Distribution of dental products	Leased
Rosbach, Germany (4)	Manufacture and distribution of dental ceramics	Owned
Badia Polesine, Italy (1)	Manufacture and distribution of dental consumable products	Owned/Leased
Otawara, Japan (2)	Manufacture and distribution of precious metal dental alloys, dental consumable products and orthodontic products	Owned
Mexicali, Mexico (3)	Manufacture and distribution of orthodontic products and materials	Leased
Hoorn, Netherlands (4)	Manufacture and distribution of precious metal dental alloys and dental ceramics	Owned
HA Soest, Netherlands (3)	Distribution of orthodontic products	Leased
Warsaw, Poland (1)	Manufacture and distribution of dental consumable products	Owned
Las Piedras, Puerto Rico (4)	Manufacture of crown and bridge materials	Owned
Mölndal, Sweden (3)	Manufacture and distribution of dental implant products and consumable medical devices	Owned
Ballaigues, Switzerland (3)	Manufacture and distribution of endodontic instruments, plastic components and packaging material	Owned
Le Creux, Switzerland (3)	Manufacture and distribution of endodontic instruments	Owned

(1) These properties are included in the U.S., Germany, and Certain Other European Regions Consumable Businesses segment.

(2) These properties are included in the France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses segment.

(3) These properties are included in the Canada/Latin America/Endodontics/Orthodontics/Astra Tech segment.

(4) These properties are included in the Dental Laboratory Business/Implants/Non-Dental segment.

(5) This property is a distribution warehouse not managed by named segments.

In addition, the Company maintains sales and distribution offices at certain of its foreign and domestic manufacturing facilities, as well as at various other U.S. and international locations. The Company maintains offices in Toronto, Mexico City, Paris, Rome, Weybridge, Mölndal, Hong Kong and Melbourne and other international locations. Most of these sites around the world that are used exclusively for sales and distribution are leased.

The Company also owns its corporate headquarters located in York, Pennsylvania.

DENTSPLY believes that its properties and facilities are well maintained and are generally suitable and adequate for the purposes for which they are used.

Item 3. Legal Proceedings

Incorporated by reference to Part II, Item 8, Note 17, Commitments and Contingencies, to the Consolidated Financial Statements.

Executive Officers of the Registrant

The following table sets forth certain information regarding the executive officers of the Company as of February 23, 2012.

Name	Age	Position
Bret W. Wise	51	Chairman of the Board and Chief Executive Officer
Christopher T. Clark	50	President and Chief Operating Officer
William R. Jellison	54	Senior Vice President and Chief Financial Officer
James G. Mosch	54	Executive Vice President
Robert J. Size	53	Senior Vice President
Albert J. Sterkenburg	48	Senior Vice President
Deborah M. Rasin	45	Vice President, Secretary and General Counsel

Bret W. Wise has served as Chairman of the Board and Chief Executive Officer of the Company since January 1, 2007 and also served as President in 2007 and 2008. Prior to that time, Mr. Wise served as President and Chief Operating Officer in 2006, as Executive Vice President in 2005 and Senior Vice President and Chief Financial Officer from December 2002 through December 2004. Prior to that time, Mr. Wise was Senior Vice President and Chief Financial Officer with Ferro Corporation of Cleveland, OH (1999 - 2002), Vice President and Chief Financial Officer at WCI Steel, Inc., of Warren, OH, (1994 - 1999) and prior to that he was a partner with KPMG LLP. Mr. Wise is a Certified Public Accountant.

Christopher T. Clark has served as Chief Operating Officer of the Company since January 1, 2007, also serving as President since January 1, 2009 and as Executive Vice President in 2007 and 2008. Prior to that time, Mr. Clark served as Senior Vice President (2003 - 2005), as Vice President and General Manager of DENTSPLY's global imaging business (1999 - 2002), as Vice President and General Manager of the Prosthetics Division (1996 - 1999), and as Director of Marketing of DENTSPLY'S Prosthetics Division (1992 - 1996). Prior to September 1992, Mr. Clark held various brand management positions with Procter & Gamble.

William R. Jellison has served as Senior Vice President and Chief Financial Officer of the Company since January 2005, a position he also held from April 1998 until November 2002. From November 2002 until January 2005, Mr. Jellison served as a Senior Vice President with operating responsibilities. Prior to April 1998, Mr. Jellison held various financial management positions including Vice President of Finance, Treasurer and Corporate Controller for Donnelly Corporation of Holland, Michigan since 1980. Mr. Jellison is a Certified Management Accountant.

James G. Mosch has served as Executive Vice President since January 1, 2009, and prior to that as Senior Vice President since 2003. Prior to that, Mr. Mosch served as Vice President and General Manager of DENTSPLY's Professional division, beginning in July 1994 when, he started with the Company. Prior to 1994, Mr. Mosch served in general management and marketing positions with Baxter International and American Hospital Supply Corporation.

Robert J. Size has served as Senior Vice President since January 1, 2007. Prior to that, Mr. Size served as a Vice President (2006) and as Vice President and General Manager of DENTSPLY's Caulk division beginning June 2003 through December 31, 2005. Prior to that time, he was the Chief Executive Officer and President of Superior MicroPowders and held various cross-functional and international leadership positions with The Cookson Group.

Albert J. Sterkenburg, D.D.S. has served as Senior Vice President since January 1, 2009. Prior to that, Dr. Sterkenburg served as Vice President (2006 - 2009), Vice President and General Manager of the DeguDent division (2003 - 2006) and Vice President and General Manager of the VDW division beginning in 2000. Prior to that time, he served in marketing and general management

roles at Johnson & Johnson.

Deborah M. Rasin has served as Vice President, Secretary and General Counsel of the Company since March 7, 2011. Prior to that, she served since 2006 as Vice President, General Counsel and Secretary of Samsonite Corporation, where she oversaw all legal, compliance and corporate governance matters of a Delaware-incorporated global consumer goods company. Prior to joining Samsonite, Ms. Rasin served as a senior corporate attorney at General Motors Corporation, and as an associate at various international law firms. Ms. Rasin received her J.D. from Harvard Law School in 1992.

Item 4. Removed and Reserved

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Quarterly Stock Market and Dividend Information

The Company's common stock is traded on the NASDAQ National Market under the symbol “XRAY.” The following table shows, for the periods indicated, the high, low, closing sale prices and cash dividends declared of the Company's common stock as reported on the NASDAQ National Market:

	Market Range of Common Stock		Period-end Closing Price	Cash Dividend Declared
	High	Low		
2011				
First Quarter	\$ 38.49	\$ 34.00	\$ 36.99	\$ 0.050
Second Quarter	40.16	34.76	38.08	0.050
Third Quarter	39.94	30.41	30.69	0.050
Fourth Quarter	40.37	28.35	34.99	0.055
2010				
First Quarter	\$ 36.82	\$ 32.10	\$ 34.88	\$ 0.05
Second Quarter	38.15	29.91	29.91	0.05
Third Quarter	32.44	27.76	31.97	0.05
Fourth Quarter	34.89	30.52	34.17	0.05

The Company estimates, based on information supplied by its transfer agent, that there are 384 holders of record of the Company’s common stock. Approximately 67,300 holders of the Company’s common stock are “street name” or beneficial holders, whose shares are held of record by banks, brokers and other financial institutions.

Stock Repurchase Program

The Board of Directors has authorized the Company to repurchase shares under its stock repurchase program in an amount up to 34,000,000 shares of common stock. The table below contains certain information with respect to the repurchase of shares of the Company's common stock during the quarter ended December 31, 2011:

(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 Yet be Purchased Under the Share Repurchase Program
October 1-31, 2011	—	\$ —	\$ —	12,785.0
November 1-30, 2011	—	—	—	12,804.7
December 1-31, 2011	—	—	—	12,856.6
	—	\$ —	\$ —	

Stock Authorized for Issuance Under Equity Compensation Plans

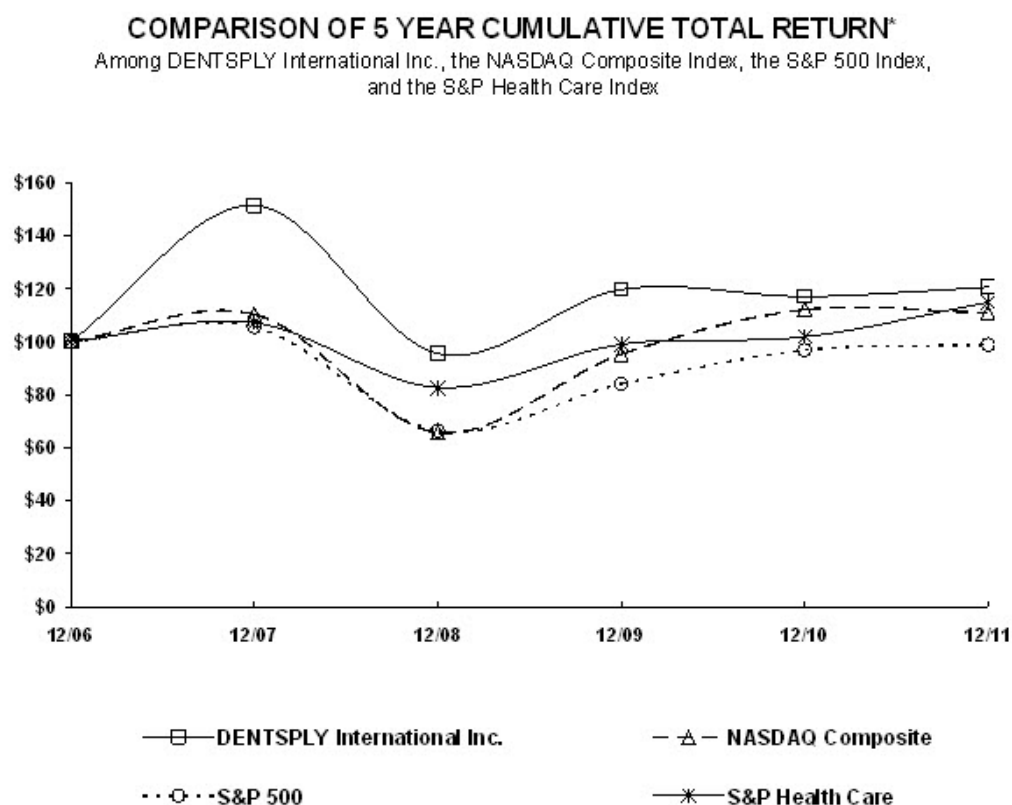
The following table provides information about the Company's common stock that may be issued under equity compensation plans at December 31, 2011:

(in thousands, except share price)

Plan Category	Securities to Be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price per Share	Securities Available for Future Issuance
Equity compensation plans approved by security holders	11,046	\$ 31.33	12,095
Total	11,046	\$ 31.33	12,095

Performance Graph

The following graph compares the Company's cumulative total stockholder return (Common Stock price appreciation plus dividends, on a reinvested basis) over the last five fiscal years with the NASDAQ Composite Index, the Standard & Poor's S&P 500 Index and the Standard & Poor's S&P Health Care Index.



*\$100 invested on 12/31/06 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

	12/06	12/07	12/08	12/09	12/10	12/11
DENTSPLY International Inc.	100.00	151.46	95.52	119.74	117.04	120.56
NASDAQ Composite	100.00	110.26	65.65	95.19	112.10	110.81
S&P 500	100.00	105.49	66.46	84.05	96.71	98.75
S&P Health Care	100.00	107.15	82.71	99.00	101.87	114.85

Item 6. Selected Financial Data
DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
SELECTED FINANCIAL DATA

(in thousands, except per share amounts, days and percentages)

	Year ended December 31,				
	2011 (a)	2010	2009	2008	2007
Statement of Operations Data:					
Net sales	\$ 2,537,718	\$ 2,221,014	\$ 2,159,378	\$ 2,191,465	\$ 2,009,833
Net sales, excluding precious metal content	2,332,589	2,031,757	1,990,666	1,991,542	1,819,899
Gross profit	1,273,440	1,130,158	1,106,363	1,147,900	1,040,783
Restructuring and other costs	35,865	10,984	6,890	32,355	10,527
Operating income	300,728	380,273	381,243	380,461	354,891
Income before income taxes	256,111	357,656	363,356	354,873	358,192
Net Income	247,446	267,335	274,412	283,270	259,654
Net income attributable to DENTSPLY International	\$ 244,520	\$ 265,708	\$ 274,258	\$ 283,869	\$ 259,654
Earnings per common share:					
Basic	\$ 1.73	\$ 1.85	\$ 1.85	\$ 1.90	\$ 1.71
Diluted	\$ 1.70	\$ 1.82	\$ 1.83	\$ 1.87	\$ 1.68
Cash dividends declared per common share	\$ 0.205	\$ 0.200	\$ 0.200	\$ 0.185	\$ 0.165
Weighted Average Common Shares Outstanding:					
Basic	141,386	143,980	148,319	149,069	151,707
Diluted	143,553	145,985	150,102	151,679	154,721
Balance Sheet Data:					
Cash and cash equivalents	\$ 77,128	\$ 540,038	\$ 450,348	\$ 204,249	\$ 316,323
Property, plant and equipment, net	591,445	423,105	439,619	432,276	371,409
Goodwill and other intangibles, net	2,981,163	1,381,798	1,401,682	1,380,744	1,203,587
Total assets	4,755,398	3,257,951	3,087,932	2,830,400	2,675,569
Total debt and notes payable	1,766,711	611,769	469,325	449,474	483,307
Equity	1,884,151	1,909,912	1,906,958	1,659,413	1,516,106
Return on average equity	12.9%	13.9%	15.4%	17.9%	18.6%
Long-term debt to total capitalization	44.2%	24.1%	16.9%	20.3%	24.1%
Other Data:					
Depreciation and amortization	\$ 93,058	\$ 66,340	\$ 65,175	\$ 56,929	\$ 50,289
Cash flows from operating activities	393,469	377,461	362,489	335,981	387,697
Capital expenditures	71,186	44,236	56,481	76,440	64,163
Interest expense (income), net	34,358	20,835	16,864	15,438	(2,645)
Inventory days	100	100	99	103	92
Receivable days	54	54	55	54	51
Effective tax rate	4.3%	25.0%	24.5%	20.2%	27.5%

(a) Includes the results of the Astra Tech acquisition from September 1, 2011 through December 31, 2011.

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

The information set forth under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations” is filed as part of this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

The information set forth under the caption “Quantitative and Qualitative Disclosure about Market Risk” is filed as part of this Form 10-K.

Item 8. Financial Statements and Supplementary Data

The information set forth under the captions “Management’s Report on Internal Control Over Financial Reporting,” “Report of Independent Registered Public Accounting Firm,” “Consolidated Statements of Operations,” “Consolidated Balance Sheets,” “Consolidated Statements of Equity and Comprehensive Income,” “Consolidated Statements of Cash Flows,” and “Notes to Consolidated Financial Statements” is filed as part of this Form 10-K. Other information required by Item 8 is included in "Computation of Ratios of Earnings to Fixed Charges" filed as Exhibit 12.1 to this Form 10-K.

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

None.

Item 9A. Controls and Procedures**(a) Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures (as 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.

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

Management’s report on the Company’s internal control over financial reporting is included under Item 15(a)(1) of this Form 10-K.

(c) Changes in Internal Control Over Financial Reporting

Except for the acquisition of Astra Tech, there have been no changes in the Company’s internal controls over financial reporting that occurred during quarter ended December 31, 2011 that have materially affected, or are likely to materially affect, its internal control over financial reporting.

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information (i) set forth under the caption “Executive Officers of the Registrant” in Part I of this Form 10-K and (ii) set forth under the captions “Election of Directors” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the 2012 Proxy Statement is incorporated herein by reference.

Code of Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to the Chief Executive Officer and the Chief Financial Officer and substantially all of the Company’s management level employees. A copy of the Code of Business Conduct and Ethics is available upon request without charge by writing to DENTSPLY International Inc., Attention: Investor Relations Suite 60, 221 West Philadelphia Street, York, PA 17405.

Item 11. Executive Compensation

The information set forth under the caption “Report on Executive Compensation” in the 2012 Proxy Statement is incorporated herein by reference.

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

The information set forth under the caption “Security Ownership of Certain Beneficial Owners and Management” and “Securities Authorized for Issuance Under Equity Compensation Plans” in the 2012 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required under this item is presented in the 2012 Proxy Statement, which is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information set forth under the caption “Relationship with Independent Registered Public Accounting Firm” in the 2012 Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedule

(a) Documents filed as part of this Report

1. Financial Statements

The following consolidated financial statements of the Company are filed as part of this Form 10-K:

Management's Report on Internal Control Over Financial Reporting
Report of Independent Registered Public Accounting Firm
Consolidated Statements of Operations - Years ended December 31, 2011, 2010 and 2009
Consolidated Balance Sheets - December 31, 2011 and 2010
Consolidated Statements of Equity and Comprehensive Income - Years ended December 31, 2011, 2010 and 2009
Consolidated Statements of Cash Flows - Years ended December 31, 2011, 2010 and 2009
Notes to Consolidated Financial Statements
Quarterly Financial Information (Unaudited)

2. Financial Statement Schedule

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

Schedule II — Valuation and Qualifying Accounts

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

3. Exhibits

The Exhibits listed below are filed or incorporated by reference as part of the Company's Form 10-K.

Exhibit Number	Description
3.1	Restated Certificate of Incorporation (5)
3.2	By-Laws, as amended (11)
4.1	(a) United States Commercial Paper Issuing and paying Agency Agreement dated as of August 12, 1999 between the Company and the Chase Manhattan Bank (2)
	(b) United States Commercial Paper Dealer Agreement dated as of March 28, 2002 between the Company and Salomon Smith Barney Inc. (6)
	(c) Japanese Yen Term Loan Agreement, due March 28, 2012 dated as of July 25, 2008 (9)
4.3	Revolving Credit Agreement dated as of May 7, 2010 final maturity in May 2013, among the Company, the Initial Lenders thereto, the banks party thereto, J.P. Morgan Chase Bank, N.A. as Administrative Agent, Wells Fargo Bank, N. A. as Syndication Agent, Citibank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. And Commerzbank AG, New York and Grand Cayman branches as Co-Documentation Agents, and J.P. Morgan Securities Inc. and Wells Fargo Securities, LLC as Joint Bookrunners and Joint Lead Arrangers. (11)
4.4	Private Placement Note Purchase Agreement, due February 19, 2016 dated as of October 16, 2009 (10)
4.5	Swiss Franc Term Loan Agreement, due March 1, 2012 dated as of February 24, 2010 (11)
4.6	Credit Agreement, dated as of July 27, 2011, by and among the Company, the subsidiary borrowers party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A. as administrative agent, Morgan Stanley Senior Funding, Inc. as Syndication Agent, Citigroup Global Markets, Inc., Bank of Tokyo-Mitsubishi UFJ, LTD and Wells Fargo Bank, N.A. as co-documentation agents, and Morgan Stanley Senior Funding, Inc. and J.P. Morgan Securities LLC, as Joint Bookrunners and Joint Lead Arrangers. (Filed herewith)

- 4.7 364-Day Revolving Credit Agreement dated as of July 27, 2011 among the Company as Borrower, the lenders party hereto: JPMorgan Chase Bank, N.A. as Administrative Agent, Morgan Stanley Senior Funding, Inc. as Syndication Agent, and Citigroup Global Markets, Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Wells Fargo Bank, N.A. as Co-Documentation Agents (Filed herewith)
- 4.8 Second Amendment to the Two Year Credit Agreement dated August 31, 2011 between the Company, the Lenders, and PNC Bank, National Association, as Agent (Filed herewith)
- 4.9 Term Loan Agreement between the Company and Bank of Tokyo dated September 21, 2011 between the Company, The Bank of Tokyo as Arranger, Development Bank of Japan, Inc. as Co-Arranger, The Bank of Tokyo-Mitsubishi UFJ, Inc. as Agent, and the Bank of Tokyo-Mitsubishi UFJ, LTD, Development Bank of Japan, Inc., The Shinkumi Federation Bank, Mitsui Sumitomo Insurance Company, Limited, and The Chiba Bank, LTD as Lenders. (Filed herewith)
- 10.1 1998 Stock Option Plan (1)
- 10.2 2002 Amended and Restated Equity Incentive Plan (8)
- 10.3 Restricted Stock Unit Deferral Plan (7)
- 10.4 (a) Trust Agreement for the Company's Employee Stock Ownership Plan between the Company and T. Rowe Price Trust Company dated as of November 1, 2000 (3)
- (b) Plan Recordkeeping Agreement for the Company's Employee Stock Ownership Plan between the Company and T. Rowe Price Trust Company dated as of November 1, 2000 (3)
- 10.5 DENTSPLY Supplemental Saving Plan Agreement dated as of December 10, 2007 (8)
- 10.6 Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Bret W. Wise* (8)
- 10.7 Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Christopher T. Clark* (8)
- 10.8 Amended and Restated Employment Agreement entered February 19, 2008 between the Company and William R. Jellison* (8)
- 10.10 Amended and Restated Employment Agreement entered February 19, 2008 between the Company and James G. Mosch* (8)
- 10.11 Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Robert J. Size* (8)
- 10.12 Amended and Restated Employment Agreement entered January 1, 2009 between the Company's subsidiary, DeguDent GMBH and Albert Sterkenburg* (9)
- 10.13 DENTSPLY International Inc. Directors' Deferred Compensation Plan effective January 1, 2007, as amended* (9)
- 10.14 Board Compensation Arrangement*(10)
- 10.15 Supplemental Executive Retirement Plan effective January 1, 1999, as amended January 1, 2008* (9)
- 10.16 Incentive Compensation Plan, amended and restated* (Filed herewith)
- 10.17 AZ Trade Marks License Agreement, dated January 18, 2001 between AstraZeneca AB and Maillefer Instruments Holdings, S.A. (3)
- 10.18 (a) Precious metal inventory Purchase and Sale Agreement dated November 30, 2001, as amended October 10, 2006 between Bank of Nova Scotia and the Company (7)
- (b) Precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between JPMorgan Chase Bank and the Company (4)
- (c) Precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between Mitsui & Co., Precious Metals Inc. and the Company (4)
- (d) Precious metal inventory Purchase and Sale Agreement dated December 15, 2005 between ABN AMRO NV, Australian Branch and the Company (7)
- (e) Precious metal inventory Purchase and Sale Agreement dated January 30, 2002 between Dresdner Bank AG, Frankfurt, and the Company (8)
- 10.19 Executive Change in Control Plan for foreign executives, as amended December 31, 2008* (10)
- 10.20 2010 Equity Incentive Plan, amended and restated (File herewith)
- 10.21 Employment Agreement between the Company and Deborah M. Rasin* (Filed herewith)
- 12.1 Computation of Ratio of Earnings to Fixed Charges (Filed herewith)

21.1	Subsidiaries of the Company (Filed herewith)
23.1	Consent of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP
31	Section 302 Certification Statements
32	Section 906 Certification Statement
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

* Management contract or compensatory plan.

- (1) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 dated June 4, 1998 (No. 333-56093).
- (2) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 1999, File No. 0-16211.
- (3) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2000, File No. 0-16211.
- (4) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2001, File No. 0-16211.
- (5) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 dated November 27, 2002 (No. 333-101548).
- (6) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2002, File No. 0-16211.
- (7) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2006, File no. 0-16211.
- (8) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2007, File No. 0-16211.
- (9) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2008, File No. 0-16211.
- (10) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2009, File no. 0-16211.
- (11) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2010, File no. 0-16211.

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 and 2009

(in thousands) Description	Balance at Beginning of Period	Additions		Write-offs Net of Recoveries	Translation Adjustment	Balance at End of Period
		Charged (Credited) To Costs And Expenses	Charged to Other Accounts			
Allowance for doubtful accounts:						
For Year Ended December 31,						
2009	\$ 18,849	\$ (3,124)	\$ 17	\$ (4,253)	\$ 746	\$ 12,235
2010	12,235	(233)	111	(2,611)	(682)	8,820
2011	8,820	469	7,930 (a)	(1,373)	(941)	14,905
Inventory valuation reserves:						
For Year Ended December 31,						
2009	\$ 28,389	\$ 5,883	\$ 80	\$ (3,610)	\$ 1,190	\$ 31,932
2010	31,932	6,590	760	(3,652)	(161)	35,469
2011	35,469	3,325	697 (b)	(3,924)	(463)	35,104
Deferred tax asset valuation allowance:						
For Year Ended December 31,						
2009	\$ 36,741	\$ 13,419	\$ —	\$ —	\$ 1,649	\$ 51,809
2010	51,809	47,304	—	—	(6,059)	93,054
2011	93,054	(22,400)	2,174 (c)	—	(1,070)	71,758

(a) Amount includes \$7.8 million allowance for Astra Tech opening balance at August 31, 2011.

(b) Amount includes \$1.1 million reserve for Astra Tech opening balance at August 31, 2011.

(c) Amount related to opening balance sheet valuation allowance for Astra Tech at August 31, 2011.

Item 7.

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

OVERVIEW

The following Management's Discussion and Analysis of Financial Conditions and Results of Operations ("MD&A") is intended to help the reader understand the Company's operations and business environment. MD&A is provided as a supplement to, and should be read in conjunction with, the Consolidated Financial Statements and Notes to Consolidated Financial Statements contained in Item 8 of this Form 10-K. The following discussion includes forward-looking statements that involve certain risks and uncertainties. See "Forward-Looking Statements" in the beginning of this Form 10-K. The MD&A includes the following sections:

- Business – a general description of DENTSPLY's business and how performance is measured;
- Results of Operations – an analysis of the Company's consolidated results of operations for the three years presented in the consolidated financial statements;
- Critical Accounting Estimates – a discussion of accounting policies that require critical judgments and estimates; and
- Liquidity and Capital Resources – an analysis of cash flows; debt and other obligations; and aggregate contractual obligations.

Significant Developments in 2011

- On August 31, 2011, the Company acquired Astra Tech for \$1.8 billion. Astra Tech is a leading developer, manufacturer and marketer of dental implants, customized implant abutments and consumable medical devices in the urology and surgery market segments. This transaction strengthens the Company's leadership position in the global dental markets as well as provides additional growth opportunities within the broader medical devices category. Astra Tech results for the period of September 1, 2011 to December 31, 2011 are included in the consolidated DENTSPLY operating results. Details of the transaction are further discussed in Note 3, Business Acquisitions and Investments in Affiliates, to the Notes to the Consolidated Financial Statements.
- On March 11, 2011, the country of Japan experienced an unprecedented natural disaster which significantly impacted a key orthodontic supplier of the Company. The Company received limited orthodontic products from its Japanese supplier after it relocated to another facility, as it ramps up its capacity. As a result, DENTSPLY's performance in 2011 was significantly impacted by the lack of products and, as a result, orthodontic sales were substantially curtailed, which negatively impacted fully diluted earnings per share for 2011 by approximately \$0.15. See "Impact of the Natural Disaster in Japan" in the Business section below for further discussion.
- Excluding the impact of Orthodontic/Japan the Company's internal sales growth, measured as excluding precious metal content basis, the impact of changes in currency exchange rates and net acquisition growth, for 2011 would have been approximately 3.9%, compared to 0.4% including these businesses.

BUSINESS

DENTSPLY International Inc. is a leading manufacturer and distributor of dental and other healthcare products. The Company believes it is the world's largest manufacturer of professional dental products. For over 110 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 Measurements

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

The Company defines "internal 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 growth. The Company defines “net acquisition 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 growth” as internal growth plus net acquisition growth.

Management believes that an average internal growth rate of 4% to 6% is a long-term targeted rate for the Company. The internal growth rate may vary outside of this range based on weaker or stronger economic conditions. Management believes the Company may operate slightly below this range in 2012 due to current global economic conditions. Historical trends show that growth in the dental industry generally performs better than the overall economy; however, it typically lags the economic trend going into and coming out of slower growth or recessionary periods. There can be no assurance that the Company's assumptions concerning the growth rates in its markets or the general dental market will continue in the future. If such rates are less than expected, the Company's projected growth rates and results of operations may be adversely affected.

Price changes, other marketing and promotional programs offered to customers from time to time, the management of inventory levels by distributors and the implementation of strategic initiatives may impact sales and inventory levels in a given period.

The Company has always maintained a focus on minimizing costs and achieving 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 initiatives will improve the cost structure and help offset areas of rising costs such as energy, employee benefits and regulatory oversight and compliance.

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. 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 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 has experienced consolidation, it is still a fragmented industry. Management believes that there will continue to be adequate opportunities to participate as a consolidator in the industry for the foreseeable future, however it will be very focused in the near-term on the integration of its recent acquisition of Astra Tech.

Impact of the Natural Disaster in Japan

On March 11, 2011, the country of Japan experienced an unprecedented natural disaster, which significantly impacted a key supplier of the Company and the general dental and medical markets within Japan. The specific business interruption caused by a key supplier in Japan has caused the loss of both sales and earnings for the Company during 2011, which may take multiple years to recover.

The Company's net sales in Japan represent approximately 4% of the Company's consolidated 2010 net sales, excluding precious metal content, and are reported as part of the “France, United Kingdom, Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses” operating segment. The near-term economic conditions in Japan have been negatively impacted by the physical and economic complications of the disaster. These factors resulted in lower demand for some of our products, however we believe this will have little impact on our business in 2012.

One of the Company's key suppliers, which is the source of certain orthodontic products which comprised approximately 9% of the Company's consolidated annual net sales, excluding precious metal content in 2010, was located within the evacuation zone in Japan and has since relocated its operations to a location outside of the evacuation zone. While the supplier resumed partial delivery of products during the second half of 2011, the Company does not expect a return to normal supply levels until mid-year 2012. Also to help lessen the impact, the Company made temporary arrangements for limited alternative supply of certain products and has made certain restructuring actions to manage the cost structure of the orthodontic business. The Company's efforts in restructuring, along with finding limited alternative supply arrangements as well as partial resumption of products helped mitigate some of the negative impact from the shortage of supply during 2011, the impact in 2011 was approximately \$0.15 per diluted share. The orthodontic products impacted by this situation are primarily sold and reported as part of the “Canada/Latin America/Endodontics/Orthodontics/Astra Tech” operating segment. Given that the Company does not manufacture these products,

generally, the operating margins are lower than the Company's overall operating margins.

The Company's estimate of the potential negative impact in 2012 compared to 2011 is based on assumptions regarding the continued sourcing of limited alternative supply, the timing and success of the key supplier's resumption of full operations at an alternative site, the ability to successfully reduce the cost structure of the business during the supply disruption, customer acceptance of alternatively supplied products, and the Company's ability to achieve success in its sales and marketing strategies once supply resumes. While the Company expects shipments of certain orthodontic products from the Japanese supplier during the first half of 2012, a full return to manufacturing capacity is not expected until mid-year 2012. The Company expects that the impact of the supply disruption was greatest in the third and fourth quarters of 2011. The impact is expected to get sequentially better compared to the prior year beginning in the second quarter of 2012, however it will continue to result in negative year over year comparisons until the third quarter of 2012.

Impact of Foreign Currencies

Due to the international nature of DENTSPLY's business, movements in foreign exchange rates may impact the consolidated statements of operations. With over 65% of the Company's sales located in regions outside the U.S., the Company's consolidated net sales are impacted negatively by the strengthening or positively by the weakening of the U.S. dollar. Additionally, movements in certain foreign exchange rates may unfavorably or favorably impact the Company's results of operations, financial condition and liquidity.

Impact of European Sovereign Debt Crisis on the Business

The Company continues to monitor the changing economic landscape as a result of the sovereign debt and liquidity crisis in certain countries located primarily in Europe. The crisis may impact certain customer's ability to timely pay for products and services. Approximately 45% of the Company's sales are located in Europe, primarily to non-governmental entities. The Company believes no additional allowances or reserves are required for open receivable positions as of December 31, 2011 beyond what has already been recorded, as the Company has noted no material change in payment practices of customers. If the outcome of the crisis is detrimental to our customers' ability to continue to make timely payments, the Company will assess the need for additional reserves, which could impact the Company's ability to recognize revenue or result in discontinuing sales to certain customers. Further economic decline as the result of austerity measures taken, or proposed to be taken, by European governments may have a detrimental affect on customers and could result in lower levels of demand for the Company's products. The negative impact of these potential outcomes could materially impact the Company results of operations, financial condition and liquidity.

Reclassification of Prior Year Amounts

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

RESULTS OF OPERATIONS

2011 Compared to 2010

Net Sales

The discussion below summarizes the Company's sales growth, excluding precious metal content, into the following components: (1) constant currency, which includes internal growth and acquisition 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

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)	Year Ended December 31,		\$ Change	% Change
	2011	2010		
Net sales	\$ 2,537.7	\$ 2,221.0	\$ 316.7	14.3%
Less: Precious metal content of sales	205.1	189.2	15.9	8.4%
Net sales, excluding precious metal content	\$ 2,332.6	\$ 2,031.8	\$ 300.8	14.8%

The 14.8% increase in net sales, excluding precious metal content, included constant currency growth of 11.2%, and currency translation, which increased net sales, excluding precious metal content, by 3.6%. The constant currency sales growth was comprised of internal growth of 0.4% and acquisition growth of 10.8%. Excluding sales in the Japanese market and Orthodontic business, the internal growth rate was 3.9% in 2011.

Constant Currency Sales Growth

The following tables includes growth rates for net sales, excluding precious metal content.

	Year Ended December 31, 2011			
	United States	Europe	All Other Regions	Worldwide
Internal sales growth	(0.4)%	(0.4)%	3.0%	0.4%
Acquisition sales growth	5.3 %	18.3 %	6.4%	10.8%
Constant currency sales growth	4.9 %	17.9 %	9.4%	11.2%
Adjust internal sales growth (a)	3.6 %	2.2 %	7.8%	3.9%

(a) Excludes Japanese and Orthodontic business

	Year Ended December 31, 2010			
	United States	Europe	All Other Regions	Worldwide
Internal sales growth	0.1%	2.9%	4.1%	2.1%
Acquisition sales growth	—%	0.8%	0.6%	0.5%
Constant currency sales growth	0.1%	3.7%	4.7%	2.6%

United States

During 2011, net sales, excluding precious metal content, increased by 4.9% in the U. S. on a constant currency basis, including 5.3% of acquisition growth. Excluding the Orthodontic business, the internal growth rate was 3.6% due primarily to increases in dental consumable, non-dental product and dental specialty sales, partially offset by lower dental laboratory product sales.

Europe

During 2011, net sales, excluding precious metal content, increased by 17.9% on a constant currency basis, including 18.3% of acquisition growth. Excluding the Orthodontic business, the internal growth rate was a positive 2.2% and was primarily driven by growth in the dental specialty, dental consumable and non-dental products and growth in the CIS markets partially offset by dental laboratory products. The increase in sales was further offset by lower volumes in precious metal alloy products.

All Other Regions

During 2011, net sales, excluding precious metal content, increased 9.4% on a constant currency basis, which includes 6.4% of acquisition growth. Excluding the Japanese market and Orthodontic business, internal growth was 7.8%, driven primarily by growth in dental specialty and dental consumable products, partially offset by lower sales in dental laboratory products.

Gross Profit

(in millions)	Year Ended December 31,			
	2011	2010	\$ Change	% Change
Gross profit	\$ 1,273.4	\$ 1,130.2	\$ 143.2	12.7%
Gross profit as a percentage of net sales, including precious metal content	50.2%	50.9%		
Gross profit as a percentage of net sales, excluding precious metal content	54.6%	55.6%		

Gross profit as a percentage of net sales, excluding precious metal content, declined 1% during 2011 compared to 2010. The gross profit rate was negatively impacted by approximately two percentage points from expensing of inventory fair value adjustments associated with acquisitions and from foreign exchange transaction impacts. These impacts were partially offset by favorable product mix from the Astra Tech acquisition and product price increases.

Expenses

Selling, General and Administrative (“SG&A”) Expenses

(in millions)	Year Ended December 31,			
	2011	2010	\$ Change	% Change
SG&A expenses	\$ 936.8	\$ 738.9	\$ 197.9	26.8%
SG&A expenses as a percentage of net sales, including precious metal content	36.9%	33.3%		
SG&A expenses as a percentage of net sales, excluding precious metal content	40.2%	36.4%		

The increase in SG&A expenses as a percentage of net sales, excluding precious metal content, was 3.8% higher than in 2010. The increase included approximately a full percentage point for acquisition related expenses, legal and other charges in the year. The rate also increased by approximately two percentage points to support the higher cost structure of recent acquisitions and costs to support our orthodontic business as it experienced a significant supply disruption caused by the natural disaster in Japan (also referred to hereafter as “Orthodontic business continuity costs”). The Company also had higher expenses in support of its strong new product launches occurring in many key categories throughout the year.

Restructuring and Other Costs

(in millions)	Year Ended December 31,			
	2011	2010	\$ Change	% Change
Restructuring and other costs	\$ 35.9	\$ 11.0	\$ 24.9	226.4%

The Company recorded net restructuring and other costs of \$35.9 million in 2011 compared to \$11.0 million in 2010. These costs were related to expenses associated with the acquisition of Astra Tech of \$18.0 million, legal settlement cost of \$12.6 million as well as restructuring costs primarily related to the orthodontic business. Also, the Company recorded certain other costs of \$1.5 related to an impairment of previously acquired technology.

Other Income and Expenses

(in millions)	Year Ended December 31,		\$ Change
	2011	2010	
Net interest expense	\$ 34.3	\$ 20.8	\$ 13.5
Other expense, net	10.3	1.8	8.5
Net interest and other expense	\$ 44.6	\$ 22.6	\$ 22.0

Net Interest Expense

The change in net interest expense in 2011 compared to 2010, for the year ended December 31, was primarily the result of higher average debt levels in the U.S., and lower cash levels resulting from financing the \$1.8 billion Astra Tech acquisition utilizing cash of \$650.0 million and new debt of \$1.2 billion. Interest expense increased \$18.7 million due to higher debt levels as a result of the acquisitions and stock repurchases combined with stronger average euro and Swiss franc exchange and higher average euro interest rates on the Company's net investment hedges. Interest income increased \$5.2 million on interest earned on an investment in convertible bonds and a positive impact relating to credit risk on derivatives versus the prior year. Average interest rates on euro investment balances were 50 basis points higher in the current year than the prior year and the U.S. dollar was 5% weaker against the euro. The impact of the Company's net investment hedges typically move in the opposite direction of currency movements, reducing some of the volatility caused by movement in exchange rates on the Company's income and equity.

Other Expense, Net

Other expense in the 2011 period included approximately \$2.9 million of currency transaction losses, \$2.9 million of interest rate swap terminations, \$3.8 million of Treasury rate lock ineffectiveness, and \$0.6 million of other non-operating expense. The 2010 period included approximately \$3.3 million of currency transaction losses and \$1.5 million of other non-operating income.

Income Taxes and Net Income

(in millions, except per share amounts)	Year Ended December 31,		\$ Change
	2011	2010	
Effective income tax rate	4.3%	25.0%	
Equity in net income (loss) of unconsolidated affiliated company	\$ 2.4	\$ (1.1)	\$ 3.5
Net income attributable to noncontrolling interests	\$ 2.9	\$ 1.6	\$ 1.3
Net income attributable to DENTSPLY International	\$ 244.5	\$ 265.7	\$ (21.2)
Diluted earnings per common share	\$ 1.70	\$ 1.82	

Provision for Income Taxes

During 2011, the Company recorded a tax benefit from the release of a valuation allowance on previously unrecognized tax loss carryforwards of approximately \$46.7 million. In addition, the effective tax rate was favorably impacted by the Company's change in the mix of consolidated earnings.

The Company's effective income tax rates for 2011 and 2010 were 4.3% and 25.0%, respectively. In 2011, the Company's effective income tax rate included the impact of acquisition related activity, restructuring and other costs, amortization on purchased intangibles from acquisitions and the release of the valuation allowance and various income tax adjustments, which impacted income before income taxes and the provision for income taxes by \$123.8 million and \$75.4 million, respectively. In 2010, the Company's effective income tax rate included the impact of restructuring and other costs, acquisition related activity, provisions for a credit risk adjustment to outstanding derivatives and various income tax adjustments, which impacted income before income

taxes and the provision for income taxes by \$14.9 million and \$3.3 million, respectively.

Equity in net income (loss) of unconsolidated affiliated company

The Company's 17% ownership investment of DIO Corporation on December 9, 2010 resulted in a net income of \$2.4 million on an after-tax basis for 2011. The equity earnings of DIO includes 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 net gain incurred by DIO was approximately \$2.2 million.

Net income attributable to noncontrolling interests

The portion of consolidated net income attributable to noncontrolling interests increased \$1.3 million from 2010 to 2011.

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

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

(in thousands, except per share amounts)	Year Ended December 31, 2011	
	Income (Expense)	Per Diluted Common Share
Net income attributable to DENTSPLY International	\$ 244,520	\$ 1.70
Acquisition related activities, net of tax and noncontrolling interests	62,723	0.44
Restructuring and other costs, net of tax and noncontrolling interests	11,395	0.08
Amortization on purchased intangible assets, net of tax:		
Prior to July 1, 2011	5,894	0.04
Astra Tech	8,534	0.06
Orthodontic business continuity costs, net of tax	2,128	0.01
Credit risk adjustment to outstanding derivatives, net of tax	(783)	—
Gain on fair value adjustment at an unconsolidated affiliated company, net of tax	(2,486)	(0.02)
Income tax related adjustments	(41,053)	(0.28)
Adjusted non-US GAAP earnings	\$ 290,872	\$ 2.03

(in thousands, except per share amounts)	Year Ended December 31, 2010	
	Income (Expense)	Per Diluted Common Share
Net income attributable to DENTSPLY International	\$ 265,708	\$ 1.82
Restructuring and other costs, net of tax and noncontrolling interests	7,138	0.05
Amortization on purchased intangible assets, net of tax	5,990	0.04
Acquisition related activities, net of tax and noncontrolling interests	2,152	0.01
Loss on derivative at an unconsolidated affiliated company	1,131	0.01
Income tax related adjustments	1,073	0.01
Credit risk adjustment to outstanding derivatives, net of tax	732	—
Adjusted non-US GAAP earnings	\$ 283,924	\$ 1.94

Operating Segment Results

The Company's operating businesses are combined into operating groups, which have overlapping product offerings, geographic 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. Each of these operating groups covers a wide range of product categories and geographic regions. The product categories and geographic regions often overlap across the groups. Further information regarding the details of each group is presented in Note 4, Segment and Geographic Information, to the consolidated financial statements. The management of each group is evaluated for performance and incentive compensation purposes on net third party sales, excluding precious metal content, and segment operating income.

Net Sales, Excluding Precious Metal Content

(in millions)	Year Ended December 31,			
	2011	2010	\$ Change	% Change
U.S., Germany and Certain Other				
European Regions Consumable Businesses	\$ 566.5	\$ 526.8	\$ 39.7	7.5%
France, U.K., Italy and Certain Other				
European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ 496.7	\$ 445.6	\$ 51.1	11.5%
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	\$ 858.4	\$ 662.6	\$ 195.8	29.6%
Dental Laboratory Business/ Implants/Non-Dental	\$ 416.0	\$ 400.1	\$ 15.9	4.0%

Segment Operating Income

(in millions)

	Year Ended December 31,		\$ Change	% Change
	2011	2010		
U.S., Germany and Certain Other				
European Regions Consumable Businesses	\$ 185.4	\$ 176.1	\$ 9.3	5.3 %
France, U.K., Italy and Certain Other				
European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ 12.2	\$ 17.2	\$ (5.0)	(29.1)%
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	\$ 161.7	\$ 195.8	\$ (34.1)	(17.4)%
Dental Laboratory Business/ Implants/Non-Dental	\$ 79.9	\$ 83.4	\$ (3.5)	(4.2)%

U.S., Germany and Certain Other European Regions Consumable Businesses

Net sales, excluding precious metal content, increased \$39.7 million, or 7.5% during the year ended December 31, 2011 as compared to 2010. On a constant currency basis, net sales, excluding precious metals content, increased 5.9%, which was driven by increased demand in most geographies.

Operating income increased \$9.3 million during the year ended December 31, 2011 compared to 2010. Operating income was positively impacted by gross profit of approximately \$17 million, which was a result of higher net sales and favorable foreign currency translation. This was partially offset by an increase in SG&A of approximately \$7 million, primarily due to increase selling expense and unfavorable foreign currency translation.

France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses

Net sales, excluding precious metal content, increased \$51.1 million, or 11.5%, during the year ended December 31, 2011 compared to 2010. On a constant currency basis, net sales, excluding precious metal content, increased \$23.2 million, or 5.2%. The majority of the growth was in the Pacific Rim businesses, excluding Japan, as well as in the CIS, Middle East and Africa.

Operating income decreased \$5.0 million during the year ended December 31, 2011 compared to 2010. Gross profit increased \$13.0 million mainly due to higher sales and favorable currency translation partially offset by unfavorable geographic sales mix within the segment and negative foreign currency transaction impacts. SG&A expenses increased in 2011 by \$17.9 million mainly due to unfavorable currency translation and higher marketing and selling expense particularly in emerging markets and Pacific Rim businesses.

Canada/Latin America/Endodontics/Orthodontics/Astra Tech

Net sales, excluding precious metal content, increased \$195.8 million, or 29.6%, during the year ended December 31, 2011 compared to 2010. On a constant currency basis, net sales, excluding precious metal content, increased by 26.0% primarily driven by the Astra Tech acquisition. Net sales, excluding precious metal content, were negatively impacted by the Orthodontic business as discussed in the Overview.

Operating income decreased \$34.1 million during the year ended December 31, 2011 compared to 2010. Gross profit increased \$102.6 million which was primarily attributed to the acquisition of Astra Tech and favorable currency translation. Gross profit was also negatively impacted by \$32.8 million from the expensing of inventory fair value adjustment associated with the Astra Tech acquisition as well as the impact from lower orthodontic sales. SG&A expenses increased by \$136.7 million, which included \$8.5 million of acquisition related costs for Astra Tech. Additionally, increased SG&A expense also included operating expenses for the Astra Tech business, the Company's Orthodontic business continuity costs during the period of lower sales activity, higher marketing and selling expenses for product launches and the negative impact of foreign currency translation.

Dental Laboratory Business/Implants/Non-Dental

Net sales, excluding precious metal content, decreased \$15.9 million, or 4.0%, during the year ended December 31, 2011 compared to 2010. On a constant currency basis, net sales, excluding precious metal content, increased 0.5% over prior year as growth in the dental implant and non-dental businesses was offset by the dental laboratory business.

Operating income decreased \$3.5 million during the year ended December 31, 2011 compared to 2010, primarily due to lower sales and unfavorable product mix in the Dental Laboratory business offset by increased sales in the dental implant and non-dental businesses. In addition, SG&A expenses increased \$10.8 million primarily due to investment in dental implants and the negative impact of currency translation.

RESULTS OF OPERATIONS

2010 Compared to 2009

Net Sales

(in millions)	Year Ended December 31,		\$ Change	% Change
	2010	2009		
Net sales	\$ 2,221.0	\$ 2,159.4	\$ 61.6	2.9%
Less: Precious metal content of sales	189.2	168.7	20.5	12.2%
Net sales, excluding precious metal content	\$ 2,031.8	\$ 1,990.7	\$ 41.1	2.1%

The 2.1% increase in net sales, excluding precious metal content, included constant currency growth of 2.6%, offset by currency translation, which reduced net sales, excluding precious metal content, by 0.5%. The constant currency sales growth was comprised of internal growth of 2.1% and acquisition growth of 0.5%.

Constant Currency Sales Growth

The following table includes growth rates for net sales, excluding precious metal content.

	Year Ended December 31, 2010			
	United States	Europe	All Other Regions	Worldwide
Internal sales growth	0.1%	2.9%	4.1%	2.1%
Acquisition sales growth	—	0.8%	0.6%	0.5%
Constant currency sales growth	0.1%	3.7%	4.7%	2.6%

	Year Ended December 31, 2009			
	United States	Europe	All Other Regions	Worldwide
Internal sales growth	(1.7)%	(3.8)%	0.3%	(2.1)%
Acquisition sales growth	1.0 %	7.8 %	4.3%	4.4 %
Constant currency sales growth	(0.7)%	4.0 %	4.6%	2.3 %

United States

During 2010, net sales, excluding precious metal content, were slightly positive, at 0.1% in the U. S. on a constant currency and internal growth basis. Growth in dental specialty and dental consumable sundry products, along with a strong recovery in non-dental sales were offset by lower sales in dental laboratory and dental consumable small equipment products.

Europe

During 2010, net sales, excluding precious metal content, increased 3.7% in Europe on a constant currency basis, including 2.9% internal growth and acquisition growth of 0.8%. Internal sales growth was primarily driven by growth in the dental consumables, dental specialty and non-dental products and a business recovery in the CIS markets, which experienced customer liquidity constraints during 2009. These gains were partially offset by lower sales in the dental laboratory products.

All Other Regions

During 2010, net sales, excluding precious metal content, increased 4.7% across all other regions on a constant currency basis, including 4.1% internal growth and acquisition growth of 0.6%. Internal sales growth was driven primarily by growth in dental specialty products, as well as increases for dental consumable and non-dental products.

Gross Profit

(in millions)	Year Ended December 31,		\$ Change	% Change
	2010	2009		
Gross profit	\$ 1,130.2	\$ 1,106.4	\$ 23.8	2.2%
Gross profit as a percentage of net sales, including precious metal content	50.9%	51.2%		
Gross profit as a percentage of net sales, excluding precious metal content	55.6%	55.6%		

Gross profit as a percentage of net sales, excluding precious metal content, was flat during 2010 compared to 2009. Product price increases and cost containment across the Company's product distribution function were offset by unfavorable product mix and negative foreign currency movements.

Expenses

Selling, General and Administrative ("SG&A") Expenses

(in millions)	Year Ended December 31,		\$ Change	% Change
	2010	2009		
SG&A expenses	\$ 738.9	\$ 718.2	\$ 20.7	2.9%
SG&A expenses as a percentage of net sales, including precious metal content	33.3%	33.3%		
SG&A expenses as a percentage of net sales, excluding precious metal content	36.4%	36.1%		

The increase in SG&A expenses as a percentage of net sales, excluding precious metal content, from 2009 to 2010 was primarily due to new investments in certain businesses, increased spending in support of new product introductions, reinstatement of annual salary increases and increases in certain discretionary spending categories, such as travel expenses, partially offset by benefits from expense reductions in other areas of the business. The Company continues to maintain its focus on reducing costs and achieving operational efficiencies through the consolidation of operations or functions where opportunities exist.

Restructuring and Other Costs

(in millions)	Year Ended December 31,		\$ Change	% Change
	2010	2009		
Restructuring and other costs	\$ 11.0	\$ 6.9	\$ 4.1	NM

NM- not meaningful

The Company recorded net restructuring and other costs of \$11.0 million in 2010 compared to \$6.9 million in 2009. The Company incurred \$5.8 million of costs related to several restructuring plans. These costs consist of employee severance benefits, payments due under operating contracts and other restructuring costs. The restructuring plans related to the continued effort to streamline the Company's operations to better leverage the Company's resources by reducing costs and obtaining operational efficiencies. Additionally the Company recorded certain other costs of \$5.2 million of which \$3.7 million was related to legal matters.

In 2009, the Company incurred \$5.9 million of costs related to several restructuring plans in response to the worldwide economic crisis that began in late 2008. The restructuring plans related to the closure and/or consolidation of certain production and selling facilities in the United States, Europe and South America to better leverage the Company's resources by reducing costs and obtaining operational efficiencies. Additionally, the Company executed targeted reductions in workforce both in the manufacturing and non-manufacturing business functions in certain locations. Also, the Company recorded certain other costs related to legal matters and an impairment of an intangible asset.

Other Income and Expenses

(in millions)	Year Ended December 31,		
	2010	2009	\$ Change
Net interest expense	\$ 20.8	\$ 16.9	\$ 3.9
Other expense, net	1.8	1.0	0.8
Net interest and other expense	\$ 22.6	\$ 17.9	\$ 4.7

Net Interest Expense

The change in net interest expense in 2010 compared to 2009, for the year ended December 31, was mainly the result of higher average debt levels in the U.S., and lower cash levels due as a result of stock repurchases and investments in acquisitions combined with weaker average euro exchange and lower average euro interest rates on higher average euro cash balances. Interest income decreased \$0.7 million on lower average interest rates on euro investment balances which were 50 basis points lower in the current year than the prior year and the U.S. dollar was 7% stronger against the euro. Interest expense increased \$3.2 million on higher average debt partially offset by lower interest rate difference on net investment hedges. The impact of the Company's net investment hedges typically move in the opposite direction of currency movements, reducing some of the volatility caused by movement in exchange rates on the Company's income and equity.

Other Expense, Net

Other expense in the 2010 period included approximately \$3.3 million of currency transaction losses and \$1.5 million of other non-operating income. The 2009 period included \$0.3 million of currency transaction losses and \$0.7 million of other non-operating costs.

Income Taxes and Net Income

(in millions, except per share amounts)	Year Ended December 31,		\$ Change
	2010	2009	
Effective income tax rate	25.0%	24.5%	
Equity in net loss of unconsolidated affiliated company	\$ (1.1)	\$ —	\$ (1.1)
Net income attributable to noncontrolling interests	\$ 1.6	\$ 0.2	\$ 1.4
Net income attributable to DENTSPLY International	\$ 265.7	\$ 274.3	\$ (8.6)
Diluted earnings per common share	\$ 1.82	\$ 1.83	

Income Taxes

The Company's effective income tax rates for 2010 and 2009 were 25.0% and 24.5%, respectively. In 2010, the Company's effective income tax rate included the impact of restructuring and other costs, acquisition related activity, provisions for a credit risk adjustment to outstanding derivatives and various income tax adjustments, which impacted income before income taxes and the provision for income taxes by \$14.9 million and \$3.3 million, respectively. In 2009, the Company's effective income tax rate included the impact of restructuring and other costs, acquisition related activity and various income tax adjustments, which impacted income before income taxes and the provision for income taxes by \$11.0 million and \$8.8 million, respectively. In 2009, various income tax adjustments included the impact of settlements with taxing authorities and statutes closures.

Equity in net loss of unconsolidated affiliated company

The Company's 16% ownership investment of DIO Corporation on December 9, 2010 resulted in a net loss of \$1.1 million on an after-tax basis for 2010. The net loss of DIO was the result of mark-to-market charges related to the derivative accounting for the convertible bonds issued by DIO to DENTSPLY. The Company's portion of the mark-to-market net loss incurred by DIO was approximately \$1.1 million.

Net income attributable to noncontrolling interests

The portion of consolidated net income attributable to noncontrolling interests increased \$1.4 million from 2009 to 2010.

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

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

(in thousands, except per share amounts)	Year Ended December 31, 2010	
	Income (Expense)	Per Diluted Common Share
Net income attributable to DENTSPLY International	\$ 265,708	\$ 1.82
Restructuring and other costs, net of tax and noncontrolling interests	7,138	0.05
Amortization on purchased intangible assets, net of tax	5,990	0.04
Acquisition related activities, net of tax and noncontrolling interests	2,152	0.01
Loss on derivative at an unconsolidated affiliated company	1,131	0.01
Income tax related adjustments	1,073	0.01
Credit risk adjustment to outstanding derivatives, net of tax	732	—
Adjusted non-US GAAP earnings	<u>\$ 283,924</u>	<u>\$ 1.94</u>

(in thousands, except per share amounts)	Year Ended December 31, 2009	
	Income (Expense)	Per Diluted Common Share
Net income attributable to DENTSPLY International	\$ 274,258	\$ 1.83
Amortization on purchased intangible assets, net of tax	6,973	0.05
Restructuring and other costs, net of tax and noncontrolling interests	5,075	0.03
Acquisition related activities, net of tax and noncontrolling interests	1,830	0.01
Income tax related adjustments	(5,423)	(0.03)
Rounding	—	(0.01)
Adjusted non-US GAAP earnings	<u>\$ 282,713</u>	<u>\$ 1.88</u>

Operating Segment Results

Net Sales, Excluding Precious Metal Content

(in millions)	Year Ended December 31,			
	2010	2009	\$ Change	% Change
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 526.8	\$ 526.7	\$ 0.1	—
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ 445.6	\$ 436.8	\$ 8.8	2.0 %
Canada/Latin America/Endodontics/ Orthodontics	\$ 662.6	\$ 618.4	\$ 44.2	7.1 %
Dental Laboratory Business/ Implants/Non-Dental	\$ 400.1	\$ 412.2	\$ (12.1)	(2.9)%

Segment Operating Income

(in millions)

	Year Ended December 31,		\$ Change	% Change
	2010	2009		
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 176.1	\$ 158.4	\$ 17.7	11.2 %
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ 17.2	\$ 19.7	\$ (2.5)	(12.7)%
Canada/Latin America/Endodontics/ Orthodontics	\$ 195.8	\$ 185.8	\$ 10.0	5.4 %
Dental Laboratory Business/ Implants/Non-Dental	\$ 83.4	\$ 92.6	\$ (9.2)	(9.9)%

U.S., Germany and Certain Other European Regions Consumable Businesses

Net sales, excluding precious metal content, were unchanged between the years ended December 31, 2010 and 2009. On a constant currency basis, net sales, excluding precious metals content, increased 1.6%, which included positive endodontic sales and dental consumable product sales, excluding small equipment, where 2009 was favorably impacted by increased net sales from promotional activities.

Operating income increased \$17.7 million during the year ended December 31, 2010 compared to 2009. Operating income was positively impacted by gross profit, which was a result of higher net sales in European consumables markets, improved manufacturing performance and an increase in sales price. Additionally, the 2009 results included a roll-off of inventory step-up related to acquisitions of \$4 million. Operating income was further helped by a \$6 million decrease in selling, general and administrative expenses for 2010, of which half was due to foreign currency translation.

France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses

Net sales, excluding precious metal content, increased \$8.8 million, or 2.0%, during the year ended December 31, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, increased \$8.6 million, or 2.0%. This increase is primarily related to the continuing business recovery in the CIS markets.

Operating income decreased \$2.5 million during the year ended December 31, 2010 compared to 2009. The decrease was primarily attributable to \$4 million higher expenses for certain investments in emerging markets partially offset by an increase of \$1.5 million in gross profit, primarily due to foreign currency translation.

Canada/Latin America/Endodontics/Orthodontics

Net sales, excluding precious metal content, increased \$44.2 million, or 7.1%, during the year ended December 31, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, increased by 5.5% primarily driven by dental specialty and non-dental products. In addition, the 5.5% of constant currency growth included 1.1% of acquisition growth.

Operating income increased \$10.0 million during the year ended December 31, 2010 compared to 2009. The increase was driven by a \$25 million increase in gross profit which was primarily from the endodontics business, as well as favorable impacts from foreign currency translation. Offsetting this increase in gross profit was a \$15 million increase in selling, general and administrative costs, which included incremental investments to promote certain dental specialty products, the negative impact of foreign currency translation and increased expenses in the Latin America businesses.

Dental Laboratory Business/Implants/Non-Dental

Net sales, excluding precious metal content, decreased \$12.1 million, or 2.9%, during the year ended December 31, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content were flat as growth in the dental

implant and non-dental businesses was offset by the dental laboratory business.

Operating income decreased \$9.2 million during the year ended December 31, 2010 compared to 2009, primarily due to lower operating income in the dental laboratory business.

CRITICAL ACCOUNTING JUDGMENTS AND POLICIES

The preparation of the Company's consolidated financial statements in conformity with US GAAP requires the Company to make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and such differences may be material to the consolidated financial statements. The process of determining significant estimates is fact specific and takes into account factors such as historical experience, current and expected economic conditions, product mix and in some cases, actuarial techniques. The Company evaluates these significant factors as facts and circumstances dictate. Some events as described below could cause results to differ significantly from those determined using estimates. The Company has identified below the accounting estimates believed to be critical to its business and results of operations.

Inventories

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

Business Acquisitions

The Company acquires businesses as well as partial interests in businesses. Acquired businesses are accounted for using the acquisition method of accounting which requires the Company to record assets acquired and liabilities assumed at their respective fair values with the excess of the purchase price over estimated fair values recorded as goodwill. The assumptions made in determining the fair value of acquired assets and assumed liabilities as well as asset lives can materially impact the results of operations.

The Company obtains information during due diligence and through other sources to get respective fair values. Examples of factors and information that the Company uses to determine the fair values include: tangible and intangible asset evaluations and appraisals; evaluations of existing contingencies and liabilities and product line integration information. If the initial valuation for an acquisition is incomplete by the end of the quarter in which the acquisition occurred, the Company will record a provisional estimate in the financial statements. The provisional estimate will be finalized as soon as information becomes available but will only occur up to one year from the acquisition date.

Goodwill and Other Long-Lived Assets

Goodwill and Indefinite-Lived Assets

The Company follows the accounting standards for goodwill and indefinite-lived intangibles, which require an annual test for impairment to goodwill using a fair value approach. In addition to minimum annual impairment tests, the Company also requires that impairment assessments be made more frequently if events or changes in circumstances indicate that the goodwill or indefinite-lived assets might be impaired. If impairment related to goodwill is identified, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill. If the carrying amount of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized.

Other Long-Lived Assets

Other long-lived assets, such as definite-lived intangible assets and fixed assets, are amortized or depreciated over their estimated useful lives. In accordance with US GAAP, these assets are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable based upon an evaluation of the identifiable undiscounted cash flows. If impaired based on the identifiable undiscounted cash flows, the asset's fair value is

determined using the discounted cash flow and market participant assumptions. The resulting charge reflects the excess of the asset's carrying cost over its fair value.

Impairment Assessment

Assessment of the potential impairment of goodwill and other long-lived assets is an integral part of the Company's normal ongoing review of operations. Testing for potential impairment of these assets is significantly dependent on numerous assumptions and reflects management's best estimates at a particular point in time. The dynamic economic environments in which the Company's businesses operate and key economic and business assumptions with respect to projected selling prices, increased competition and introductions of new technologies can significantly affect the outcome of impairment tests. Estimates based on these assumptions may differ significantly from actual results. Changes in factors and assumptions used in assessing potential impairments can have a significant impact on the existence and magnitude of impairments, as well as the time at which such impairments are recognized. If there are unfavorable changes in these assumptions, particularly changes in the Company's discount rates, earnings multiples and future cash flows, the Company may be required to recognize impairment charges. Information with respect to the Company's significant accounting policies on goodwill and other long-lived assets are included in Note 1, Significant Accounting Policies, to the consolidated financial statements.

Litigation

The Company and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company records liabilities when a loss is probable and can be reasonably estimated. These estimates are typically in the form of ranges, and the Company records the liabilities at the low point of the ranges, when no other point within the ranges are a better estimate of the probable loss. The ranges established by management are based on analysis made by internal and external legal counsel who consider information known at the time. If the Company determines a liability to be only reasonably possible, it considers the same information to estimate the possible exposure and discloses any material potential liability. These loss contingencies are monitored regularly for a change in fact or circumstance that would require an accrual adjustment. The Company believes it has estimated liabilities for probable losses well in the past; however, the unpredictability of litigation and court decisions could cause a liability to be incurred in excess of estimates. Legal costs related to these lawsuits are expensed as incurred.

Income Taxes

Income taxes are determined using the liability method of accounting for income taxes. The Company's tax expense includes the U.S. and international income taxes plus the provision for U.S. taxes on undistributed earnings of international subsidiaries not deemed to be permanently invested.

The Company applies a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company recognizes in the 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.

Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes. Deferred tax assets are recognized if it is more likely than not that the assets will be realized in future years. The Company establishes a valuation allowance for deferred tax assets for which realization is not likely. As of December 31, 2011, the Company recorded a valuation allowance of \$71.8 million against the benefit of certain deferred tax assets of foreign and domestic subsidiaries.

The Company operates within multiple taxing jurisdictions and in the normal course of business is examined in various jurisdictions. The reversal of accruals is recorded when examinations are completed, statutes of limitation are closed or tax laws are changed.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities during the year ended December 31, 2011 were \$393.5 million compared to \$377.5 million during the year ended December 31, 2010. The increase of \$16.0 million in operating cash flow in the 2011 period compared to 2010 is depressed by certain adjustments in the period relating to the Astra Tech acquisition, legal settlements and other items. Improvements in inventory of \$30.8 million and accrued liabilities of \$40.3 million were offset by an increase in accounts receivable of \$3.6 million and decreased tax liabilities of \$80.2 million in 2011 when compared to 2010. As a result of the Astra Tech purchase, the Company's cash, cash equivalents and short-term investments decreased by \$462.9 million during the year ended December 31, 2011 to \$77.1 million.

For the years ended December 31, 2011 and 2010, the number of days for sales outstanding in accounts receivable, on a constant currency basis, was unchanged at 54 days. On a constant currency basis, the number of days of sales in inventory was unchanged at 100 days for the years ended December 31, 2011 and 2010.

Investing activities during 2011 include capital expenditures of \$71.2 million. Investments of \$1.8 billion relate to the acquisition of Astra Tech and several smaller dental product businesses. Financing activity includes \$19.1 million during 2011 to acquire the remaining shares of two non-controlling interests in subsidiaries and a contingent payment on a previous acquisition.

At December 31, 2011, the Company had authorization to maintain up to 34.0 million shares of treasury stock under its stock repurchase program as approved by the Board of Directors. Under this program, the Company purchased approximately 2.2 million shares, or approximately 1.5% of average diluted shares outstanding, during 2011 at an average price of \$36.34. As of December 31, 2011 and 2010, the Company held 21.1 million and 21.0 million shares of treasury stock, respectively. The Company also received proceeds of \$42.3 million primarily as a result of 1.9 million stock option exercises during the year ended December 31, 2011.

DENTSPLY's total long-term debt, including the current portion, at December 31, 2011 and 2010 was \$1,491.4 million and \$606.5 million, respectively. The Company's long-term borrowings increased by a net of \$884.9 million during the year ended December 31, 2011. This net change included a net increase in borrowings of \$876.9 million during the year ended 2011, plus an increase of \$8.0 million due to exchange rate fluctuations on debt denominated in foreign currencies. During the year ended December 31, 2011, the Company's ratio of long-term debt, including the current portion, to total capitalization increased to 44.2% compared to 24.1% at December 31, 2010. DENTSPLY defines total capitalization as the sum of total long-term debt, including the current portion, plus total equity.

On April 4, 2011, the Company entered into a group of 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 Note ("Note") to variable rate based upon three month LIBOR for a term of five years ending February 2016. The notional value of the swaps will decline proportionately as portions of the Note come due. These interest rate swaps are designated as fair value hedges of the interest rate risk associated with the hedged portion of the fixed rate Note. Accordingly, the Company will carry the portion of the hedged debt at fair value, with the change in debt and swap offsetting each other in the consolidated statements of operations.

On June 24, 2011, the Company entered into a \$500.0 million T-Lock which was closed out August 19, 2011, to hedge the base rate interest variability exposure of the Company's then planned ten year bond issuance. The T-Lock was cash settled for a payment of \$34.6 million, of which \$3.8 million was deemed ineffective and expensed in the current period, while \$30.8 million remained effective on the Company's issuance of \$450.0 million ten year bonds. The effective portion of the fair value is recognized in AOCI. As interest is accrued on the bond in the future, the Company will release the pro rata amount in AOCI into interest expense on the consolidated statements of operations.

On July 27, 2011, the Company entered into a new Revolving Credit Agreement to replace the 2010 Revolving Credit Agreement dated May 7, 2010, that had provided for a multi-currency revolving credit facility in an aggregate amount of up to \$200.0 million through May 7, 2013. The new Credit Agreement provides for a new five-year, \$500.0 million multi-currency revolving credit facility through July 27, 2016 (the "Facility") to provide working capital from time to time for the Company and for other general corporate purposes. The Facility is unsecured and contains certain affirmative and negative covenants relating to the Company's operations and financial condition, including prescribed leverage and interest coverage ratios. The Facility contains customary events of default. Upon the occurrence of an event of default, all outstanding borrowings under the Credit Agreement may be accelerated and become immediately due and payable. In connection with this transaction, the Company paid in full all outstanding revolving loans, together with interest and all other amounts due in connection with such repayment, under the 2010 Revolving Credit Agreement. At December 31, 2011 outstanding borrowings, in the form of issued commercial paper, were \$266.8 million under the multi-currency revolving facility.

On August 23, 2011, the Company issued \$1.0 billion of senior unsecured notes to partially finance the Astra Tech acquisition. The notes were issued in three tranches; \$250.0 million two-year floating rate notes at a variable rate of three month USD LIBOR plus 1.5%, \$300.0 million five-year fixed rate notes with a semi-annual coupon of 2.75%, and \$450.0 million ten-year fixed rate notes with a semi-annual coupon of 4.125%. Underwriting fees and discounts totaled \$7.6 million resulting in net proceeds of \$992.4 million. The bonds are rated BBB+ by Standard and Poor's(S&P) and Baa2 by Moody's Investors Service (Moody's).

On August 24, 2011, the Company amended its Corporate Commercial Paper Program, increasing the facility to a total of \$500.0 million and adding a second dealer, JPMorgan Securities LLC, in addition to Citigroup Global Markets Inc. The commercial paper facility is unsecured and is rated A-2 and P-2 by S&P and Moody's, respectively. The Company issued \$175.0 million on

August 30, 2011 to partly finance the acquisition of Astra Tech.

On August 31, 2011, the Company closed on an additional \$250.0 million committed 364-day Revolving Credit Agreement to partially backstop its commercial paper facility. The Facility is unsecured and contains certain affirmative and negative covenants relating to the Company's operations and financial condition, including prescribed leverage and interest coverage ratios. The Facility contains customary events of default. Upon the occurrence of an event of default, all outstanding borrowings under the Credit Agreement may be accelerated and become immediately due and payable.

On September 1, 2011, the Company refinanced the 65.0 million Swiss franc five-year term loan with PNC Bank which was due March 1, 2012. The new loan bears interest at Swiss franc three-month LIBOR plus 1.125% spread and is due September 1, 2016. The loan is designated as a hedge of net investment in the Company's Switzerland based operations. The loan is unsecured and contains certain affirmative and negative covenants relating to the Company's operations and financial condition, including prescribed leverage and interest coverage ratios. The facility contains customary events of default. Upon the occurrence of an event of default, all outstanding borrowings under the Credit Agreement may be accelerated and become immediately due and payable. The Company simultaneously entered into a pay fixed - receive variable interest rate swap with PNC Bank to fix the Swiss franc interest rate at 0.7% for the five-year term of the loan. The interest rate swap is designated as a cash flow hedge of the base interest rate risk on the Swiss loan. The refinanced loan also had an interest rate swap designated as a cash flow hedge which was cash settled upon early termination for a payment of \$1.8 million, reported in other income (expense), net in the consolidated statement of operations during the quarter ended September 30, 2011.

On September 28, 2011, the Company refinanced the 12.5 billion Japanese yen three-year term loan with a syndicate of Japanese lenders arranged by Bank of Tokyo Mitsubishi Trust Company ("BTMU") which was due March 28, 2012. The new loan bears interest at Japanese yen three month LIBOR plus 0.90% spread and is due September 29, 2014. The loan is designated as a hedge of our net investment in our Japanese based operations. The loan is unsecured and contains certain affirmative and negative covenants relating to the Company's operations and financial condition, including prescribed leverage and interest coverage ratios. The Facility contains customary events of default. Upon the occurrence of an event of default, all outstanding borrowings under the Credit Agreement may be accelerated and become immediately due and payable. The Company simultaneously entered into two pay fixed - receive variable interest rate swaps with Citibank NA and BTMU to fix the Japanese yen interest rate at 0.2% for the three-year term of the loan. The interest rate swaps are designated as cash flow hedges of the base interest rate risk on the Japanese loan. The refinanced loan also had an interest rate swap designated as a cash flow hedge which was cash settled upon early termination for an a payment of \$1.1 million, reported in other income(expense), net during the quarter ended September 30, 2011.

Effective November 18, 2011, the Company extended the Swiss franc 80.4 million maturing cross currency basis swaps until November 18, 2014. This Net Investment Hedge was traded at an exchange rate of 0.9182 franc per dollar which resulted in additional cash investment of \$23.1 million into the hedge value. The Company will receive three-month USD LIBOR and pays three-month Swiss franc LIBOR minus 44.5 basis points.

The Company also has access to \$65.1 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 December 31, 2011, \$8.5 million was outstanding under these short-term lines of credit. At December 31, 2011, the Company had total unused lines of credit related to the revolving credit agreement and the uncommitted short-term lines of credit of \$548.2 million.

At December 31, 2011, the Company held \$136.8 million of precious metals on consignment from several financial institutions. These 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.

The following table presents the Company's scheduled contractual cash obligations at December 31, 2011:

Contractual Obligations

(in thousands)

	Less Than 1 Year	1-3 Years	3-5 Years	Greater Than 5 Years	Total
Long-term borrowings	\$ 1,409	\$ 489,856	\$ 546,745	\$ 450,796	\$ 1,488,806
Operating leases	38,946	46,630	29,267	27,416	142,259
Interest on long-term borrowings, net					
of interest rate swap agreements	46,850	79,604	57,366	85,945	269,765
Postretirement obligations	9,841	22,848	23,767	71,864	128,320
Cross currency swaps	13,790	165,825	—	—	179,615
Precious metal consignment agreements	136,849	—	—	—	136,849
	<u>\$ 247,685</u>	<u>\$ 804,763</u>	<u>\$ 657,145</u>	<u>\$ 636,021</u>	<u>\$ 2,345,614</u>

Due to the uncertainty with respect to the timing of future cash flows associated with the Company's unrecognized tax benefits at December 31, 2011, the Company is unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authority. Therefore, \$21.9 million of the unrecognized tax benefit has been excluded from the contractual obligations table above (See Note 12, Income Taxes, to the consolidated financial statements).

The Company expects on an ongoing basis to be able to finance cash requirements, including capital expenditures, stock repurchases, debt service, operating leases and potential future acquisitions, from the current cash, cash equivalents and short-term investment balances, funds generated from operations and amounts available under its existing credit facilities, which is further discussed in Note 10, Financing Arrangements, to the consolidated financial statements. As noted in the Company's consolidated statements of cash flows, the Company continues to generate strong cash flows from operations, which is used to finance the Company's activities.

NEW ACCOUNTING PRONOUNCEMENTS

Refer to Note 1, Significant Accounting Policies, to the Consolidated Financial Statements for a discussion of recent accounting guidance and pronouncements.

Item 7A.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

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

Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. The Company believes the carrying amounts of cash and cash equivalents, short-term investments, 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 its total long term-debt, including the current portion of long-term debt, was \$1,512.5 million and \$1,491.4 million, respectively, as of December 31, 2011. As of December 31, 2010, the fair value and carrying value of its long-term debt, including the current portion of long-term debt was \$611.2 million and \$606.5 million, respectively. The interest

rate on the \$450.0 million Senior Notes, the \$300.0 million Senior Notes, and the \$250.0 million Private Placement Notes are fixed rates of 4.1%, 2.8%, and 4.1%, respectively, and their fair value is based on the market interest rates as of December 31, 2011. 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. At December 31, 2011, an increase of 1.0% in the interest rate on the variable interest rate debt would increase the Company's interest expense by approximately \$6.3 million. The following table shows the Company's principal outstanding debt amounts and the associated weighted average interest rates as of December 31, 2011.

Financial Instruments

EXPECTED MATURITY DATES

(in thousands)							December 31, 2011	
	2012	2013	2014	2015	2016	2017 and beyond	Carrying Value	Fair Value
Notes Payable:								
U.S. dollar denominated	\$ 267,755	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 267,755	\$ 267,755
Average interest rate	0.5%						0.5%	
Taiwan dollar denominated	135	—	—	—	—	—	135	135
Average interest rate	—%						—%	
Euro denominated	2,468	—	—	—	—	—	2,468	2,468
Average interest rate	3.3%						3.3%	
Brazilian real denominated	4,934	—	—	—	—	—	4,934	\$ 4,934
Average interest rate	14.0%						14.0%	
Total Notes Payable	\$ 275,292	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 275,292	\$ 275,292
Average interest rates	0.8%						0.8%	
Current Portion of Long-term Debt:								
Brazilian real denominated	\$ 84	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 84	\$ 84
Average interest rate	11.0%						11.0%	
Euro denominated	1,325	—	—	—	—	—	1,325	1,325
Average interest rate	2.3%						2.3%	
Total Current Portion of Long-Term Debt	\$ 1,409	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,409	\$ 1,409
Average interest rates	2.8%						2.8%	
Long-Term Debt:								
U.S. dollar denominated	\$ —	\$ 250,000	\$ 76,367	\$ 101,805	\$ 375,957	\$ 448,497	\$ 1,252,626	\$ 1,273,750
Average interest rate		2.0%	4.1%	4.1%	3.0%	4.1%	3.4%	
Swiss franc denominated	—	—	—	—	69,197	—	69,197	69,197
Average interest rate					1.2%		1.2%	
Brazilian real denominated	—	—	—	—	1,392	—	1,392	1,392
Average interest rate					6.6%		6.6%	
Japanese yen denominated	—	—	162,956	—	392	27	163,375	163,375
Average interest rate			1.1%		5.8%	4.0%	1.1%	
Euro denominated	—	1,416	561	370	303	770	3,420	3,420
Average interest rate		2.8%	3.2%	3.2%	3.2%	3.2%	3.0%	
Total Long-Term Debt, net current portion	\$ —	\$ 251,416	\$ 239,884	\$ 102,175	\$ 447,241	\$ 449,294	\$ 1,490,010	\$ 1,511,134
Average interest rates		2.0%	2.1%	4.1%	2.8%	4.1%	3.0%	

Derivative Financial Instruments

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

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 forward foreign exchange contracts as cash flow hedges. As a result, the Company records the fair value of the contract primarily through AOCI based on the tested effectiveness of the forward foreign exchange 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 statement of operations in the same period that the hedged transaction is recorded. Any time value component of the hedge fair value is deemed ineffective and will be reported currently in "Other expense (income), net" in the period which it is applicable. Any cash flows associated with these instruments are included in cash from operations in accordance with the Company's policy of classifying the cash flows from these instruments in the same category as the cash flows from the items being hedged.

The Company has numerous investments in foreign subsidiaries. The net assets of these subsidiaries are exposed to volatility in currency exchange rates. Currently, the Company uses both non-derivative financial instruments, including foreign currency denominated debt held at the parent company level and derivative financial instruments to hedge some of this exposure. Translation gains and losses related to the net assets of the foreign subsidiaries are offset by gains and losses in the non-derivative and derivative financial instruments designated as hedges of net investments, which are included in accumulated other comprehensive income.

During the third quarter of 2011, the Company entered into five new cross currency basis swaps totaling 260.0 million euros (the "Euro Swaps"). The Euro Swaps mature in October 2013, and the Company pays three-month Euro Inter-Bank Offered Rate ("EURIBOR") minus 52.75 basis points on EUR 260.0 million and receives three month U.S. dollar LIBOR on \$350.9 million. During the fourth quarter of 2011, the Company entered into three new cross currency basis swaps totaling 80.4 million Swiss franc (the "Swiss Swaps"). The Swiss Swaps mature in November 2014, and the Company pays three-month Swiss franc London Inter-Bank Offered Rate ("LIBOR") minus 44.5 basis points on Swiss francs 80.4 million and receives three-month U.S. dollar LIBOR on \$87.6 million. The new contracts were entered into to replace maturing contracts. The Swiss franc and Euro cross currency interest rate swaps are designated as net investment hedges of the Swiss and Euro denominated net assets. The interest rate differential is recognized in the earnings as "Interest income" or "Interest expense" as it is accrued. The foreign currency revaluation is recorded in AOCI, net of tax effects.

At December 31, 2011 and 2010, the Company had Swiss franc-denominated and Japanese yen-denominated debt and cross currency basis swaps denominated in euro and Swiss franc to hedge the currency exposure related to a designated portion of the net assets of its European, Swiss and Japanese subsidiaries. The fair value of the cross currency interest rate swap agreements is the estimated amount the Company would (pay) receive at the reporting date, taking into account the effective interest rates and foreign exchange rates. As of December 31, 2011 and December 31, 2010, the estimated net fair values of the cross currency interest rate swap agreements were a liability of \$111.9 million and a liability of \$169.1 million, respectively, which are recorded in accumulated other comprehensive income, net of tax effects. At December 31, 2011 and 2010, the accumulated translation gain (loss) on investments in foreign subsidiaries, primarily denominated in Euros, Swiss francs, Japanese yen and Swedish krona, net of these net investment hedges, were \$134.2 million in losses and \$45.4 million in gains, respectively, which were included in AOCI, net of tax effects.

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. As of December 31, 2011, the Company has two groups of significant interest rate swaps. One of the groups of swaps has notional amounts totaling 12.6 billion Japanese yen, and effectively converts the underlying variable interest rates to an average fixed interest rate of 0.2% for a term of three- years, ending in September 2014. Another swap has a notional amount of 65.0 million Swiss francs, and effectively converts the underlying variable interest rates to a fixed interest rate of 0.7% for a term of five- years, ending in September 2016.

On June 24, 2011 the Company entered into a \$500.0 million Treasury Rate Lock ("T-Lock") , which was terminated on August 19, 2011, to hedge the base rate interest variability exposure of the Company's planned ten year bond issuance. The T-Lock was cash settled for a payment of \$34.6 million, of which \$3.8 million was deemed ineffective and expensed in the current period, while \$30.8 million remained effective on the Company's issuance of \$450.0 million ten year bonds. The effective portion of the hedge is recognized in AOCI. As interest is accrued on the bond in the future, the Company will release the pro rata amount in AOCI into interest expense on the consolidated statements of operations.

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.

Commodity Risk Management

The Company selectively enters into commodity swaps to effectively fix certain variable raw material costs. These swaps are used purely to stabilize the cost of components used in the production of certain of the Company's products. The Company generally accounts for the commodity swaps as cash flow hedges. As a result, the Company records the fair value of the swap primarily through AOCI based on the tested effectiveness of the commodity swap. 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 statement of operations in the same period that the hedged transaction is recorded. Any time value component of the hedge fair value is deemed ineffective and will be reported currently in "Interest expense" in the period which it is applicable. Any cash flows associated with these instruments are included in cash from operations in accordance with the Company's policy of classifying the cash flows from these instruments in the same category as the cash flows from the items being hedged.

At December 31, 2011, the Company had swaps in place to purchase 1,126 troy ounces of platinum bullion for use in production at an average fixed rate of \$1,527 per troy ounce. In addition, the Company had swaps in place to purchase 125,058 troy ounces of silver bullion for use in production at an average fixed rate of \$28 per troy ounce.

Off Balance Sheet Arrangements

Consignment Arrangements

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

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

At December 31, 2011, the Company had 134,657 troy ounces of precious metal, primarily gold, platinum and palladium, on consignment for periods of less than one year with a market value of \$136.8 million. Under the terms of the consignment agreements, the Company also makes compensatory payments to the consignor banks based on a percentage of the value of the consigned precious metals inventory. At December 31, 2011, the average annual rate charged by the consignor banks was 0.63%. These compensatory payments are considered to be a cost of the metals purchased and are recorded as part of the cost of products sold.

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities and Exchange Act of 1934, as amended. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. A Company's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

Management of the Company has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2011. In making its assessment, management used the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on its assessment management concluded that, as of December 31, 2011, the Company's internal control over financial reporting was effective based on the criteria established in *Internal Control - Integrated Framework* issued by the COSO.

The scope of management's assessment of the effectiveness of internal control over financial reporting includes all of the Company's consolidated operations except for the operations of Astra Tech AB ("Astra Tech"), which the Company acquired through a purchase business combination during the year ended December 31, 2011. Astra Tech represents approximately \$207.1 million of the Company's consolidated revenues for the year ended December 31, 2011 and \$1.1 billion (this excludes goodwill arising from the acquisition accounting of Astra Tech because controls relating to goodwill were included in our assessment) of the Company's consolidated total assets as of December 31, 2011.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2011 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which appears herein.

/s/ Bret W. Wise
Bret W. Wise
Chairman of the Board and
Chief Executive Officer
February 24, 2012

/s/ William R. Jellison
William R. Jellison
Senior Vice President and
Chief Financial Officer
February 24, 2012

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
of DENTSPLY International Inc.

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of DENTSPLY International Inc. and its subsidiaries at December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and the financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in "Management's Report on Internal Control over Financial Reporting" appearing under Item 15(a)(1). Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Astra Tech AB ("Astra Tech") from its assessment of internal control over financial reporting as of December 31, 2011 because it was acquired by the Company in a purchase business combination during 2011. We have also excluded Astra Tech from our audit of internal control over financial reporting. Astra Tech is a wholly-owned subsidiary whose total assets and total revenues represent \$1.1 billion and \$207.1 million, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2011.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 24, 2012

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

	Year Ended December 31,		
	2011	2010	2009
Net sales	\$ 2,537,718	\$ 2,221,014	\$ 2,159,378
Cost of products sold	1,264,278	1,090,856	1,053,015
Gross profit	1,273,440	1,130,158	1,106,363
Selling, general and administrative expenses	936,847	738,901	718,230
Restructuring and other costs	35,865	10,984	6,890
Operating income	300,728	380,273	381,243
Other income and expenses:			
Interest expense	43,814	25,089	21,896
Interest income	(9,456)	(4,254)	(5,032)
Other expense (income), net	10,259	1,782	1,023
Income before income taxes	256,111	357,656	363,356
Provision for income taxes	11,016	89,225	88,944
Equity in net income (loss) of unconsolidated affiliated company	2,351	(1,096)	—
Net income	247,446	267,335	274,412
Less: Net income attributable to noncontrolling interests	2,926	1,627	154
Net income attributable to DENTSPLY International	\$ 244,520	\$ 265,708	\$ 274,258
Earnings per common share:			
Basic	\$ 1.73	\$ 1.85	\$ 1.85
Diluted	\$ 1.70	\$ 1.82	\$ 1.83
Weighted average common shares outstanding:			
Basic	141,386	143,980	148,319
Diluted	143,553	145,985	150,102

The accompanying notes are an integral part of these financial statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31,	
	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	\$ 77,128	\$ 540,038
Accounts and notes receivable-trade, net	427,709	344,796
Inventories, net	361,762	308,738
Prepaid expenses and other current assets	146,304	121,473
Total Current Assets	1,012,903	1,315,045
Property, plant and equipment, net	591,445	423,105
Identifiable intangible assets, net	791,100	78,743
Goodwill, net	2,190,063	1,303,055
Other noncurrent assets, net	169,887	138,003
Total Assets	\$ 4,755,398	\$ 3,257,951
Liabilities and Equity		
Current Liabilities:		
Accounts payable	\$ 149,117	\$ 114,479
Accrued liabilities	289,201	224,745
Income taxes payable	9,054	13,113
Notes payable and current portion of long-term debt	276,701	7,754
Total Current Liabilities	724,073	360,091
Long-term debt	1,490,010	604,015
Deferred income taxes	249,822	72,489
Other noncurrent liabilities	407,342	311,444
Total Liabilities	2,871,247	1,348,039
Commitments and contingencies		
Equity:		
Preferred stock, \$.01 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 December 31, 2011 and 2010, respectively	1,628	1,628
Capital in excess of par value	229,687	204,902
Retained earnings	2,535,709	2,320,350
Accumulated other comprehensive income	(190,970)	24,156
Treasury stock, at cost, 21.1 million shares at December 31, 2011 and 21.0 million shares at December 31, 2010	(727,977)	(711,650)
Total DENTSPLY International Equity	1,848,077	1,839,386
Noncontrolling Interests	36,074	70,526
Total Equity	1,884,151	1,909,912
Total Liabilities and Equity	\$ 4,755,398	\$ 3,257,951

The accompanying notes are an integral part of these financial statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY AND COMPREHENSIVE INCOME

(in thousands)

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total DENTSPLY International Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2008	\$ 1,628	\$ 187,154	\$ 1,838,958	\$ 39,612	\$ (479,630)	\$ 1,587,722	\$ 71,691	\$ 1,659,413
Comprehensive Income:								
Net income	—	—	274,258	—	—	274,258	154	274,412
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustment	—	—	—	50,566	—	50,566	3,008	53,574
Net loss on derivative financial instruments	—	—	—	(13,960)	—	(13,960)	—	(13,960)
Pension liability adjustments	—	—	—	7,324	—	7,324	—	7,324
Comprehensive Income						318,188	3,162	321,350
Exercise of stock options	—	(11,515)	—	—	24,921	13,406	—	13,406
Tax benefit from stock options exercised	—	3,505	—	—	—	3,505	—	3,505
Share based compensation expense	—	16,276	—	—	—	16,276	—	16,276
Funding of Employee Stock Option Plan	—	(63)	—	—	1,408	1,345	—	1,345
Treasury shares purchased	—	—	—	—	(78,718)	(78,718)	—	(78,718)
RSU dividends	—	138	(138)	—	—	—	—	—
Cash dividends (\$0.200 per share)	—	—	(29,619)	—	—	(29,619)	—	(29,619)
Balance at December 31, 2009	\$ 1,628	\$ 195,495	\$ 2,083,459	\$ 83,542	\$ (532,019)	\$ 1,832,105	\$ 74,853	\$ 1,906,958
Comprehensive Income:								
Net income	—	—	265,708	—	—	265,708	1,627	267,335
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustment	—	—	—	(49,519)	—	(49,519)	(4,592)	(54,111)
Net loss on derivative financial instruments	—	—	—	(12,848)	—	(12,848)	—	(12,848)
Net unrealized holding gains on available-for-sale investments	—	—	—	11,029	—	11,029	—	11,029
Pension liability adjustments	—	—	—	(8,048)	—	(8,048)	—	(8,048)
Comprehensive Income						206,322	(2,965)	203,357
Exercise of stock options	—	(10,107)	—	—	40,296	30,189	—	30,189
Tax benefit from stock options exercised	—	4,663	—	—	—	4,663	—	4,663
Share based compensation expense	—	18,803	—	—	—	18,803	—	18,803
Funding of Employee Stock Option Plan	—	208	—	—	1,132	1,340	—	1,340
Treasury shares purchased	—	—	—	—	(223,993)	(223,993)	—	(223,993)
Dividends from noncontrolling interests	—	—	—	—	—	—	(1,362)	(1,362)
RSU distributions	—	(4,313)	—	—	2,934	(1,379)	—	(1,379)
RSU dividends	—	153	(153)	—	—	—	—	—
Cash dividends (\$0.200 per share)	—	—	(28,664)	—	—	(28,664)	—	(28,664)
Balance at December 31, 2010	\$ 1,628	\$ 204,902	\$ 2,320,350	\$ 24,156	\$ (711,650)	\$ 1,839,386	\$ 70,526	\$ 1,909,912
Comprehensive Income:								
Net income	—	—	244,520	—	—	244,520	2,926	247,446
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustment	—	—	—	(207,813)	—	(207,813)	(196)	(208,009)
Net gain on derivative financial instruments	—	—	—	9,258	—	9,258	—	9,258
Net unrealized holding losses on available-for-sale investments	—	—	—	(11,545)	—	(11,545)	—	(11,545)
Pension liability adjustments	—	—	—	(3,164)	—	(3,164)	—	(3,164)
Comprehensive Income						31,256	2,730	33,986
Acquisition of noncontrolling interest	—	22,782	—	(1,862)	—	20,920	(37,008)	(16,088)
Exercise of stock options	—	(14,677)	—	—	56,952	42,275	—	42,275
Tax benefit from stock options exercised	—	1,039	—	—	—	1,039	—	1,039
Share based compensation expense	—	20,947	—	—	—	20,947	—	20,947
Funding of Employee Stock Option Plan	—	379	—	—	2,595	2,974	—	2,974
Treasury shares purchased	—	—	—	—	(79,500)	(79,500)	—	(79,500)

Dividends from noncontrolling interests	—	—	—	—	—	—	(174)	(174)
RSU distributions	—	(5,872)	—	—	3,626	(2,246)	—	(2,246)
RSU dividends	—	187	(187)	—	—	—	—	—
Cash dividends (\$0.205 per share)	—	—	(28,974)	—	—	(28,974)	—	(28,974)
Balance at December 31, 2011	<u>\$ 1,628</u>	<u>\$ 229,687</u>	<u>\$ 2,535,709</u>	<u>\$ (190,970)</u>	<u>\$ (727,977)</u>	<u>\$ 1,848,077</u>	<u>\$ 36,074</u>	<u>\$ 1,884,151</u>

The accompanying notes are an integral part of these financial statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

Year Ended December 31,

	2011	2010	2009
Cash flows from operating activities:			
Net income	\$ 247,446	\$ 267,335	\$ 274,412
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	64,039	56,868	54,087
Amortization of intangible and other assets	20,996	9,044	10,643
Amortization of deferred financing costs	8,023	428	445
Deferred income taxes	(88,402)	15,119	195
Share based compensation expense	20,947	18,803	16,276
Restructuring and other costs - non-cash	2,460	379	369
Stock option income tax benefit	(1,039)	(4,663)	(3,505)
Net interest expense on derivatives with an other-than-insignificant financing element	3,853	1,635	—
Other non-cash expense (income)	18,587	7,249	(8,650)
Loss (gain) on disposal of property, plant and equipment	570	113	(1,997)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts and notes receivable-trade, net	1,469	5,115	(16,942)
Inventories, net	21,503	(9,309)	27,710
Prepaid expenses and other current assets	(933)	(3,705)	6,996
Other noncurrent assets	(1,560)	(1,154)	(192)
Accounts payable	10,816	2,165	(4,947)
Accrued liabilities	38,365	9,004	(1,708)
Income taxes	26,139	2,786	8,104
Other noncurrent liabilities	190	249	1,193
Net cash provided by operating activities	393,469	377,461	362,489
Cash flows from investing activities:			
Cash paid for acquisitions of businesses and equity investments	(1,787,516)	(35,556)	(2,986)
Capital expenditures	(71,186)	(44,236)	(56,481)
Purchase of convertible debt issued by affiliate	—	(49,654)	—
Purchase of company owned life insurance policies	—	(2,000)	—
Payments on settlement of net investment hedges	(25,575)	(34,978)	—
Expenditures for identifiable intangible assets	(3,068)	(1,606)	(14)
Liquidations of short-term investments	6	—	222
Proceeds from sale of property, plant and equipment	497	3,562	5,860
Net cash used in investing activities	(1,886,842)	(164,468)	(53,399)
Cash flows from financing activities:			
Proceeds from long-term borrowings, net of deferred financing costs	1,106,514	368,611	86,091
Payments on long-term borrowings	(251,932)	(242,137)	(58,403)
Increase (decrease) in short-term borrowings	270,209	(9,657)	(7,465)
Payments on terminated derivative instruments	(34,628)	—	—
Proceeds from exercise of stock options	42,275	30,189	13,406
Excess tax benefits from share based compensation	1,039	4,663	3,505
Cash paid for contingent consideration on prior acquisitions	(3,023)	—	—
Cash paid for acquisition of noncontrolling interests of consolidated subsidiaries	(16,088)	—	—
Cash paid for treasury stock	(79,500)	(223,993)	(78,718)
Cash dividends paid	(28,632)	(29,077)	(29,836)
Net interest payments on derivatives with an other-than-insignificant financing element	(3,853)	(1,635)	—
Net cash provided by (used in) financing activities	1,002,381	(103,036)	(71,420)
Effect of exchange rate changes on cash and cash equivalents	28,082	(20,267)	8,687
Net (decrease) increase in cash and cash equivalents	(462,910)	89,690	246,357
Cash and cash equivalents at beginning of period	540,038	450,348	203,991

Cash and cash equivalents at end of period	\$ 77,128	\$ 540,038	\$ 450,348
Supplemental disclosures of cash flow information:			
Interest paid, net of amounts capitalized	\$ 34,048	\$ 21,856	\$ 23,231
Income taxes paid	\$ 58,646	\$ 64,787	\$ 76,207

The accompanying notes are an integral part of these financial statement

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Description of Business

DENTSPLY International Inc. (“DENTSPLY” or the “Company”), designs, develops, manufactures and markets a broad range of professional dental products. The Company believes that it is the world’s leading manufacturer and distributor of dental prosthetics, endodontic instruments and materials, and ultrasonic scalers; the leading United States manufacturer and distributor of denture teeth, dental handpieces, dental x-ray film holders, film mounts and prophylaxis paste; and a leading worldwide manufacturer or distributor of dental injectable anesthetics, impression materials, orthodontic appliances, dental cutting instruments, dental implants and restorative dental materials, dental sealants, and crown and bridge materials. The Company most recently expanded into consumable medical devices products consisting mainly of urological catheters and certain surgical products. The Company distributes its products in over 120 countries under some of the most well established brand names in the industry.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (“US GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates, and such differences may be material to the consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company. The Company also consolidates all variable interest entities (“VIE”) where the Company has determined that it has the power to direct the activities that most significantly impact the VIE’s economic performance and shares in either the significant risks or rewards of the VIE. The Company continually reassesses its VIE to determine if consolidation is appropriate. All significant intercompany accounts and transactions are eliminated in consolidation.

Investments in nonconsolidated affiliates (20-50 percent owned companies, joint ventures and partnerships as well as less than 20 percent ownership positions where the Company maintains significant influence over the subsidiary) are accounted for using the equity method.

The accompanying audited consolidated statements of operations for the year ended December 31, 2011 include the results of operations for Astra Tech AB (“Astra Tech”) for the period September 1, 2011 to December 31, 2011. The accompanying audited consolidated balance sheet at December 31, 2011 includes Astra Tech’s acquired assets and assumed liabilities. (See Note 3 - Business Acquisitions and Investments in Affiliates).

Cash and Cash Equivalents

Cash and cash equivalents include deposits with banks as well as highly liquid time deposits with maturities at the date of purchase of ninety days or less.

Short-term Investments

Short-term investments are highly liquid time deposits with original maturities at the date of purchase greater than ninety days and with remaining maturities of one year or less.

Accounts and Notes Receivable-Trade

The Company sells dental and certain healthcare products through a worldwide network of distributors and directly to end users. For customers on credit terms, the Company performs ongoing credit evaluation of those customers’ financial condition and generally does not require collateral from them. The Company establishes allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The Company records a provision for doubtful

accounts, which is included in “Selling, general and administrative expenses.”

Accounts receivable – trade is stated net of these allowances that were \$15.0 million and \$8.8 million at December 31, 2011 and 2010, respectively. The 2011 amount includes \$7.4 million related to Astra Tech. For the years ended December 31, 2011 and 2010, the Company wrote-off \$1.4 million and \$2.6 million, respectively, of accounts receivable that were previously reserved. The Company increased the provision for doubtful accounts by \$0.5 million during 2011. In 2010, the Company reduced the provision for doubtful accounts by \$0.2 million.

Additionally, notes receivable – trade is stated net of these allowances that were \$0.9 million and \$0.8 million at December 31, 2011 and 2010, respectively. The Company recorded provisions for doubtful accounts on notes receivable – trade of \$1.0 million for 2011 and \$0.7 million for 2010. Additionally, the Company wrote-off \$0.9 million in 2011.

Inventories

Inventories are stated at the lower of cost or market. At December 31, 2011 and 2010, the cost of \$7.1 million, or 2.0%, and \$6.9 million, or 2.2%, respectively, of inventories was determined by the last in, first-out (“LIFO”) method. The cost of other inventories was determined by the first-in, first-out (“FIFO”) or average cost methods. The Company establishes reserves for inventory estimated to be obsolete or unmarketable equal to the difference between the cost of inventory and estimated market value based upon assumptions about future demand and market conditions.

If the FIFO method had been used to determine the cost of LIFO inventories, the amounts at which net inventories are stated would be higher than reported at December 31, 2011 and 2010 by \$5.6 million and \$4.9 million, respectively.

Valuation of Goodwill and Other Long-Lived Assets

Assessment of the potential impairment of goodwill and other long-lived assets is an integral part of the Company's normal ongoing review of operations. Testing for potential impairment of these assets is significantly dependent on assumptions and reflects management's best estimates at a particular point in time. The dynamic economic environments in which the Company's businesses operate and key economic and business assumptions with respect to projected selling prices, increased competition and introductions of new technologies can significantly affect the outcome of impairment tests. Estimates based on these assumptions may differ significantly from actual results. Changes in factors and assumptions used in assessing potential impairments can have a significant impact on the existence and magnitude of impairments, as well as the time at which such impairments are recognized. If there are unfavorable changes in these assumptions, future cash flows, a key variable in assessing the impairment of these assets, may decrease and as a result the Company may be required to recognize impairment charges. Future changes in the environment and the economic outlook for the assets being evaluated could also result in additional impairment charges being recognized. The following information outlines the Company's significant accounting policies on long-lived assets by type.

Goodwill

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired and liabilities assumed in a business combination. Goodwill is not amortized. Goodwill is tested for impairment annually, during the Company's second quarter, or when indications of potential impairment exist. The Company monitors for the existence of potential impairment throughout the year. This impairment assessment includes an evaluation of various reporting units, which is an operating segment or one reporting level below the operating segment. The Company performs impairment tests using a fair value approach. The Company compares the fair value of each reporting unit to its carrying amount to determine if there is potential goodwill impairment. If impairment is identified on goodwill, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill.

The Company's fair value approach involves using 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 profit and operating expense assumptions consistent with its historical trends. The total cash flows were discounted based on market participant data, which included the Company's weighted-average cost of capital. The Company considered the current market conditions when determining its assumptions. Lastly, the Company reconciled the aggregate fair values of its reporting units to its market capitalization, which included a reasonable control premium based on market conditions. Additional information related to the testing for goodwill impairment is provided in Note 8, Goodwill and Intangible Assets.

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets consist of tradenames and are not subject to amortization. Valuations of identifiable intangibles assets acquired are based on information and assumptions available at the time of acquisition, using income and market model approaches to determine fair value. In-process research and development assets are not subject to amortization until the product associated with the research and development is substantially complete and is a viable product. At that time, the useful life to amortize the intangible asset is determined by identifying the period in which substantially all the cash flows are expected to be generated and the asset is moved to definite-lived.

These assets are reviewed for impairment annually or whenever events or circumstances suggest that the carrying amount of the asset may not be recoverable. The Company uses an income approach, more specifically a relief from royalty method. Significant management judgment is necessary to determine key assumptions, including projected revenue, royalty rates and appropriate discount rates. Royalty rates used are consistent with those assumed for the original purchase accounting valuation. Other assumptions are consistent with those applied to goodwill impairment testing. If the carrying value exceeds the fair value, an impairment loss in the amount equal to the excess is recognized.

Identifiable Definite-Lived Intangible Assets

Identifiable definite-lived intangible assets, which primarily consist of patents, trademarks, brand names, non-compete agreements and licensing agreements, are amortized on a straight-line basis over their estimated useful lives. Valuations of identifiable intangibles assets acquired are based on information and assumptions available at the time of acquisition, using income and market model approaches to determine fair value.

These assets are reviewed for impairment whenever events or circumstances suggest that the carrying amount of the asset may not be recoverable. The Company closely monitors certain intangible assets related to new and existing technologies for indicators of impairment as these assets have more risk of becoming impaired. Impairment is based upon an initial evaluation of the identifiable undiscounted cash flows. If the initial evaluation identifies a potential impairment, a fair value is determined by using a discounted cash flows valuation. If impaired, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

Property, Plant and Equipment

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

Marketable Securities

The Company's marketable securities consist of debt instruments that are classified as available-for-sale in "Other noncurrent assets, net" 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. Once identified, the determination of whether the impairment is temporary or other-than-temporary requires significant judgment. The primary factors that the Company considers in classifying the impairment 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.

Derivative Financial Instruments

The Company records all derivative instruments on the consolidated balance sheet at fair value and changes in fair value are recorded each period in the consolidated statements of operations or accumulated other comprehensive income ("AOCI").

The Company employs derivative financial instruments to hedge certain anticipated transactions, firm commitments, and

assets and liabilities denominated in foreign currencies. Additionally, the Company utilizes interest rate swaps to convert floating rate debt to fixed rate, fixed rate debt to floating rate, cross currency basis swaps to convert debt denominated in one currency to another currency, and commodity swaps to fix its variable raw materials costs.

Pension and Other Postretirement Benefits

Some of the employees of the Company and its subsidiaries are covered by government or Company-sponsored defined benefit plans. Many of the employees have available to them defined contribution plans. Additionally, certain union and salaried employee groups in the United States are covered by postretirement healthcare plans. Costs for Company-sponsored defined benefit and postretirement benefit plans are based on expected return on plan assets, discount rates, employee compensation increase rates and health care cost trends. Expected return on plan assets, discount rates and health care cost trend assumptions are particularly important when determining the Company's benefit obligations and net periodic benefit costs associated with postretirement benefits. Changes in these assumptions can impact the Company's earnings before income taxes. In determining the cost of postretirement benefits, certain assumptions are established annually to reflect market conditions and plan experience to appropriately reflect the expected costs as actuarially determined. These assumptions include medical inflation trend rates, discount rates, employee turnover and mortality rates. The Company predominantly uses liability durations in establishing its discount rates, which are observed from indices of high-grade corporate bond yields in the respective economic regions of the plans. The expected return on plan assets is the weighted average long-term expected return based upon asset allocations and historic average returns for the markets where the assets are invested, principally in foreign locations. The Company reports the funded status of its defined benefit pension and other postretirement benefit plans on its consolidated balance sheets as a net liability or asset. Additional information related to the impact of changes in these assumptions is provided in Note 13, Benefit Plans.

Accruals for Self-Insured Losses

The Company maintains insurance for certain risks, including workers' compensation, general liability, product liability and vehicle liability, and is self-insured for employee related health care benefits. The Company accrues for the expected costs associated with these risks by considering historical claims experience, demographic factors, severity factors and other relevant information. Costs are recognized in the period the claim is incurred, and the financial statement accruals include an estimate of claims incurred but not yet reported. The Company has stop-loss coverage to limit its exposure to any significant exposure on a per claim basis.

Litigation

The Company and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company records liabilities when a loss is probable and can be reasonably estimated. These estimates are typically in the form of ranges, and the Company records the liabilities at the low point of the ranges, when no other point within the ranges are a better estimate of the probable loss. The ranges established by management are based on analysis made by internal and external legal counsel who considers information known at the time. If the Company determines a liability to be only reasonably possible, it considers the same information to estimate the possible exposure and discloses any material potential liability. These loss contingencies are monitored regularly for a change in fact or circumstance that would require an accrual adjustment. The Company believes it has estimated liabilities for probable losses appropriately in the past; however, the unpredictability of litigation and court decisions could cause a liability to be incurred in excess of estimates. Legal costs related to these lawsuits are expensed as incurred.

Accumulated Other Comprehensive Income

AOCI includes foreign currency translation adjustments related to the Company's foreign subsidiaries, net of the related changes in certain financial instruments hedging these foreign currency investments. In addition, changes in the Company's fair value of certain derivative financial instruments, net unrealized holding gain on available-for-sale securities and pension liability adjustments and prior service costs, net are recorded in AOCI. These changes are recorded in AOCI net of any related tax adjustments. For the years ended December 31, 2011, 2010 and 2009, these tax adjustments were \$167.5 million, \$158.7 million and \$143.0 million, respectively, primarily related to foreign currency translation adjustments.

The balances included in AOCI in the consolidated balance sheets are as follows:

(in thousands)	December 31,	
	2011	2010
Foreign currency translation adjustments	\$ (37,216)	\$ 170,597
Net loss on derivative financial instruments	(117,390)	(126,648)
Net unrealized holding (loss) gain on available for-sale securities	(516)	11,029
Pension liability adjustments	(33,986)	(30,822)
Foreign currency translation related to acquisition of noncontrolling interests	(1,862)	—
	<u>\$ (190,970)</u>	<u>\$ 24,156</u>

The cumulative foreign currency translation adjustments included translation gains of \$96.3 million and \$294.6 million as of December 31, 2011 and 2010, respectively, offset by losses of \$133.5 million and \$124.0 million, respectively, on loans designated as hedges of net investments.

Foreign Currency Translation

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

Assets and liabilities of foreign subsidiaries are translated at foreign exchange rates on the balance sheet date; revenue and expenses are translated at the average year-to-date foreign exchange rates. The effects of these translation adjustments are reported in Equity within AOCI of the consolidated balance sheets. During the year ended December 31, 2011, the Company had losses of \$9.6 million on its loans designated as hedges of net investments and translation losses of \$200.1 million. During the year ended December 31, 2010, the Company had losses of \$16.3 million on its loans designated as hedges of net investments and translation losses of \$33.2 million.

Foreign exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved and remeasurement adjustments in countries with highly inflationary economies are included in income. Net foreign exchange transaction losses of \$2.9 million, \$3.3 million and \$0.3 million in 2011, 2010, and 2009, respectively, are included in "Other expense (income), net" on the consolidated statements of operations.

Revenue Recognition

Revenue, net of related discounts and allowances, is recognized when the earnings process is complete. This occurs when products are shipped to or received by the customer in accordance with the terms of the agreement, title and risk of loss have been transferred, collectability is reasonably assured and pricing is fixed or determinable. Net sales include shipping and handling costs collected from customers in connection with the sale. Sales taxes, value added taxes and other similar types of taxes collected from customers in connection with the sale are recorded by the Company on a net basis and are not included in the statement of operations.

Certain of the Company's customers are offered cash rebates based on targeted sales increases. Estimates of rebates are based on the forecasted performance of the customer and their expected level of achievement within the rebate programs. In accounting for these rebate programs, the Company records an accrual as a reduction of net sales as sales take place over the period the rebate is earned. The Company revises the accruals for these rebate programs as actual results and revised forecasts impact the estimated achievement for customers within the rebate programs.

A portion of the Company's net sales is comprised of sales of precious metals generated through its precious metal dental alloy product offerings. As the precious metal content of the Company's sales is largely a pass-through to customers, the Company uses its cost of precious metal purchased as a proxy for the precious metal content of sales, as the precious metal content of sales is not separately tracked and invoiced to customers. The Company believes that it is reasonable to use the cost of precious metal content purchased in this manner since precious metal alloy sale prices are typically adjusted when the prices of underlying precious metals change. The precious metals content of sales was \$205.1 million, \$189.2 million and \$168.7 million for 2011, 2010 and 2009, respectively.

Cost of Products Sold

Cost of products sold represents costs directly related to the manufacture and distribution of the Company's products. Primary

costs include raw materials, packaging, direct labor, overhead, shipping and handling, warehousing and the depreciation of manufacturing, warehousing and distribution facilities. Overhead and related expenses include salaries, wages, employee benefits, utilities, lease costs, maintenance and property taxes.

Warranties

The Company provides warranties on certain equipment products. Estimated warranty costs are accrued when sales are made to customers. Estimates for warranty costs are based primarily on historical warranty claim experience. Warranty costs are included in "Cost of products sold."

Selling, General and Administrative Expenses

Selling, general and administrative expenses represent costs incurred in generating revenues and in managing the business of the Company. Such costs include advertising and other marketing expenses, salaries, employee benefits, incentive compensation, research and development, travel, office expenses, lease costs, amortization of capitalized software and depreciation of administrative facilities.

Research and Development Costs

Research and development ("R&D") costs relate primarily to internal costs for salaries and direct overhead expenses. In addition, the Company contracts with outside vendors to conduct R&D activities. All such R&D costs are charged to expense when incurred. The Company capitalizes the costs of equipment that have general R&D uses and expenses such equipment that is solely for specific R&D projects. The depreciation expense related to this capitalized equipment is included in the Company's R&D costs. R&D costs are included in "Selling, general and administrative expenses" and amounted to \$66.7 million, \$49.4 million and \$50.3 million for 2011, 2010 and 2009, respectively.

Stock Compensation

The Company recognizes the compensation cost relating to share-based payment transactions in the financial statements. The cost of share-based payment transactions is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity awards). The compensation cost is only recognized for the portion of the awards that are expected to vest.

Income Taxes

The Company's tax expense includes U.S. and international income taxes plus the provision for U.S. taxes on undistributed earnings of international subsidiaries not deemed to be permanently invested. Tax credits and other incentives reduce tax expense in the year the credits are claimed. Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes. Deferred tax assets are recognized if it is more likely than not that the assets will be realized in future years. The Company establishes a valuation allowance for deferred tax assets for which realization is not likely.

The Company applies a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company recognizes in the 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.

Earnings Per Share

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

Business Acquisitions

The Company acquires businesses as well as partial interests in businesses. Acquired businesses are accounted for using the acquisition method of accounting which requires the Company to record assets acquired and liabilities assumed at their respective fair values with the excess of the purchase price over estimated fair values recorded as goodwill. The assumptions made in determining the fair value of acquired assets and assumed liabilities as well as asset lives can materially impact the results of

operations.

The Company obtains information during due diligence and through other sources to establish respective fair values. Examples of factors and information that the Company uses to determine the fair values include: tangible and intangible asset evaluations and appraisals; evaluations of existing contingencies and liabilities and product line integration information. If the initial valuation for an acquisition is incomplete by the end of the quarter in which the acquisition occurred, the Company will record a provisional estimate in the financial statements. The provisional estimate will be finalized as soon as information becomes available but will only occur up to one year from the acquisition date.

Equity Method Investments

Investments in partnerships, joint ventures and less-than-majority-owned subsidiaries in which the Company has significant influence are accounted for under the equity method.

Equity investments are carried at original cost adjusted for the proportionate share of the investees' income, losses and distributions. The Company assesses the carrying value of its equity investments when an indicator of a loss in value is present and record a loss in value of the investment when the assessment indicates that an other-than-temporary decline in the investment exists.

The Company classifies its equity in net earnings of unconsolidated affiliates in the consolidated statements of operations under the title of "Equity in net income (loss) of unconsolidated affiliated company".

Noncontrolling Interests

The Company reports noncontrolling interest ("NCI") in a subsidiary as a separate component of Equity in the consolidated balance sheets. Additionally, the Company reports the portion of net income and comprehensive income (loss) attributed to the Company and NCI separately in the consolidated statements of operations. The Company also includes a separate column for NCI in the consolidated statements of changes in equity and comprehensive income.

Variable Interest Entities

The Company follows US GAAP accounting guidance for variable interest entities ("VIE"). The guidance includes: (1) the elimination of the exemption from consolidation for qualifying special purpose entities, (2) a new approach for determining the primary beneficiary of a VIE, which requires that the primary beneficiary have both (i) the power to control the most significant activities of the VIE and (ii) either the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE, and (3) the requirement to continually reassess who should consolidate a VIE.

The Company consolidates all VIE where the Company has determined that it has the power to direct the activities that most significantly impact the VIE's economic performance and shares in either the significant risks or rewards of the VIE. The Company continually reassesses VIE to determine if consolidation is appropriate. The Company continues to believe that it is the primary beneficiary of one entity under the accounting guidance.

Segment Reporting

The Company has numerous operating businesses covering a wide range of products and geographic regions, primarily serving the professional dental market. Professional dental products represented approximately 93% of sales in 2011, and 97% in both 2010 and 2009. The Company has four reportable segments and a description of the activities of these segments is included in Note 4, Segment and Geographic Information.

Fair Value Measurement

Recurring Basis

The Company records certain financial assets and liabilities at fair value in accordance with the accounting guidance, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The accounting guidance establishes a hierarchal disclosure framework associated with the level of pricing observability utilized in measuring financial instruments at fair value. The three broad levels defined by the fair value hierarchy are as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these financial instruments include, derivative instruments whose fair value have been derived using a model where inputs to the model are directly observable in the market, or can be derived principally from or corroborated by observable market data.

Level 3 - Instruments that have little to no pricing observability as of the reported date. These financial instruments do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

The degree of judgment utilized in measuring the fair value of certain financial assets and liabilities generally correlates to the level of pricing observability. Pricing observability is impacted by a number of factors, including the type of financial instrument. Financial assets and liabilities with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of pricing observability and a lesser degree of judgment utilized in measuring fair value. Conversely, financial assets and liabilities rarely traded or not quoted will generally have less, or no pricing observability and a higher degree of judgment utilized in measuring fair value.

The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Company considers its credit risks and its counterparties' credit risks when determining the fair values of its financial assets and liabilities. The Company has presented the required disclosures in Note 16, Fair Value Measurement.

Non-Recurring Basis

When events or circumstances require an asset or liability to be fair valued that otherwise is generally recorded based on another valuation method, such as, net realizable value, the Company will utilize the valuation techniques described above.

Revision to Statement of Cash Flows

The Company revised certain items in the consolidated statements of cash flows for the three months ended March 31, 2010, six months ended June 30, 2010, nine months ended September 30, 2010 and the year ended December 31, 2010 and for the three months ended March 31, 2011, six months ended June 30, 2011 and nine months ended September 30, 2011 to correct an error in classification of settlements of certain derivative instruments designated as net investment hedges and interest payments on derivatives containing an other-than-insignificant financing element. The settlement of net investment hedges were made several times during the year ended December 31, 2010 and were reflected incorrectly in the consolidated statements of cash flows for the periods of three months ended March 31, 2010, six months ended June 30, 2010, nine months ended September 30, 2010, and full year ended December 31, 2010. Derivative instruments containing an other-than-insignificant financing element were entered into during 2009, and the payments of interest were reflected incorrectly in the consolidated statements of cash flows for each period of three months ended March 31, 2010, six months ended June 30, 2010, nine months ended September 30, 2010, full year ended December 31, 2010, three months ended March 31, 2011, six months ended June 30, 2011 and nine months ended September 30, 2011. The revisions of cash flow classifications in the consolidated statements of cash flows had no impact to the Company's consolidated statements of operations or consolidated balance sheets for any of the periods noted above. Additionally, the revisions did not impact the Company's previously issued disclosures about compliance with respect to debt covenant calculations for any of the relevant periods. The Company has concluded that the revisions were not material to previously issued consolidated financial statements. As a result of the incorrect classification, the Company has made reclassifications to the quarterly consolidated statements of cash flows for 2011 and 2010 as follows:

(in thousands)

	As Previously Reported	Revision	As Revised
Nine months ended September 30, 2011			
Net cash flows provided by operating activities	\$ 252,145	\$ 2,687	\$ 254,832
Net cash provided by (used in) financing activities	1,084,637	(2,687)	1,081,950
Six months ended June 30, 2011			
Net cash flows provided by operating activities	\$ 164,964	\$ 1,545	\$ 166,509
Net cash used in financing activities	(36,139)	(1,545)	(37,684)
Three months ended March 31, 2011			
Net cash flows provided by operating activities	\$ 44,006	\$ 723	\$ 44,729
Net cash used in financing activities	(1,716)	(723)	(2,439)
Twelve months ended December 31, 2010			
Net cash flows provided by operating activities	\$ 362,324	\$ 15,137	\$ 377,461
Net cash used in investing activities	(129,490)	(34,978)	(164,468)
Net cash used in financing activities	(101,401)	(1,635)	(103,036)
Effect of exchange rate changes on cash	(41,743)	21,476	(20,267)
Nine months ended September 30, 2010			
Net cash flows provided by operating activities	\$ 248,890	\$ 8,448	\$ 257,338
Net cash used in investing activities	(51,345)	(18,568)	(69,913)
Net cash used in financing activities	(86,923)	(1,281)	(88,204)
Effect of exchange rate changes on cash	(26,727)	11,401	(15,326)
Six months ended June 30, 2010			
Net cash flows provided by operating activities	\$ 150,468	\$ 8,199	\$ 158,667
Net cash used in investing activities	(27,182)	(18,568)	(45,750)
Net cash used in financing activities	(157,205)	(1,032)	(158,237)
Effect of exchange rate changes on cash	(76,082)	11,401	(64,681)
Three months ended March 31, 2010			
Net cash flows provided by operating activities	\$ 36,544	\$ 7,731	\$ 44,275
Net cash used in investing activities	(15,711)	(18,568)	(34,279)
Net cash used in financing activities	(29,036)	(564)	(29,600)
Effect of exchange rate changes on cash	(37,128)	11,401	(25,727)

Reclassification of Prior Year Amounts

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

New Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board ("FASB") amended its rules regarding the presentation of comprehensive income. The objective of this amendment is to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income. Specifically, this amendment requires that all non-owner changes in shareholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The new rules will become effective during interim and annual periods beginning after December 15, 2011, with the exception of the requirement to present reclassification adjustments from other comprehensive income to net income on the face of the financial statements, which has been deferred pending further deliberation by the FASB.

Because the standard only impacts the presentation of comprehensive income and does not impact what is included in comprehensive income, the standard will not have a significant impact on the Company's consolidated financial statements.

In September 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-08, "Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment" (ASU 2011-08). This newly issued accounting standard is intended to reduce the cost and complexity of the annual goodwill impairment test by providing entities an option to perform a "qualitative" assessment to determine whether further impairment testing is necessary. Under the revised standard, an entity has the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step impairment test. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required; otherwise, no further testing is required. Prior to the issuance of the revised standard, an entity was required to perform step one of the impairment test at least annually by calculating and comparing the fair value of a reporting unit to its carrying amount. Under the revised standard, if an entity determines that step one is necessary and the fair value of the reporting unit is less than its carrying amount, then step two of the test will continue to be required to measure the amount of the impairment loss, if any. These amendments do not change the current guidance for testing other indefinite-lived intangible assets for impairment. This ASU is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this standard will not impact the Company's financial position or results of operations.

NOTE 2 - EARNINGS PER COMMON SHARE

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

(in thousands, except for share amounts)	Net income attributable to DENTSPLY International	Shares	Earnings per common share
Year Ended December 31, 2011			
Basic	\$ 244,520	141,386	\$ 1.73
Incremental shares from assumed exercise of dilutive options	—	2,167	
Diluted	\$ 244,520	143,553	\$ 1.70
Year Ended December 31, 2010			
Basic	\$ 265,708	143,980	\$ 1.85
Incremental shares from assumed exercise of dilutive options	—	2,005	
Diluted	\$ 265,708	145,985	\$ 1.82
Year Ended December 31, 2009			
Basic	\$ 274,258	148,319	\$ 1.85
Incremental shares from assumed exercise of dilutive options	—	1,783	
Diluted	\$ 274,258	150,102	\$ 1.83

Options to purchase 3.2 million, 3.1 million and 2.9 million shares of common stock that were outstanding during the years ended 2011, 2010 and 2009, respectively, were not included in the computation of diluted earnings per common share since the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

NOTE 3 - BUSINESS ACQUISITIONS AND INVESTMENTS IN AFFILIATES

Business Acquisitions

The acquisition related activity for the year ended December 31, 2011 was \$1.8 billion, net of cash acquired of \$23.4 million, was related to six acquisitions and two earn-out payments for prior period acquisitions.

On August 31, 2011, the Company acquired 100% of the outstanding common shares of Astra Tech using the available cash on hand and debt financing discussed in Note 10, Financing Arrangements. Astra Tech is a leading developer, manufacturer and marketer of dental implants, customized implant abutments and consumable medical devices in the urology and surgery market segments.

This transaction strengthens the Company's leadership position in the global dental market as well as provides additional growth opportunities within the broader medical devices category.

The Astra Tech acquisition was recorded in accordance with the business combinations provisions of US GAAP. The Company has preliminarily valued tangible and identifiable intangible assets acquired based on their estimated fair values. The Company is in the process of completing the valuation of identifiable assets acquired and liabilities assumed and, therefore, the fair values set forth below are subject to adjustment upon finalizing the valuations. The Company expects to finalize valuations during the first half of 2012. In addition, completion of the valuation may impact the assessment of the net deferred tax liability currently recognized with any adjustment resulting in a corresponding change to goodwill. The amount of these potential adjustments could be significant.

The following table summarizes the preliminary fair value of identifiable assets acquired and liabilities assumed at the date of the Astra Tech acquisition:

(in thousands)

Inventory	\$ 85,181
Other current assets	140,400
Property, plant, and equipment	178,495
Identifiable intangible assets	793,000
Goodwill	969,550
Other long-term assets	13,301
Total assets	2,179,927
Current liabilities	106,983
Long-term liabilities	282,154
Total liabilities	389,137
Net assets	\$ 1,790,790

Other current assets consist primarily of trade accounts receivable of \$101.2 million. Current liabilities assumed are primarily comprised of accrued and other current liabilities of \$80.0 million and trade accounts payable of \$27.0 million. Long-term liabilities assumed are primarily comprised of noncurrent deferred tax liabilities of \$232.8 million and pension obligations of \$49.3 million.

Inventory held by Astra Tech includes a fair value adjustment of \$32.8 million. The Company expensed this amount by December 31, 2011 as the acquired inventory was sold.

Property, plant and equipment include a fair value adjustment of \$28.7 million and consist of land, buildings, plant and equipment. Depreciable lives range 40 years for buildings and from 5 to 15 years for plant and equipment.

The preliminary fair values assigned to intangible assets were determined through the use of the income approach, specifically the relief from royalty method and the multi-period excess earnings method. Both valuation methods rely on management's judgments, including expected future cash flows resulting from existing customer relationships, customer attrition rates, contributory effects of other assets utilized in the business, peer group cost of capital and royalty rates as well as other factors. The valuation of tangible assets was derived using a combination of the income approach, the market approach and the cost approach. Significant judgments used in valuing tangible assets include estimated reproduction or replacement cost, useful lives of assets, estimated selling prices, costs to complete and reasonable profit.

Useful lives for intangible assets were determined based upon the remaining useful economic lives of the intangible assets that are expected to contribute to future cash flows. The acquired intangible assets are being amortized on a straight-line basis over their expected useful lives. Identifiable indefinite-lived intangible and in-process research and development ("In-process R&D") assets were not assigned lives.

Intangible assets acquired consist of the following:

(in thousands, except for useful life)

	Amount	Useful Life (in years)
Customer relationships	\$ 435,100	15
Developed technology and patents	116,500	10
Tradenames	229,100	Indefinite
In-process R&D	12,300	—
Total	\$ 793,000	

The \$969.6 million of goodwill is attributable to the excess of the purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed. The goodwill recognized is primarily attributable to cost savings and other synergies that the Company expects to realize through operational efficiencies. All of the goodwill has been assigned to the Company's Canada/Latin America/Endodontics/Orthodontics/Astra Tech segment and is not expected to be deductible for tax purposes.

Astra Tech contributed net sales of \$207.1 million and an operating loss of \$18.5 million to the Company's consolidated statements of operations during the period from September 1, 2011 to December 31, 2011 and is included in the Canada/Latin America/Endodontics/Orthodontics/Astra Tech segment.

The following unaudited pro forma financial information reflects the consolidated results of operations of the Company had the Astra Tech acquisition occurred on January 1, 2010. These amounts were calculated after conversion to US GAAP, applying the Company's accounting policies and adjusting Astra Tech's results to reflect the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant and equipment, inventory and intangible assets had been applied from January 1, 2010, together with the consequential tax effects at the statutory rate. These adjustments also reflect the additional interest expense incurred on the debt to finance the acquisition.

(in thousands, except per share data)

	Year Ended December 31,	
	2011	2010
Net Sales	\$ 2,923,011	\$ 2,755,300
Net income attributable to DENTSPLY	240,791	275,360
Diluted earnings per common share	\$ 1.68	\$ 1.89

The pro forma financial information is based on the Company's preliminary assignment of purchase price and therefore subject to adjustment upon finalizing the purchase price assignment. The Astra Tech financial information has been compiled in a manner consistent with the accounting policies adopted by DENTSPLY. Pro forma results do not include any anticipated synergies or other anticipated benefits of the acquisition. Accordingly, the unaudited pro forma financial information is not necessarily indicative of either future results of operations or results that might have been achieved had the acquisition occurred on January 1, 2010. While the Company completed other transactions during the pro forma periods presented above, these transactions were immaterial to the Company's net sales and net income attributable to DENTSPLY.

The Company had additional acquisition related activity for the year ended December 31, 2011. The results of operations for these businesses have been included in the accompanying financial statements as of the effective date of the respective transactions. The purchase prices have been assigned on the basis of preliminary estimates of the fair values of assets acquired and liabilities assumed. At December 31, 2011, the Company recorded a total of \$9.7 million in goodwill related to the difference between the fair value of assets acquired and liabilities assumed and the consideration given. The goodwill is primarily associated with the Canada/Latin America/Endodontics/Orthodontics/Astra Tech segment.

For the year ended December 31, 2011, in connection with pending or completed acquisitions, the Company has incurred \$44.2 million of transaction related costs, primarily banking fees and amounts paid to third party advisers.

Investment in Affiliates

On December 9, 2010, the Company purchased an initial ownership interest of 16% of the outstanding shares of DIO. The Company accounts for the ownership in DIO under the equity method of accounting as it has significant influence over DIO. In addition, on December 9, 2010, the Company invested \$49.7 million in the corporate convertible bonds of DIO, which may be converted into common shares at any time. The bonds are designated by the Company as available-for-sale securities which are reported in, "Other noncurrent assets, net," on the Consolidated Balance Sheets and the changes in fair value are reported in AOCI. The convertible feature of the bond has not been bifurcated from the underlying bond as the feature 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 is equal to the face value of the bonds issued by DIO, and therefore, the Company has not recorded any bond premium or discount on acquiring the bonds. The fair value of the DIO bond was \$47.8 million and \$66.0 million at December 31, 2011 and 2010, respectively. At December 31, 2011 and 2010, the amortized cost was \$49.7 million. At December 31, 2011, an unrealized holding loss of \$11.5 million on available-for-sale securities, net of tax, had been recorded in AOCI. At December 31, 2010, an unrealized holding gain of \$11.0 million on available-for-sale securities, net of tax, had been recorded in AOCI. The contractual maturity of the bond is in December 2015.

DIO is located in Busan, South Korea and manufactures a wide range of dental implants including STEADY®, BioTite-H, SM implant, internal implant, external implant, ProTem implant, and SM Extra Wide implant systems. In addition, DIO offers various dental devices including implant surgical devices, handpieces, dental materials, impression materials, sterilizers, toothpaste that contains dyrdoxyapatite, and the iTero® 3D intra-oral scanner (Cadent Inc.).

Variable Interest Entities

During 2011, the Company completed the acquisition of the remaining shares of one VIE, in which it had acquired a minority interest in 2006.

NOTE 4 – SEGMENT AND GEOGRAPHIC INFORMATION

The operating businesses are combined into operating groups, which have overlapping product offerings, geographical presence, customer bases, distribution channels and regulatory oversight. These operating groups are considered the Company's reportable segments as the Company's chief operating decision-maker regularly reviews financial results at the operating group level and uses this information to manage the Company's operations. The accounting policies of the segments are consistent with those described for the consolidated financial statements in the summary of significant accounting policies (see Note 1, Significant Accounting Policies). The Company measures segment income for reporting purposes as net operating income before restructuring, impairments, and other costs, interest and taxes. Additionally, the operating groups are measured on net third party sales, excluding precious metal content. A description of the services provided within each of the Company's four reportable segments is provided below. The disclosure below reflects the Company's segment reporting structure.

United States, Germany and Certain Other European Regions Consumable Businesses

This business group includes responsibility for the design, manufacturing, sales and distribution of certain small equipment and chairside consumable products in the United States, Germany and certain other European regions. It also has responsibility for the sales and distribution of certain Endodontic products in Germany.

France, United Kingdom, Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses

This business group includes responsibility for the sales and distribution for certain small equipment, chairside consumable products, certain laboratory products and certain Endodontic products in France, United Kingdom, Italy, the Commonwealth of Independent States ("CIS"), Middle East, Africa, Asia (excluding Japan), Japan and Australia, as well as the sale and distribution of implant products and bone substitute/grafting materials in France, Italy, Asia and Australia. This business group also includes the responsibility for sales and distribution for certain laboratory products, implants products and bone substitution/grafting materials for Austria. It also is responsible for sales and distribution of certain small equipment and chairside consumable products, certain laboratory products, implant products and bone substitution/grafting materials in certain other European countries. In addition this business group also includes the manufacturing and sale of Orthodontic products and certain laboratory products in Japan,

and the manufacturing of certain laboratory and certain Endodontic products in Asia.

Canada/Latin America/Endodontics/Orthodontics/Astra Tech

This business group includes responsibility for the design, manufacture, and/or sales and distribution of certain small equipment, chairside consumable products, certain laboratory products and Endodontic products in Brazil. It also has responsibility for the sales and distribution of most of the Company's dental products sold in Latin America and Canada. This business group also includes the responsibility for the design and manufacturing of Endodontic products in the United States, Switzerland and Germany and is responsible for the sales and distribution of the Company's Endodontic products in the United States, Canada, Switzerland, Benelux, Scandinavia, Austria, Latin America and Eastern Europe, and for certain Endodontic products in Germany. This business group is also responsible for the world-wide sales and distribution, excluding Japan, as well as some manufacturing of the Company's Orthodontic products. In addition, this business group is also responsible for sales and distribution in the United States of implant and bone substitute/grafting materials, sales and distribution of implants in Brazil, sales of dental lasers and the manufacture and sale of certain products in the Company's non-dental business.

This business group includes the Astra Tech business which was acquired on August 31, 2011, see Note 3, Business Acquisitions and Investments in Affiliates. Astra Tech designs, manufactures and markets dental implants, customized implant abutments, hydrophilic intermittent catheters and certain surgical products.

Dental Laboratory Business/Implants/Non-Dental

This business group includes the responsibility for the design, manufacture, sales and distribution of most laboratory products, excluding certain countries mentioned previously, and the design, manufacture, and/or sales and distribution of the Company's dental implant products and bone substitute/grafting materials, excluding sales and distribution of implants and bone substitute/grafting materials in the United States; France, Italy, Austria, and certain other Eastern European countries; and Australia. This business group is also responsible for most of the Company's non-dental business.

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

Generally, the Company evaluates performance of the operating groups based on the groups' operating income, excluding restructuring, impairments and other costs, interest and taxes, and net third party sales, excluding precious metal content. The Company considers net third party sales, excluding precious metal content, as the appropriate sales measurement due to the fluctuations of precious metal prices and due to the fact that the precious metal content is largely a pass-through to customers and has a minimal effect on earnings.

The following table sets forth information about the Company's operating groups for the years ended December 31, 2011, 2010 and 2009.

Third Party Net Sales

(in thousands)	2011	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 566,535	\$ 526,781	\$ 526,668
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	538,449	482,146	471,232
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	861,273	665,032	621,256
Dental Laboratory Business/ Implants/Non-Dental	576,491	550,359	543,637
All Other (a)	(5,030)	(3,304)	(3,415)
Total net sales	<u>\$ 2,537,718</u>	<u>\$ 2,221,014</u>	<u>\$ 2,159,378</u>

(a) Includes amounts recorded at Corporate headquarters.

Third Party Net Sales, Excluding Precious Metal Content

(in thousands)	2011	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 566,535	\$ 526,781	\$ 526,668
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	496,722	445,627	436,790
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	858,360	662,556	618,414
Dental Laboratory Business/ Implants/Non-Dental	416,002	400,097	412,209
All Other (b)	(5,030)	(3,304)	(3,415)
Total net sales, excluding precious metal content	<u>\$ 2,332,589</u>	<u>\$ 2,031,757</u>	<u>\$ 1,990,666</u>
Precious metal content of sales	205,129	189,257	168,712
Total net sales, including precious metal content	<u>\$ 2,537,718</u>	<u>\$ 2,221,014</u>	<u>\$ 2,159,378</u>

(b) Includes results of Corporate headquarters and one distribution warehouse not managed by named segments.

Intersegment Net Sales

(in thousands)	2011	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 116,228	\$ 116,440	\$ 104,328
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	21,048	17,103	13,202
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	139,142	115,158	103,329
Dental Laboratory Business/ Implants/Non-Dental	113,298	112,285	114,591
All Other (c)	211,658	179,780	176,539
Eliminations	(601,374)	(540,766)	(511,989)
Total	\$ —	\$ —	\$ —

(c) Includes amounts recorded at Corporate headquarters.

Depreciation and Amortization

(in thousands)	2011	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 16,120	\$ 16,315	\$ 14,945
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	3,560	3,939	3,884
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	37,492	18,419	16,978
Dental Laboratory Business/ Implants/Non-Dental	25,266	20,479	21,461
All Other (d)	10,620	7,188	7,907
Total	\$ 93,058	\$ 66,340	\$ 65,175

(d) Includes amounts recorded at Corporate headquarters.

Segment Operating Income

(in thousands)	2011	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 185,429	\$ 176,128	\$ 158,389
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	12,192	17,187	19,737
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	161,739	195,817	185,772
Dental Laboratory Business/ Implants/Non-Dental	79,876	83,428	92,554
All Other (e)	(102,643)	(81,303)	(68,319)
Segment Operating Income	\$ 336,593	\$ 391,257	\$ 388,133
Reconciling Items:			
Restructuring and other costs	35,865	10,984	6,890
Interest expense	43,814	25,089	21,896
Interest income	(9,456)	(4,254)	(5,032)
Other expense (income), net	10,259	1,782	1,023
Income before income taxes	\$ 256,111	\$ 357,656	\$ 363,356

(e) Includes results of Corporate headquarters, inter-segment eliminations and one distribution warehouse not managed by named segments. Amount recorded in 2011 includes \$31.9 million of Astra Tech acquisition costs.

Capital Expenditures

(in thousands)	2011	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 11,681	\$ 9,267	\$ 8,333
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	3,179	2,978	2,506
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	29,334	17,078	14,434
Dental Laboratory Business/ Implants/Non-Dental	17,701	11,397	25,546
All Other (f)	9,291	3,516	5,662
Total	\$ 71,186	\$ 44,236	\$ 56,481

(f) Includes capital expenditures of Corporate headquarters.

Assets

(in thousands)	2011	2010
U.S., Germany and Certain Other		
European Regions Consumable Businesses	\$ 572,295	\$ 578,770
France, U.K., Italy and Certain Other		
European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	403,107	390,572
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	2,803,638	932,126
Dental Laboratory Business/ Implants/Non-Dental	2,622,227	995,090
All Other (g)	(1,645,869)	361,393
Total	\$ 4,755,398	\$ 3,257,951

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

Geographic Information

The following table sets forth information about the Company's operations in different geographic areas for the years ended December 31, 2011, 2010 and 2009. Net sales reported below represent revenues for shipments made by operating businesses located in the country or territory identified, including export sales. Assets reported represent those held by the operating businesses located in the respective geographic areas.

(in thousands)	United States	Germany	Sweden	Other Foreign	Consolidated
2011					
Net sales	\$ 870,732	\$ 514,739	\$ 20,203	\$ 1,132,044	\$ 2,537,718
Long-lived assets	137,795	118,173	147,079	188,398	591,445
2010					
Net sales	\$ 841,232	\$ 469,796	\$ —	\$ 909,986	\$ 2,221,014
Long-lived assets	119,533	116,916	—	186,656	423,105
2009					
Net sales	\$ 843,349	\$ 482,130	\$ —	\$ 833,899	\$ 2,159,378
Long-lived assets	124,129	132,348	—	183,143	439,620

Product and Customer Information

The following table presents net sales information by product category:

(in thousands)	December 31,		
	2011	2010	2009
Dental consumables products	\$ 766,385	\$ 717,718	\$ 708,713
Dental laboratory products	525,008	511,061	504,526
Dental specialty products	1,078,034	925,317	892,421
Consumable medical device products	168,291	66,918	53,718
Total net sales	\$ 2,537,718	\$ 2,221,014	\$ 2,159,378

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

Dental laboratory products are used in dental laboratories in the preparation of dental appliances. DENTSPLY's products in this category include dental prosthetics, including artificial teeth, precious metal dental alloys, dental ceramics, crown and bridge materials, and equipment products used in laboratories consisting of computer aided machining (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 material, 3D digital implantology, dental lasers and orthodontic appliances and accessories.

Consumable medical device products consist mainly of urological catheters, certain surgical products, medical drills and other non-medical products.

One customer, Henry Schein, Incorporated, a dental distributor, accounted for more than ten percent of consolidated net sales in 2011, 2010 and 2009 accounting for 11% of all net sales. Third party export sales from the U.S. are less than ten percent of consolidated net sales.

NOTE 5 – OTHER EXPENSE (INCOME), NET

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

(in thousands)	December 31,		
	2011	2010	2009
Foreign exchange transaction losses	\$ 2,932	\$ 3,331	\$ 336
Other expense (income), net	7,327	(1,549)	687
Total other expense (income), net	\$ 10,259	\$ 1,782	\$ 1,023

Other expense (income), net in the 2011 period included approximately \$2.9 million of interest rate swap terminations, \$3.8 million of Treasury rate lock ineffectiveness, and \$0.6 million of other non-operating expense. The 2010 period included approximately \$1.5 million of other non-operating income.

NOTE 6 – INVENTORIES, NET

Inventories, net, consist of the following:

(in thousands)	December 31,	
	2011	2010
Finished goods	\$ 218,814	\$ 189,343
Work-in-process	66,952	57,272
Raw materials and supplies	75,996	62,123
Inventories, net	<u>\$ 361,762</u>	<u>\$ 308,738</u>

The Company's inventory valuation reserve was \$35.1 million for 2011 and \$35.5 million for 2010.

NOTE 7- PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, consist of the following:

(in thousands)	December 31,	
	2011	2010
Assets, at cost:		
Land	\$ 45,840	\$ 40,032
Buildings and improvements	372,156	304,341
Machinery and equipment	680,240	576,704
Construction in progress	42,648	20,639
	<u>1,140,884</u>	<u>941,716</u>
Less: Accumulated depreciation	549,439	518,611
Property, plant and equipment, net	<u>\$ 591,445</u>	<u>\$ 423,105</u>

NOTE 8 – GOODWILL AND INTANGIBLE ASSETS

The Company performed the required annual impairment tests of goodwill as of April 30, 2011 on seven 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% to 10%, 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.

Impairments of identifiable definite-lived intangible assets for the years ended December 31, 2011, 2010 and 2009 were \$1.5 million, \$0.4 million and \$0.3 million, respectively.

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

(in thousands)	December 31,	
	2011	2010
Balance, beginning of the year	\$ 1,303,055	\$ 1,312,596
Acquisition activity	978,191	20,382
Additional consideration for post closing adjustments	2,833	—
Effect of exchange rate changes	(94,016)	(29,923)
Balance, end of the year	<u>\$ 2,190,063</u>	<u>\$ 1,303,055</u>

Goodwill by reportable segment is as follows:

(in thousands)	December 31,	
	2011	2010
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 247,119	\$ 249,522
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	170,379	167,258
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	1,178,547	282,321
Dental Laboratory Business/ Implants/Non-Dental	594,018	603,954
Total	\$ 2,190,063	\$ 1,303,055

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

(in thousands)	December 31, 2011			December 31, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patents	\$ 131,252	\$ (17,393)	\$ 113,859	\$ 21,956	\$ (12,108)	\$ 9,848
Trademarks	73,413	(23,885)	49,528	68,344	(20,835)	47,509
Licensing agreements	30,444	(17,277)	13,167	28,509	(15,709)	12,800
Customer relationships	411,626	(19,066)	392,560	16,994	(8,408)	8,586
Total definite-lived	\$ 646,735	\$ (77,621)	\$ 569,114	\$ 135,803	\$ (57,060)	\$ 78,743
Trademarks	\$ 210,675	\$ —	\$ 210,675	\$ —	\$ —	\$ —
In-process R&D	11,311	—	11,311	—	—	—
Total indefinite-lived	\$ 221,986	\$ —	\$ 221,986	\$ —	\$ —	\$ —
Total identifiable intangible assets	\$ 868,721	\$ (77,621)	\$ 791,100	\$ 135,803	\$ (57,060)	\$ 78,743

Amortization expense for identifiable definite-lived intangible assets for 2011, 2010 and 2009 was \$21.0 million, \$9.0 million and \$10.6 million, respectively. The annual estimated amortization expense related to these intangible assets for each of the five succeeding fiscal years is \$45.0 million, \$43.7 million, \$43.0 million, \$42.9 million and \$42.5 million for 2012, 2013, 2014, 2015 and 2016, respectively.

NOTE 9 - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

(in thousands)	December 31,	
	2011	2010
Payroll, commissions, bonuses, other cash compensation and employee benefits	\$ 85,855	\$ 61,334
General insurance	12,164	12,118
Sales and marketing programs	34,528	31,070
Professional and legal costs	10,269	10,844
Restructuring costs	4,787	9,191
Warranty liabilities	3,765	4,253
Deferred income	6,304	5,656
Accrued vacation and holidays	28,169	12,528
Third party royalties	10,174	9,184
Current portion of derivatives	18,143	27,668
Other	75,043	40,899
	<u>\$ 289,201</u>	<u>\$ 224,745</u>

A reconciliation of changes in the Company's warranty liability for 2011, 2010, and 2009 is as follows:

(in thousands)	December 31,		
	2011	2010	2009
Balance, beginning of the year	\$ 4,253	\$ 4,141	\$ 4,260
Accruals for warranties issued during the year	845	1,581	1,129
Accruals related to pre-existing warranties	153	103	—
Warranty settlements made during the year	(1,441)	(1,494)	(1,295)
Effect of exchange rate changes	(45)	(78)	47
Balance, end of the year	<u>\$ 3,765</u>	<u>\$ 4,253</u>	<u>\$ 4,141</u>

NOTE 10 - FINANCING ARRANGEMENTS

Short-Term Debt

Short-term debt consisted of the following:

(in thousands)	December 31,			
	2011		2010	
	Principal Balance	Interest Rate	Principal Balance	Interest Rate
U. S. Dollar revolving credit agreement expiring August 2012	\$ —		\$ —	
Bank overdrafts	192		247	
U. S. dollar corporate commercial paper facility rated A/2-P/2	266,828	0.5%	—	
European short-term loan	2,438	3.4%	4,129	2.5%
Brazil short-term loan	5,834	12.9%	900	2.3%
Add: Current portion of long-term debt	1,409		2,478	
Total short-term debt	\$ 276,701		\$ 7,754	
	2011		2010	
Maximum month-end outstanding during the year	\$ 355,304		\$ 30,818	
Average amount outstanding during the year	\$ 225,498		\$ 11,197	
Weighted-average interest rate at year-end	0.8%		2.3%	

Short-Term Borrowings

The Company has a \$500 million commercial paper facility, which has utilization, dealer and annual appraisal fees which on average cost 0.15% annually. The Company has two committed revolving credit facilities totaling \$750 million that jointly serve as back-up credit to this commercial paper facility. Amounts outstanding under the commercial paper, if any, reduce amounts available under the committed revolvers. Commercial paper outstanding was \$266.8 million and \$119.5 million at December 31, 2011 and 2010, respectively. At December 31, 2011, the Company has classified its commercial paper as short-term debt, reflecting the Company's intent to repay this debt over the next year. At December 31, 2010, the Company had classified its commercial paper as long-term debt, reflecting the Company's intent and ability to borrow for a period longer than one year. Average outstanding issued commercial paper during the year was \$218.2 million at an average interest rate of 0.4%.

The Company has a \$250 million committed 364-day revolving credit agreement to partially backstop its commercial paper facility. This short-term facility is unsecured and contains certain affirmative and negative covenants relating to the Company's operations and financial condition, including prescribed leverage and interest coverage ratios, identical to the Company's five-year facility. The Facility contains customary events of default. Upon the occurrence of an event of default, all outstanding borrowings under the Credit Agreement may be accelerated and become immediately due and payable.

Other short-term bank borrowings amounted to \$8.5 million and \$5.3 million at December 31, 2011 and 2010, respectively. The weighted-average interest rates of these borrowings were 9.9% and 2.3% at December 31, 2011 and 2010, respectively. Unused lines of credit for short-term financing at December 31, 2011 and 2010 were \$65.1 million and \$72.1 million, respectively. The unused lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institution. Interest is charged on borrowings under these lines of credit at various rates, generally below prime or equivalent money rates.

Long-Term Debt

Long-term debt consisted of the following:

(in thousands)	December 31,			
	2011		2010	
	Principal Balance	Interest Rate	Principal Balance	Interest Rate
Multi-currency revolving credit agreement expiring July 2016				
U. S. dollar denominated	\$ —		\$ 2,123	
U. S. dollar corporate commercial paper facility rated A/2-P/2	—		119,500	0.4%
Floating rate senior notes \$250 million due August 2013	250,000	2.0%	—	
Term loan Japanese yen denominated expiring September 2014	162,956	1.1%	154,626	0.9%
Private placement notes \$250 million expiring March 2016	254,512	4.1%	250,000	4.1%
Fixed rate senior notes \$300 million due August 2016	299,603	2.8%	—	
Term loan Swiss francs denominated expiring September 2016	69,197	1.2%	69,560	1.7%
Fixed rate senior notes \$450 million due August 2021	448,497	4.1%	—	
Other borrowings, various currencies and rates	6,654		10,684	
	<u>\$ 1,491,419</u>		<u>\$ 606,493</u>	
Less: Current portion				
(included in notes payable and current portion of long-term debt)	1,409		2,478	
Long-term portion	<u>\$ 1,490,010</u>		<u>\$ 604,015</u>	

Long-Term Borrowings

The Company has a \$500 million five-year revolving credit agreement with participation from sixteen banks, which expires in July 2016 and a \$250 million, 364 -day revolving credit agreement, with the same participant banks, which expires in August 2012. The revolving credit agreements contain a number of covenants and two financial ratios, which the Company is required to satisfy. The most restrictive of these covenants pertain to asset dispositions and prescribed ratios of indebtedness to total capital and operating income excluding depreciation and amortization to interest expense. Any breach of any such covenants or restrictions would result in a default under the existing borrowing documentation that would permit the lenders to declare all borrowings under such documentation to be immediately due and payable and, through cross default provisions, would entitle the Company's other lenders to accelerate their loans. At December 31, 2011, the Company was in compliance with these covenants. The Company pays a facility fee of 0.15% per annum on the amount of the commitment under both revolving credit facilities. Interest rates on amounts borrowed under the facility will depend on the maturity of the borrowing, the currency borrowed, the interest rate option selected, and the Company's long-term credit rating from Standard and Poor's (S&P) and Moody's Investor Services (Moody's).

At December 31, 2011, the Company had total unused lines of credit, including lines available under its short-term arrangements and revolving credit agreement of \$548.2 million.

The Company has a \$250 million Private Placement Note ("PPN"), issued in February 2010, at a fixed rate of 4.1% for an average term of five years and a final maturity of six years. The PPN is unsecured and contains certain affirmative and negative covenants relating to the company's operations and financial condition. At December 31, 2011, the Company was in compliance with these covenants.

The Company has a three-year Japanese yen 12.5 billion Samurai loan, issued September 1, 2011, with five investors, at a variable rate of Japanese yen three-month LIBOR plus 0.90%, maturing September 2014. The loan is unsecured and contains certain affirmative and negative covenants relating to the company's operations and financial condition. At December 31, 2011, the Company was in compliance with these covenants.

The Company has a five-year Swiss franc 65 million term loan, issued in September 30, 2011, at a variable rate of Swiss franc three-month LIBOR plus 1.125% maturing September 2016. The loan is unsecured and contains certain affirmative and negative covenants relating to the company's operations and financial condition. At December 31, 2011, the Company was in compliance

with these covenants.

The Company issued \$1.0 billion of senior unsecured notes to partially finance the Astra Tech acquisition. The notes were issued in three tranches: \$250.0 million two-year floating rate notes at a variable rate of three-month USD LIBOR plus 1.5% maturing August 2013; \$300.0 million five-year fixed rate notes with a semi-annual coupon of 2.75% maturing August 2016; and \$450.0 million ten-year fixed rate notes with a semi-annual coupon of 4.125% maturing August 2021. Underwriting fees and discounts totaled \$7.6 million resulting in net proceeds of \$992.4 million. The bonds are rated BBB+ by S&P and Baa2 by Moody's.

The Company utilizes interest rate swaps to convert the Swiss franc denominated term loan debt to fixed rate debt. The Company utilizes interest rate swaps to convert the variable rate Japanese yen denominated notes to fixed rate debt. The Company utilizes interest rate swaps to convert the fixed rate U.S. dollar denominated notes to variable rate debt. The Company's use of interest rate swaps is further described in Note 15, Financial Instruments and Derivatives.

The table below reflects the contractual maturity dates of the various borrowings at December 31, 2011:

(in thousands)

2012	\$	1,409
2013		251,416
2014		239,884
2015		102,175
2016		447,241
2016 and Beyond		449,294
	\$	<u>1,491,419</u>

NOTE 11 - EQUITY

At December 31, 2011, the Company had authorization to repurchase shares under its stock repurchase program in an amount up to 34,000,000 shares of treasury stock. Under its stock repurchase program, the Company purchased 2,187,382 shares and 6,714,508 shares during 2011 and 2010, respectively, at an average price of \$36.34 and \$33.36, respectively. As of December 31, 2011 and 2010, the Company held 21.1 million and 21.0 million shares, respectively. During 2011, the Company repurchased \$79.5 million in treasury stock. The Company also received proceeds of \$42.3 million primarily as a result of the exercise of 2.1 million stock options during the year ended December 31, 2011. During 2010, the Company repurchased \$224.0 million in treasury stock. The Company also received proceeds of \$30.2 million primarily as a result of the exercise of 1.5 million stock options during the year ended December 31, 2010. It is the Company's practice to issue shares from treasury stock when options are exercised. The tax benefit realized for the options exercised during the year ended December 31, 2011 and 2010 is \$9.2 million and \$5.4 million, respectively.

The following table represents total outstanding shares for the years ended December 31:

(in thousands)	Common Shares	Treasury Shares	Outstanding Shares
Balance at December 31, 2008	162,776	(14,248)	148,528
Shares Issued	—	886	886
Repurchase of common stock at cost	—	(2,453)	(2,453)
Balance at December 31, 2009	162,776	(15,815)	146,961
Shares Issued	—	1,489	1,489
Repurchase of common stock at cost	—	(6,715)	(6,715)
Balance at December 31, 2010	162,776	(21,041)	141,735
Shares Issued	—	2,084	2,084
Repurchase of common stock at cost	—	(2,187)	(2,187)
Balance at December 31, 2011	162,776	(21,144)	141,632

The Company maintains the 2010 Equity Incentive Plan (the “Plan”) under which it may grant non-qualified stock options (“NQSO”), incentive stock options, restricted stock, restricted stock units (“RSU”) and stock appreciation rights, collectively referred to as “Awards.” Awards are granted at exercise prices that are equal to the closing stock price on the date of grant. The Company authorized grants under the Plan of 13.0 million shares of common stock, plus any unexercised portion of cancelled or terminated stock options granted under the DENTSPLY International Inc. 2002 Equity Incentive Plan, as amended, subject to adjustment as follows: each January, if 7% of the total outstanding common shares of the Company exceed 13.0 million, the excess becomes available for grant under the Plan. No more than 2.5 million shares may be awarded as restricted stock and RSU, and no key employee may be granted restricted stock and RSU in excess of approximately 0.2 million shares of common stock in any calendar year. The number of shares available for grant under the 2010 Plan as of December 31, 2011 is 12.1 million.

Stock options generally expire ten years after the date of grant under these plans and grants become exercisable over a period of three years after the date of grant at the rate of one-third per year, except when they become immediately exercisable upon death, disability or qualified retirement. RSU vest 100% on the third anniversary of the date of grant and are subject to a service condition, which requires grantees to remain employed by the Company during the three-year period following the date of grant. In addition to the service condition, certain key executives are subject to performance requirements. Similar to stock options, RSU become immediately exercisable upon death, disability or qualified retirement. The fair value of each RSU assumes that performance goals will be achieved. If such goals are not met, no compensation cost is recognized and any recognized compensation costs is reversed. Under the terms of the RSU, the three-year period is referred to as the restricted period. RSU and the rights under the award may not be sold, assigned, transferred, donated, pledged or otherwise disposed of during the three year restricted period prior to vesting. Upon the expiration of the applicable restricted period and the satisfaction of all conditions imposed, all restrictions imposed on RSU will lapse, and one share of common stock will be issued as payment for each vested RSU.

The following table represents total stock based compensation expense and the tax related benefit for the years ended:

(in thousands)	2011	December 31, 2010	2009
Stock option expense	\$ 10,369	\$ 10,420	\$ 8,705
RSU expense	9,243	7,227	6,408
Total stock based compensation expense	\$ 19,612	\$ 17,647	\$ 15,113
Related deferred income tax benefit	\$ 5,021	\$ 4,886	\$ 3,591

There were 2.1 million non-qualified stock options unvested as of December 31, 2011. The remaining unamortized compensation cost related to non-qualified stock options is \$11.9 million, which will be expensed over the weighted average remaining vesting period of the options, or 1.7 years. The unamortized compensation cost related to RSU is \$10.9 million, which will be expensed over the remaining weighted average restricted period of the RSU, or 1.2 years.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of each option awarded. The following table sets forth the assumptions used to determine compensation cost for the Company's NQSO issued during the years ended:

	2011	December 31,	
		2010 (a)	2009
Weighted average fair value per share	\$ 8.86	\$ 9.06	\$ 7.31
Expected dividend yield	0.55%	0.58%	0.60%
Risk-free interest rate	2.35%	2.55%	2.14%
Expected volatility	24%	22%	22%
Expected life (years)	5.07	6.42	4.84

(a) In 2010, the Human Resources Committee of the Company's Board of Directors reviewed the Company's practices for NQSO grants and determined that it would be more appropriate to make all regular equity grants in the February time frame, after the Company's financial results are known for the prior year. Accordingly, there were no grants of NQSO in December 2010, which had been the historic practice.

The total intrinsic value of options exercised for the years ended December 31, 2011, 2010 and 2009 was \$27.0 million, \$16.5 million and \$12.3 million, respectively.

The following table summarizes the non-qualified stock option transactions for the year ended December 31, 2011:

(in thousands, except share amounts)	Outstanding			Exercisable		
	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
December 31, 2010	10,636	\$ 29.07	\$ 66,722	8,815	\$ 28.58	\$ 61,450
Granted	1,496	36.70				
Exercised	(1,864)	22.68				
Cancelled	(32)	37.78				
Forfeited	(88)	32.52				
December 31, 2011	<u>10,148</u>	\$ 31.23	\$ 51,402	8,049	\$ 30.06	\$ 50,365

The weighted average remaining contractual term of all outstanding options is 5.8 years and the weighted average remaining contractual term of exercisable options is 5.0 years.

The following table summarizes information about non-qualified stock options outstanding for the year ended December 31, 2011:

(in thousands, except share amounts and life)	Range of Exercise Prices	Outstanding			Exercisable	
		Number Outstanding at December 31, 2011	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable at December 31, 2011	Weighted Average Exercise Price
	10.01 - 20.00	405	0.9	\$ 18.46	405	\$ 18.46
	20.01 - 30.00	4,381	4.4	26.11	4,331	26.08
	30.01 - 40.00	4,328	7.6	34.32	2,279	32.88
	40.01 - 50.00	1,034	5.9	45.00	1,034	45.00
		<u>10,148</u>	5.8	\$ 31.23	<u>8,049</u>	\$ 30.06

The following table summarizes the unvested RSU transactions for the year ended December 31, 2011:

(in thousands, except share amounts)	Unvested Restricted Stock Units	
	Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2010	744	\$ 32.43
Granted	362	36.61
Vested	(180)	40.74
Forfeited	(29)	30.85
Unvested at December 31, 2011	<u>897</u>	<u>\$ 32.50</u>

NOTE 12 - INCOME TAXES

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

(in thousands)	December 31,		
	2011	2010	2009
United States	\$ 7,041	\$ 104,424	\$ 99,009
Foreign	249,070	253,232	264,347
	<u>\$ 256,111</u>	<u>\$ 357,656</u>	<u>\$ 363,356</u>

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

(in thousands)	2011	December 31, 2010	2009
Current:			
U.S. federal	\$ 34,870	\$ 21,848	\$ 30,851
U.S. state	5,151	3,795	5,886
Foreign	59,397	62,196	52,012
Total	\$ 99,418	\$ 87,839	\$ 88,749
Deferred:			
U.S. federal	\$ (29,664)	\$ 3,067	\$ (8,046)
U.S. state	(4,089)	1,062	(476)
Foreign	(54,649)	(2,743)	8,717
Total	\$ (88,402)	\$ 1,386	\$ 195
	\$ 11,016	\$ 89,225	\$ 88,944

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

	2011	December 31, 2010	2009
Statutory U. S. federal income tax rate	35.0 %	35.0 %	35.0 %
Effect of:			
State income taxes, net of federal benefit	0.3	0.9	1.0
Federal benefit of R&D and foreign tax credits	(8.6)	(6.9)	(11.3)
Tax effect of international operations	(7.9)	(3.7)	0.7
Net effect of tax audit activity	2.1	1.0	(1.3)
Tax effect of enacted statutory rate changes	0.2	—	—
Federal tax on unremitted earnings of certain foreign subsidiaries	0.1	0.2	0.1
Valuation allowance adjustments	(18.1)	(1.0)	—
Other	1.2	(0.5)	0.3
Effective income tax rate on operations	4.3 %	25.0 %	24.5 %

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

(in thousands)	December 31, 2011		December 31, 2010	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Commission and bonus accrual	\$ 2,812	\$ —	\$ 1,201	\$ —
Employee benefit accruals	38,061	—	33,139	—
Inventory	19,972	—	17,497	—
Identifiable intangible assets	—	336,822	—	138,621
Insurance premium accruals	4,533	—	4,610	—
Miscellaneous accruals	12,273	—	7,088	—
Other	13,166	—	13,820	—
Unrealized losses included in other comprehensive income	28,424	—	59,618	—
Property, plant and equipment	—	52,251	—	36,881
Product warranty accruals	907	—	901	—
R&D and foreign tax credit carryforward	49,552	—	34,844	—
Restructuring and other cost accruals	1,439	—	1,011	—
Sales and marketing accrual	4,874	—	4,545	—
Taxes on unremitted earnings of foreign subsidiaries	—	2,273	—	2,083
Tax loss carryforwards and other tax attributes	152,999	—	111,948	—
Valuation allowance	(71,758)	—	(93,054)	—
	<u>\$ 257,254</u>	<u>\$ 391,346</u>	<u>\$ 197,168</u>	<u>\$ 177,585</u>

Deferred tax assets and liabilities are included in the following consolidated balance sheet line items:

(in thousands)	December 31,	
	2011	2010
Prepaid expenses and other current assets	\$ 67,159	\$ 55,747
Income taxes payable	2,678	3,004
Other noncurrent assets	51,250	39,329
Deferred income taxes	249,822	72,489

The Company has \$49.1 million of foreign tax credit carryforwards, of which \$4.2 million, \$7.1 million, \$9.9 million, \$6.9 million, and \$21.0 million will expire in 2015, 2016, 2017, 2019, and 2021 respectively.

Certain foreign and domestic subsidiaries of the Company have tax loss carryforwards of \$809.2 million at December 31, 2011, of which \$563.0 million expire through 2031 and \$246.2 million may be carried forward indefinitely. Federal and state net operating loss and tax credit carryforwards that result from the exercise of employee stock options are not recorded on the Company's consolidated balance sheets. Federal and state net operating loss and tax credit carryforwards that result from the exercise of employee stock options are accounted for as a credit to additional paid-in capital if and when realized through a reduction in income taxes payable. The tax benefit of certain tax loss carryforwards and deferred tax assets has been offset by a valuation allowance as of December 31, 2011, because it is uncertain whether the benefits will be realized in the future. The valuation allowance at December 31, 2011 and 2010 was \$71.8 million and \$93.1 million, respectively.

The Company has provided federal income taxes on certain undistributed earnings of its foreign subsidiaries that the Company anticipates will be repatriated. Deferred federal income taxes have not been provided on \$960.7 million of cumulative earnings of foreign subsidiaries that the Company has determined to be permanently reinvested. It is not practicable to estimate the amount of tax that might be payable on these permanently reinvested earnings.

Tax Contingencies

The Company applies a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company recognizes in the 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.

The total amount of gross unrecognized tax benefits at December 31, 2011, is approximately \$21.9 million, of this total, approximately \$20.4 million represents the amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate. It is reasonably possible that certain amounts of unrecognized tax benefits will significantly increase or decrease within twelve months of the reporting date of the Company's 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 \$10.8 million.

The total amount of accrued interest and penalties were \$6.9 million and \$6.0 million as of December 31, 2011 and 2010, respectively. The Company has consistently classified interest and penalties recognized in its consolidated financial statements as income taxes based on the accounting policy election of the Company. During the year ended December 31, 2011 and 2010, the Company recognized income tax expense in the amount of \$0.9 million and \$0.6 million for interest and penalties. During the year ended December 31, 2009, the company recognized income tax benefit of \$1.7 million in interest and penalties.

The Company is subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The significant jurisdictions include the U.S., Germany and Switzerland. The Company has substantially concluded all U.S. federal income tax matters for years through 2005, resulting in the years 2006 through 2010 being subject to future potential tax audit adjustments while years prior to 2006 are settled. The Company is currently under audit for the tax years 2008 and 2009 with the U. S. Internal Revenue Service ("IRS"). The Company has concluded audits in Germany through the tax year 2003 and is currently under audit for the years 2004 through 2008. The taxable years that remain open for Switzerland are 2001 through 2010.

The Company had the following activity recorded for unrecognized tax benefits:

(in thousands)	2011	December 31, 2010	2009
Unrecognized tax benefits at beginning of period	\$ 13,143	\$ 12,864	\$ 17,285
Gross change for prior period positions	1,425	47	(5,120)
Gross change for current year positions	640	1,036	1,630
Decrease due to settlements and payments	—	—	(255)
Decrease due to statute expirations	(123)	(424)	(1,026)
Increase due to effect of foreign currency translation	—	—	350
Decrease due to effect from foreign currency translation	(129)	(380)	—
Unrecognized tax benefits at end of period	\$ 14,956	\$ 13,143	\$ 12,864

NOTE 13 - BENEFIT PLANS

Substantially all of the employees of the Company and its subsidiaries are covered by government or Company-sponsored benefit plans. Total costs for Company-sponsored defined benefit, defined contribution and employee stock ownership plans amounted to \$31.3 million, \$26.2 million and \$24.6 million in 2011, 2010 and 2009, respectively.

Defined Contribution Plans

The DENTSPLY Employee Stock Ownership Plan ("ESOP") and 401(k) plans are designed to have contribution allocations of "Covered Compensation," with a targeted 3% going into the ESOP in Company stock and a targeted 3% going into the 401(k) as a Non-Elective Contribution ("NEC") in cash. The Company sponsors an employee 401(k) savings plan for its U.S. workforce to which enrolled participants may contribute up to IRS defined limits. The annual expense and cash contribution to the 401(k) is expected to be \$4.9 million for 2011 (to be contributed in the first quarter of 2012), and was \$4.6 million for 2010 (contributed

in the first quarter of 2011), and \$5.3 million for 2009 (contributed in the first quarter of 2010).

The ESOP is a non-contributory defined contribution plan that covers substantially all of the U.S. based non-union employees of the Company. Contributions to the ESOP, net of forfeitures, are expected to be \$3.6 million for 2011 (to be contributed in the first quarter of 2012), and were \$3.0 million for 2010 (contributed in the first quarter of 2011), and were \$1.4 million for 2009 (contributed in the first quarter of 2010).

All future ESOP allocations will come from a combination of forfeited shares and shares acquired in the open market. The Company has targeted future ESOP allocations at 3% of "Covered Compensation." The share allocation will be accounted at fair value at the point of allocation, which is normally year-end.

Defined Benefit Plans

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

In addition to the U.S. plans, the Company maintains defined benefit pension plans for its employees in Austria, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, Sweden, Switzerland and Taiwan. These plans provide benefits based upon age, years of service and remuneration. Substantially all of the German plans are unfunded book reserve plans. Other foreign plans are not significant individually or in the aggregate. Most employees and retirees outside the U.S. are covered by government health plans.

Defined Benefit Pension Plan Assets

The primary investment strategy is to ensure that the assets of the plans, along with anticipated future contributions, will be invested in order that the benefit entitlements of employees, pensioners and beneficiaries covered under the plan can be met when due with high probability. Pension plan assets consist mainly of common stock and fixed income investments. The target allocations for defined benefit plan assets are 30% to 65% equity securities, 30% to 65% fixed income securities, 0% to 15% real estate, and 0% to 25% in all other types of investments. Equity securities include investments in companies located both in and outside the U.S. Equity securities do not include common stock of the Company. Fixed income securities include corporate bonds of companies from diversified industries, government bonds, mortgage notes and pledge letters. Other types of investments include investments in mutual funds, common trusts, insurance contracts, hedge funds and real estate. These plan assets are not recorded on the Company's consolidated balance sheet as they are held in trust or other off-balance sheet investment vehicles.

The defined benefit pension plan assets in the U.S. are held in trust and the investment policies of the plans are generally to invest the plans assets in equities and fixed income investments. The objective is to achieve a long-term rate of return in excess of 5% while at the same time mitigating the impact of investment risk associated with investment categories that are expected to yield greater than average returns. In accordance with the investment policies of the U.S. plans, the plans assets were invested in the following investment categories: interest-bearing cash, registered investment companies (e.g. mutual funds), common/collective trusts, master trust investment accounts and insurance company general accounts. The investment objective is for assets to be invested in a manner consistent with the fiduciary standards of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The defined benefit pension plan assets maintained in Austria, Germany, Japan, Norway, the Netherlands, Switzerland and Taiwan all have separate investment policies but generally have an objective to achieve a long-term rate of return in excess 5% while at the same time mitigating the impact of investment risk associated with investment categories that are expected to yield greater than average returns. In accordance with the investment policies for the plans outside the U.S., the plans' assets were invested in the following investment categories: interest-bearing cash, U.S. and foreign equities, foreign fixed income securities (primarily corporate and government bonds), insurance company contracts, real estate and hedge funds.

Postretirement Healthcare

The plans for postretirement healthcare have no plan assets. The postretirement healthcare plans cover certain union and salaried employee groups in the U.S. and is contributory, with retiree contributions adjusted annually to limit the Company's contribution for participants who retired after June 1, 1985. The Company also sponsors unfunded non-contributory postretirement

medical plans for a limited number of union employees and their spouses and retirees of a discontinued operation.

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

(in thousands)	Pension Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
	2011	2010	2011	2010
Change in Benefit Obligation				
Benefit obligation at beginning of year	\$ 211,504	\$ 191,976	\$ 11,607	\$ 11,666
Service cost	10,950	8,108	61	58
Interest cost	9,633	8,415	553	605
Participant contributions	3,562	2,886	583	616
Actuarial losses (gains)	2,991	7,976	537	(548)
Amendments	(3,034)	—	—	—
Acquisitions/Divestitures	52,282	291	—	—
Effect of exchange rate changes	(8,355)	3,474	—	—
Benefits paid	(8,926)	(11,622)	(1,124)	(790)
Benefit obligation at end of year	\$ 270,607	\$ 211,504	\$ 12,217	\$ 11,607
Change in Plan Assets				
Fair value of plan assets at beginning of year	\$ 99,546	\$ 88,866	\$ —	\$ —
Actual return on assets	(889)	1,883	—	—
Acquisitions/Divestitures	7,006	—	—	—
Effect of exchange rate changes	(1,238)	8,374	—	—
Employer contributions	9,647	9,159	541	174
Participant contributions	3,562	2,886	583	616
Benefits paid	(8,926)	(11,622)	(1,124)	(790)
Fair value of plan assets at end of year	\$ 108,708	\$ 99,546	\$ —	\$ —
Funded status at end of year	\$ (161,899)	\$ (111,958)	\$ (12,217)	\$ (11,607)

The amounts recognized in the accompanying consolidated balance sheets, net of tax effects, are as follows:

(in thousands)	Pension Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
	2011	2010	2011	2010
Other noncurrent assets	\$ 355	\$ —	\$ —	\$ —
Deferred tax asset	10,972	9,834	1,247	1,113
Total assets	\$ 11,327	\$ 9,834	\$ 1,247	\$ 1,113
Current liabilities	(4,411)	(3,462)	(978)	(1,099)
Long-term liabilities	(157,843)	(108,496)	(11,240)	(10,508)
Deferred tax liability	(269)	(22)	—	—
Total liabilities	\$ (162,523)	\$ (111,980)	\$ (12,218)	\$ (11,607)
Accumulated other comprehensive income	32,002	29,050	1,984	1,772
Net amount recognized	\$ (119,194)	\$ (73,096)	\$ (8,987)	\$ (8,722)

Amounts recognized in AOCI consist of:

(in thousands)	Pension Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
	2011	2010	2011	2010
Net actuarial loss	\$ 45,462	\$ 38,694	\$ 3,232	\$ 2,884
Net prior service cost	(2,757)	168	—	—
Pretax AOCI	\$ 42,705	\$ 38,862	\$ 3,232	\$ 2,884
Less deferred taxes	10,703	9,812	1,248	1,112
Post tax AOCI	\$ 32,002	\$ 29,050	\$ 1,984	\$ 1,772

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

(in thousands)	December 31,	
	2011	2010
Projected benefit obligation	\$ 268,391	\$ 211,504
Accumulated benefit obligation	246,515	200,574
Fair value of plan assets	106,137	99,546

Components of net periodic benefit cost:

(in thousands)	Pension Benefits			Other Postretirement Benefits		
	2011	2010	2009	2011	2010	2009
Service cost	\$ 10,950	\$ 8,108	\$ 8,375	\$ 61	\$ 58	\$ 50
Interest cost	9,633	8,415	8,003	553	605	676
Expected return on assets	(5,184)	(4,662)	(3,991)	—	—	—
Amortization of actuarial losses	—	124	240	—	—	—
Amortization of prior service	80	86	138	—	—	—
Amortization of net loss	1,584	1,002	1,652	189	265	281
Settlement gains	4	—	(1,148)	—	—	—
Net periodic benefit cost	\$ 17,067	\$ 13,073	\$ 13,269	\$ 803	\$ 928	\$ 1,007

Other changes in plan assets and benefit obligations recognized in AOCI:

(in thousands)	Pension Benefits			Other Postretirement Benefits		
	2011	2010	2009	2011	2010	2009
Net actuarial (gain) loss	\$ 8,352	\$ 12,640	\$ (7,994)	\$ 537	\$ (548)	\$ 1,020
Net prior service (credit)	(2,845)	(8)	(37)	—	—	—
Net transition obligation	—	(1)	1	—	—	—
Amortization	(1,664)	(1,212)	(2,030)	(189)	(265)	(281)
Total recognized in AOCI	\$ 3,843	\$ 11,419	\$ (10,060)	\$ 348	\$ (813)	\$ 739
Total recognized in net periodic benefit cost and AOCI	\$ 20,910	\$ 24,492	\$ 3,209	\$ 1,151	\$ 115	\$ 1,746

The estimated net loss, prior service cost and transition obligation for the defined benefit plans that will be amortized from AOCI into net periodic benefit cost over the next fiscal year are \$1.8 million. The estimated net loss and prior service credit for the other postretirement plans that will be amortized from AOCI into net periodic benefit cost over the next fiscal year is \$0.2 million.

The amounts in AOCI that are expected to be amortized as net expense (income) during fiscal year 2012 are as follows:

(in thousands)	Pension Benefits	Other Postretirement Benefits
Amount of net prior service cost	\$ (124)	\$ —
Amount of net loss	1,962	230

The weighted average assumptions used to determine benefit obligations for the Company's plans, principally in foreign locations, at December 31, 2011, 2010 and 2009 are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2011	2010	2009	2011	2010	2009
Discount rate	4.0%	4.1%	4.7%	4.0%	5.0%	5.5%
Rate of compensation increase	2.8%	2.6%	2.7%	n/a	n/a	n/a
Health care cost trend	n/a	n/a	n/a	7.5%	8.0%	8.5%
Ultimate health care cost trend	n/a	n/a	n/a	5.0%	5.0%	5.0%
Years until ultimate trend is reached	n/a	n/a	n/a	6.0	7.0	8.0

The weighted average assumptions used to determine net periodic benefit cost for the Company's plans, principally in foreign locations, for the years ended December 31, 2011, 2010 and 2009 are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2011	2010	2009	2011	2010	2009
Discount rate	4.1%	4.7%	4.5%	5.0%	5.5%	6.3%
Expected return on plan assets	4.8%	5.2%	5.2%	n/a	n/a	n/a
Rate of compensation increase	2.6%	2.7%	2.7%	n/a	n/a	n/a
Health care cost trend	n/a	n/a	n/a	7.5%	8.0%	8.5%
Ultimate health care cost trend	n/a	n/a	n/a	5.0%	5.0%	5.0%
Years until ultimate trend is reached	n/a	n/a	n/a	6.0	7.0	8.0
Measurement Date	12/31/2011	12/31/2010	12/31/2009	12/31/2011	12/31/2010	12/31/2009

To develop the assumptions for the expected long-term rate of return on assets, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the assets are invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocations to develop the assumptions for the expected long-term rate of return on assets.

Assumed health care cost trend rates have an impact on the amounts reported for postretirement benefits. A one percentage point change in assumed healthcare cost trend rates would have the following effects for the year ended December 31, 2011:

(in thousands)	Other Postretirement Benefits	
	1% Increase	1% Decrease
Effect on total of service and interest cost components	\$ 62	\$ (52)
Effect on postretirement benefit obligation	1,289	(1,078)

Fair Value Measurements of Plan Assets

The fair value of the Company's pension plan assets at December 31, 2011 is presented in the table below by asset category. Over 80% of the total plan assets are categorized as Level 1, and therefore, the values assigned to these pension assets are based on quoted prices available in active markets. For the other category levels, a description of the valuation is provided in Note 1, Significant Accounting Policies, under the "Fair Value Measurement" heading.

(in thousands)	December 31, 2011			
	Total	Level 1	Level 2	Level 3
Assets Category				
Cash and cash equivalents	\$ 5,165	\$ 5,001	\$ 164	\$ —
Equity securities:				
U. S.	2,036	2,036	—	—
International	27,982	27,982	—	—
Fixed income securities:				
Fixed rate bonds (a)	44,499	44,499	—	—
Other types of investments:				
Mutual funds (b)	8,065	—	8,065	—
Common trusts (c)	2,083	—	—	2,083
Insurance contracts	9,323	—	3,503	5,820
Hedge funds	891	—	—	891
Real estate	8,664	8,307	—	357
Total	\$ 108,708	\$ 87,825	\$ 11,732	\$ 9,151

(in thousands)	December 31, 2010			
	Total	Level 1	Level 2	Level 3
Assets Category				
Cash and cash equivalents	\$ 3,028	\$ 2,775	\$ 253	\$ —
Equity securities:				
U. S.	1,103	1,103	—	—
International	29,944	29,944	—	—
Fixed income securities:				
Fixed rate bonds (a)	41,215	41,215	—	—
Other types of investments:				
Mutual funds (b)	8,857	417	8,440	—
Common trusts (c)	1,648	—	—	1,648
Insurance contracts	4,858	—	3,034	1,824
Hedge funds	1,334	—	—	1,334
Real estate	7,559	7,199	—	360
Total	\$ 99,546	\$ 82,653	\$ 11,727	\$ 5,166

- (a) This category includes fixed income securities invested primarily in Swiss bonds, foreign bonds in Swiss currency, foreign currency bonds, mortgage notes and pledged letters.
- (b) This category includes mutual funds balanced between moderate-income generation and moderate capital appreciation with investment allocations of approximately 50% equities and 50% fixed income investments.
- (c) This category includes common/collective funds with investments in approximately 65% equities and 35% in fixed income investments.

The following table provides a reconciliation from December 31, 2010 to December 31, 2011 for the plans assets categorized as Level 3.

Changes within Level 3 Category for
Year Ended December 31, 2011

(in thousands)	Common Trust	Insurance Contracts	Hedge Funds	Real Estate	Total
Balance at December 31, 2010	\$ 1,648	\$ 1,824	\$ 1,334	\$ 360	\$ 5,166
Actual return on plan assets:					
Relating to assets still held at the reporting date	5	(1,355)	(80)	—	(1,430)
Relating to assets sold during the period	5	—	—	—	5
Acquisitions/Divestitures	—	6,738	—	—	6,738
Purchases, sales and settlements, net	7	(1,144)	(384)	—	(1,521)
Transfers in and/or out	418	—	—	—	418
Effect of exchange rate changes	—	(243)	20	(2)	(225)
Balance at December 31, 2011	<u>\$ 2,083</u>	<u>\$ 5,820</u>	<u>\$ 890</u>	<u>\$ 358</u>	<u>\$ 9,151</u>

The following tables provide a reconciliation from December 31, 2009 to December 31, 2010 for the plans assets categorized as Level 3. No assets were transferred in or out of the Level 3 category during the year ended December 31, 2010.

Changes within Level 3 Category for
Year Ended December 31, 2010

(in thousands)	Common Trust	Insurance Contracts	Hedge Funds	Real Estate	Total
Balance at December 31, 2009	\$ 1,842	\$ 1,742	\$ 1,672	\$ 325	\$ 5,581
Actual return on plan assets:					
Relating to assets still held at the reporting date	116	29	37	—	182
Relating to assets sold during the period	46	—	—	—	46
Purchases, sales and settlements, net	(356)	109	(541)	—	(788)
Effect of exchange rate changes	—	(56)	166	35	145
Balance at December 31, 2010	<u>\$ 1,648</u>	<u>\$ 1,824</u>	<u>\$ 1,334</u>	<u>\$ 360</u>	<u>\$ 5,166</u>

Fair values for Level 3 assets are determined as follows:

Common Trusts and Hedge Funds: The investments are valued using the net asset value provided by the administrator of the trust or fund, which is based on the fair value of the underlying securities.

Real Estate: Investment is stated by its appraised value.

Insurance Contracts: The value of the asset represents the mathematical reserve of the insurance policies and is calculated by the insurance firms using their own assumptions.

Cash Flows

In 2012, the Company expects to make contributions and direct benefit payments of \$11.6 million to its defined benefit pension plans and \$1.0 million to its postretirement medical plans.

Estimated Future Benefit Payments

(in thousands)	Pension Benefits	Other Postretirement Benefits
2012	\$ 8,863	\$ 978
2013	10,134	967
2014	10,799	948
2015	10,620	904
2016	11,341	902
2017-2019	67,976	3,888

NOTE 14 – RESTRUCTURING AND OTHER COSTS

Restructuring Costs

Restructuring costs of \$3.1 million and \$5.8 million for 2011 and 2010, respectively, are reflected in Restructuring and other costs in the statement of operations and the associated liabilities are recorded in accrued liabilities and other non-current liabilities in the consolidated balance sheet. These costs consist of employee severance benefits, payments due under operating contracts, and other restructuring costs.

During 2011 and 2010, the Company initiated several restructuring plans primarily related to the closure and/or consolidation of certain production and selling facilities in the Europe and South America to better leverage the Company's resources by reducing costs and obtaining operational efficiencies.

Also in 2011, as a result of the impact of the Japan natural disaster, the Company initiated a restructuring plan related to the Orthodontic business during the second quarter. The restructuring plan addressed overhead costs related to the business and has reduced those costs as the Orthodontic business continues to be impacted by the lack of product supply. The Company recorded \$1.7 million of charges for the year ended December 31, 2011 for this plan. In addition to the restructuring charges, for the year ended December 31, 2011, the Company incurred approximately \$3.3 million of selling, general and administrative expenses related to costs of maintaining the critical Orthodontic business processes and structures during the lack of product supply. In addition to these Orthodontic restructuring plans, the Company incurred \$1.9 million of costs related to other restructuring plans, offset by income of \$0.5 million for adjustments to 2010 plans and 2009 and prior plans. These adjustments were primarily related to revised estimates of severance costs.

The 2011 restructuring plans and ongoing benefits associated with these plans were immaterial to the current period as well as future periods. The majority of the benefits of the 2010 and 2009 and prior period restructuring plans have been incorporated into the Company's results. While certain restructuring plans continue to be executed, the future benefits of these on the Company's results would be immaterial in the period realized.

At December 31, 2011, the Company's restructuring accruals were as follows:

(in thousands)	Severances			
	2009 and Prior Plans	2010 Plans	2011 Plan	Total
Balance at December 31, 2010	\$ 2,878	\$ 5,260	\$ —	\$ 8,138
Provisions and adjustments	(442)	(289)	3,645	2,914
Amounts applied	(1,003)	(2,961)	(3,010)	(6,974)
Balance at December 31, 2011	\$ 1,433	\$ 2,010	\$ 635	\$ 4,078

(in thousands)	Lease/Contract Terminations		
	2009 and Prior Plans	2010 Plans	Total
Balance at December 31, 2010	\$ 996	\$ —	\$ 996
Provisions and adjustments	1	(114)	(113)
Amounts applied	(328)	114	(214)
Balance at December 31, 2011	\$ 669	\$ —	\$ 669

(in thousands)	Other Restructuring Costs			
	2009 and Prior Plans	2010 Plans	2011 Plans	Total
Balance at December 31, 2010	\$ 57	\$ —	\$ —	\$ 57
Provisions and adjustments	174	70	60	304
Amounts applied	(191)	(70)	(60)	(321)
Balance at December 31, 2011	\$ 40	\$ —	\$ —	\$ 40

The following table provides the cumulative amounts for the provisions and adjustments and amounts applied for all the plans by segment:

(in thousands)	December 31, 2010	Provisions and Adjustments	Amounts Applied	December 31, 2011
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 1,031	\$ —	\$ (328)	\$ 703
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	193	(49)	(144)	—
Canada/Latin America/Endodontics/ Orthodontics/Astra Tech	400	2,926	(2,633)	693
Dental Laboratory Business/ Implants/Non-Dental	7,567	228	(4,404)	3,391
Total	\$ 9,191	\$ 3,105	\$ (7,509)	\$ 4,787

Other Costs

In 2011, the Company recorded certain other costs of \$32.7 million, which were primarily related to Astra Tech acquisition costs, legal settlement costs of \$12.6 million and impairments of certain previously acquired technology. In 2010, the Company recorded certain other costs of \$5.2 million, of which \$3.7 million related to legal matters. The remaining portion consisted of impairments related to intangible assets and acquisition related costs.

NOTE 15 – 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 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 its variable raw materials.

Derivative Instruments Not Designated as Hedging

The Company enters into derivative financial instruments to hedge 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 forward foreign exchange contracts and cross currency basis swaps to hedge these risks. The Company's significant contracts outstanding as of December 31, 2011 are summarized in the tables that follow.

On August 31, 2011, the Company entered into a cross currency basis swap with a total notional value of \$650.0 million with five financial institutions to hedge the revaluation of a non-functional currency intercompany loan that was put into place in conjunction with the financing of the Astra Tech acquisition. The swaps mature in December 2014, and the Company pays three month U. S. dollar LIBOR on \$650.0 million and receives three-month Euro Inter-Bank Offered Rate ("EURIBOR") minus 45.72 basis points on EUR 449.8 million. The spot-to-spot change in the value of the swap will be recorded in "Other expense (income), net" while the interest income and expense will be recorded in "Interest income" on the consolidated statements of operations.

The Company wrote put options ("DIO equity option contracts") to the original sellers of the DIO investment for the remaining DIO common shares held by the seller. The equity options provide the seller the ability to require the Company to purchase their remaining shares on hand at a price based on an agreed-upon formula at specific timeframes in the future. The sellers are also allowed to sell their remaining shares on the open market. Changes in the fair value of the DIO equity option contracts are reported in "Other expense (income), net" on the consolidated statements of operations. This derivative is further discussed in Note 16, Fair Value Measurement.

Cash Flow Hedges

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 forward foreign exchange contracts as cash flow hedges. As a result, the Company records the fair value of the contract primarily through AOCI based on the tested effectiveness of the forward foreign exchange 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. Any time value component of the hedge fair value is deemed ineffective and will be 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 operations in accordance with the Company's policy of classifying the cash flows from these instruments in the same category as the cash flows from the items being hedged.

These foreign exchange contracts generally have maturities up to eighteen months and the counterparties to the transactions are typically large international financial institutions. The Company's significant contracts outstanding as of December 31, 2011 are summarized in the table that follows.

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. As of December 31, 2011, the Company has two groups of significant interest rate swaps. One of the groups of swaps has notional amounts totaling 12.6 billion Japanese yen, and effectively converts the underlying variable interest rates to an average fixed interest rate of 0.2% for a term of three- years, ending in September 2014. Another swap has a notional amount of 65.0 million Swiss francs, and effectively converts the underlying variable interest rates to a fixed interest rate of 0.7% for a term of five- years, ending in September 2016.

On June 24, 2011 the Company entered into a \$500.0 million Treasury Rate Lock ("T-Lock"), which was terminated on August 19, 2011, to hedge the base rate interest variability exposure of the Company's planned ten year bond issuance. The T-Lock was cash settled for a payment of \$34.6 million, of which \$3.8 million was deemed ineffective and expensed in the current

period in Other expense (income), net on the consolidated statements of operations, while \$30.8 million remained effective on the Company's issuance of \$450.0 million ten year bonds. The effective portion of the hedge is recognized in AOCI. As interest is accrued on the bond in the future, the Company will release the pro rata amount in AOCI into interest expense on the consolidated statements of operations.

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. The Company's significant contracts outstanding as of December 31, 2011 are summarized in the table that follows.

Commodity Risk Management

The Company selectively enters into commodity swaps to effectively fix certain variable raw material costs. These swaps are used purely to stabilize the cost of components used in the production of certain of the Company's products. The Company generally accounts for the commodity swaps as cash flow hedges. As a result, the Company records the fair value of the swap primarily through AOCI based on the tested effectiveness of the commodity swap. 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. Any time value component of the hedge fair value is deemed ineffective and will be reported currently in "Interest expense" in the period which it is applicable. Any cash flows associated with these instruments are included in cash from operations in accordance with the Company's policy of classifying the cash flows from these instruments in the same category as the cash flows from the items being hedged.

At December 31, 2011, the Company had swaps in place to purchase 1,126 troy ounces of platinum bullion for use in production at an average fixed rate of \$1,527 per troy ounce. In addition, the Company had swaps in place to purchase 125,058 troy ounces of silver bullion for use in production at an average fixed rate of \$28 per troy ounce.

The following tables summarize the notional amounts and fair value of the Company's cash flow hedges and non-designated derivatives at December 31, 2011:

Foreign Exchange Forward Contracts (in thousands)	Notional Amount Maturing in the Year		Fair Value Net Asset (Liability)
	2012	2013	December 31, 2011
Forward sale, 13.2 million Australian dollars	\$ 11,895	\$ 1,076	\$ (736)
Forward purchase, 6.9 million British pounds	(10,456)	(190)	554
Forward sale, 35.0 million Canadian dollars	26,709	8,226	1,061
Forward purchase, 14.9 million Danish kroner	(2,597)	—	4
Forward sale, 97.5 million euros	83,981	43,167	2,188
Forward sale, 0.5 billion Japanese yen	9,998	(3,105)	(803)
Forward sale, 159.3 million Mexican pesos	11,391	—	45
Forward purchase, 11.8 million Norwegian kroner	(1,974)	—	72
Forward sale, 5.4 million Polish zlotys	1,568	—	(6)
Forward sale, 2.5 million Singapore dollars	1,924	—	(14)
Forward sale, 5.7 billion South Korean won	4,940	—	(31)
Forward purchase, 1.2 billion Swedish kronor	(139,982)	(27,873)	1,347
Forward sale, 25.3 million Swiss francs	20,202	7,637	770
Forward sale, 47.0 million Taiwanese dollars	1,553	—	(46)
Total foreign exchange forward contracts	\$ 19,152	\$ 28,938	\$ 4,405

Interest Rate Swaps (in thousands)	Notional Amount Maturing in the Year					Fair Value Net Asset (Liability)
	2012	2013	2014	2015	2016 and Beyond	December 31, 2011
Euro	\$ 1,221	\$ 1,221	\$ 934	\$ 934	\$ 2,101	\$ (581)
Japanese yen	—	—	162,956	—	—	739
Swiss francs	—	—	—	—	69,197	(553)
Total interest rate swaps	\$ 1,221	\$ 1,221	\$ 163,890	\$ 934	\$ 71,298	\$ (395)

Commodity Contracts (in thousands)	Notional Amount Maturing in the Year		Fair Value Net Asset (Liability)
	2012	2013	December 31, 2011
Silver swap - U.S. dollar	\$ 3,216	\$ 327	\$ (62)
Platinum swap - U.S. dollar	1,452	84	(182)
Total commodity contracts	\$ 4,668	\$ 411	\$ (244)

Cross Currency Basis Swaps (in thousands)	Notional Amounts Maturing in the Year		Fair Value Net Asset (Liability)
	2014		December 31, 2011
Euro 449.8 million @ \$1.45 rec. EUR 3 mth. EURIBOR pay USD 3 mth. LIBOR	\$ 581,568		\$ (67,690)
Total cross currency basis swaps	\$ 581,568		\$ (67,690)

At December 31, 2011, deferred net gains on derivative instruments of \$3.0 million, which were recorded in AOCI, are expected to be reclassified to current earnings during the next twelve months. This reclassification is primarily due to the sale of inventory that includes previously hedged purchases and interest rate swaps. The maximum 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 eighteen months. Overall, the derivatives designated as cash flow hedges are highly effective. Any cash flows associated with these instruments are included in cash from operations in accordance with the Company's policy of classifying the cash flows from these instruments in the same category as the cash flows from the items being hedged.

Hedges of Net Investments in Foreign Operations

The Company has numerous investments in foreign subsidiaries. The net assets of these subsidiaries are exposed to volatility in currency exchange rates. Currently, the Company uses both non-derivative financial instruments, including foreign currency denominated debt held at the parent company level and derivative financial instruments to hedge some of this exposure. Translation gains and losses related to the net assets of the foreign subsidiaries are offset by gains and losses in the non-derivative and derivative financial instruments designated as hedges of net investments, which are included in accumulated other comprehensive income.

During the third quarter 2011, the Company entered into euro denominated forward exchange contracts that hedged an investment in a foreign subsidiary. These forward contracts totaled 450.0 million euro and were designated as net investment hedges. These hedges were settled during the third quarter at the closing of the Astra Tech acquisition and the Company recorded a loss of \$1.5 million included in AOCI, net of tax.

During the third quarter of 2011, the Company entered into five new cross currency basis swaps totaling 260.0 million euros (the "Euro Swaps"). The Euro Swaps mature in October 2013, and the Company pays three-month Euro Inter-Bank Offered Rate ("EURIBOR") minus 52.75 basis points on EUR 260.0 million and receives three-month U.S. dollar LIBOR on \$350.9 million. During the fourth quarter of 2011, the Company entered into three new cross currency basis swaps totaling \$80.4 million Swiss franc (the "Swiss Swaps"). The Swiss Swaps mature in November 2014, and the Company pays three-month Swiss franc London

Inter-Bank Offered Rate ("LIBOR") minus 44.5 basis points on Swiss francs 80.4 million and receives three-month U.S. dollar LIBOR on \$87.6 million. The new contracts were entered into to replace maturing contracts. The Swiss franc and euro cross currency interest rate swaps are designated as net investment hedges of the Swiss and euro denominated net assets. The interest rate differential is recognized in the earnings as "Interest income" or "Interest expense" on the consolidated statements of operations as it is accrued. The foreign currency revaluation is recorded in AOCI, net of tax effects.

At December 31, 2011 and 2010, the Company had Swiss franc-denominated and Japanese yen-denominated debt and cross currency basis swaps denominated in euro and Swiss franc to hedge the currency exposure related to a designated portion of the net assets of its European, Swiss and Japanese subsidiaries. The fair value of the cross currency interest rate swap agreements is the estimated amount the Company would (pay) receive at the reporting date, taking into account the effective interest rates and foreign exchange rates. As of December 31, 2011 and December 31, 2010, the estimated net fair values of the cross currency interest rate swap agreements was a liability of \$111.9 million and a liability of \$169.1 million, respectively, which are recorded in accumulated other comprehensive income, net of tax effects. At December 31, 2011 and 2010, the accumulated translation gain (loss) on investments in foreign subsidiaries, primarily denominated in Euros, Swiss francs, Japanese yen and Swedish krona, net of these net investment hedges, were \$134.2 million in losses and \$45.4 million in gains, respectively, which were included in AOCI, net of tax effects.

The following tables summarize the notional amounts and fair value of the Company's cross currency basis swaps that are designated as hedges of net investments in foreign operations at December 31, 2011:

Cross Currency Basis Swaps (in thousands)	Notional Amounts Maturing in the Year			Fair Value Net Asset (Liability)
	2012	2013	2014	December 31, 2011
Swiss franc 592.5 million @ 1.12 pay CHF 3 mth. LIBOR rec. USD 3 mth. LIBOR	\$ 60,254	\$ 484,910	\$ 85,591	\$ (99,917)
Euro 618.0 million @ \$1.27 pay EUR 3 mth. EURIBOR rec. USD 3 mth. LIBOR	—	799,105	—	(12,009)
Total cross currency basis swaps	\$ 60,254	\$ 1,284,015	\$ 85,591	\$ (111,926)

Fair Value Hedges

Effective April 4, 2011, the Company entered into a group of 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 PPN to variable rate for a 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 swap offsetting each other in the income statement. At December 31, 2011, the estimated net fair value of these interest rate swaps was \$4.5 million.

The following tables summarize the notional amounts and fair value of the Company's fair value hedges at December 31, 2011:

Interest Rate Contracts (in thousands)	Notional Amounts Maturing in the Year			Fair Value Net Asset (Liability)
	2014	2015	2016 and Beyond	December 31, 2011
U. S. dollar	45,000	60,000	45,000	4,463
Total interest rate contracts	\$ 45,000	\$ 60,000	\$ 45,000	\$ 4,463

The following tables summarize the fair value and consolidated balance sheet location of the Company's derivatives at December 31, 2011 and December 31, 2010:

December 31, 2011

(in thousands)

	Prepaid Expenses and Other Current Assets	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Designated as Hedges				
Foreign exchange forward contracts	\$ 5,464	\$ 896	\$ 641	\$ 107
Commodity contracts	—	15	257	2
Interest rate swaps	2,539	3,160	—	1,050
Cross currency basis swaps	—	19,838	13,790	117,974
Total	\$ 8,003	\$ 23,909	\$ 14,688	\$ 119,133
Not Designated as Hedges				
Foreign exchange forward contracts	\$ 1,943	\$ —	\$ 3,150	\$ —
DIO equity option contracts	—	—	—	419
Interest rate swaps	—	—	105	476
Cross currency basis swaps	—	—	\$ —	\$ 67,690
Total	\$ 1,943	\$ —	\$ 3,255	\$ 68,585

December 31, 2010

(in thousands)

	Prepaid Expenses and Other Current Assets	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Designated as Hedges				
Foreign exchange forward contracts	\$ 2,455	\$ 21	\$ 1,139	\$ 135
Commodity contracts	88	—	—	—
Interest rate swaps	—	—	4,213	871
Cross currency basis swaps	—	—	21,516	147,589
Total	\$ 2,543	\$ 21	\$ 26,868	\$ 148,595
Not Designated as Hedges				
Foreign exchange forward contracts	\$ 821	\$ —	\$ 600	\$ —
Interest rate swaps	—	—	104	556
Total	\$ 821	\$ —	\$ 704	\$ 556

The following tables summarize the statements of operations impact of the Company's cash flow hedges for the years ended December 31, 2011 and 2010:

December 31, 2011

Derivatives in Cash Flow Hedging

(in thousands)	Gain (Loss) in AOCI	Classification of Gains (Losses)	Effective Portion Reclassified from AOCI into Income
Interest rate contracts	\$ (30,008)	Interest expense	\$ (4,903)
Foreign exchange forward contracts	6,858	Cost of products sold	1,503
Foreign exchange forward contracts	377	SG&A expenses	39
Commodity contracts	(191)	Cost of products sold	273
Total	\$ (22,964)		\$ (3,088)

Derivatives in Cash Flow Hedging

(in thousands)	Classification of Gains (Losses)	Ineffective portion Recognized in Income
Interest rate contracts	Other expense, net	\$ (6,151)
Foreign exchange forward contracts	Interest expense	(403)
Foreign exchange forward contracts	Interest expense	(1,307)
Commodity contracts	Interest expense	2
Total		\$ (7,859)

December 31, 2010

Derivatives in Cash Flow Hedging

(in thousands)	Gain (Loss) in AOCI	Classification of Gains (Losses)	Effective Portion Reclassified from AOCI into Income
Interest rate contracts	\$ (1,978)	Interest expense	\$ (5,636)
Foreign exchange forward contracts	2,314	Cost of products sold	665
Foreign exchange forward contracts	670	SG&A expenses	630
Commodity contracts	324	Cost of products sold	662
Total	\$ 1,330		\$ (3,679)

Derivatives in Cash Flow Hedging

(in thousands)	Classification of Gains (Losses)	Ineffective portion Recognized in Income
Interest rate contracts	Other expense, net	\$ 232
Foreign exchange forward contracts	Interest expense	(672)
Commodity contracts	Interest expense	(14)
Total		\$ (454)

The following tables summarize the statements of operations impact of the Company's hedges of net investments for the years ended December 31, 2011 and 2010:

December 31, 2011

Derivatives in Net Investment Hedging

(in thousands)	Gain (Loss) in AOCI	Classification of Gains (Losses)	Gain (Loss) Recognized in Income
Cross currency interest rate swaps	\$ 3,308	Interest income	\$ 1,085
		Interest expense	(108)
Cross currency interest rate swaps	30,125	Interest expense	(5,675)
Foreign exchange forward contracts	(2,462)	Interest expense	—
Total	\$ 30,971		\$ (4,698)

December 31, 2010

Derivatives in Net Investment Hedging

(in thousands)	Gain (Loss) in AOCI	Classification of Gains (Losses)	Gain (Loss) Recognized in Income
Cross currency interest rate swaps	\$ (61,211)	Interest income	\$ 869
		Interest expense	(105)
Cross currency interest rate swaps	34,862	Interest expense	(2,508)
Total	<u>\$ (26,349)</u>		<u>\$ (1,744)</u>

The following tables summarize the statements of operations impact of the Company's hedges of fair value for the years ended December 31, 2011 and 2010:

December 31, 2011

Derivatives in Cash Flow Hedging

(in thousands)	Classification of Gains (Losses)	December 31,	
		2011	2010
Interest rate contracts	Interest expense	\$ 6,328	\$ —
Total		<u>\$ 6,328</u>	<u>\$ —</u>

The following table summarizes the statements of operations impact of the Company's hedges not designated as hedging for the years ended December 31, 2011 and 2010:

Derivatives Not Designated as Hedging

(in thousands)	Classification of Gains (Losses)	December 31,	
		2011	2010
Foreign exchange forward contracts (a)	Other expense, net	\$ (2,921)	\$ 1,181
DIO equity option contracts	Other expense, net	383	—
Interest rate contracts	Interest expense	(186)	(155)
Cross currency interest rate contracts (a)	Other expense, net	(68,432)	—
Cross currency interest rate contracts	Interest income	1,219	—
Total		<u>\$ (69,937)</u>	<u>\$ 1,026</u>

(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 and are recorded in "Other expense (income), net" on the consolidated statements of operations.

Amounts recorded in AOCI related to cash flow hedging instruments at:

(in thousands, net of tax)	December 31,	
	2011	2010
Beginning balance	\$ (1,468)	\$ (4,799)
Changes in fair value of derivatives	(14,357)	1,248
Reclassifications to earnings from equity	3,088	2,083
Total activity	<u>(11,269)</u>	<u>3,331</u>
Ending balance	<u>\$ (12,737)</u>	<u>\$ (1,468)</u>

Amounts recorded in AOCI related to hedges of net investments in foreign operations at:

(in thousands, net of tax)	December 31,	
	2011	2010
Beginning balance	\$ 45,417	\$ 111,115
Foreign currency translation adjustment	(200,121)	(33,208)
Changes in fair value of:		
foreign currency debt	(9,553)	(16,311)
derivative hedge instruments	20,527	(16,179)
Total activity	(189,147)	(65,698)
Ending balance	\$ (143,730)	\$ 45,417

NOTE 16 – 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 its total long-term debt, including current portion, was \$1,512.5 million and \$1,491.4 million, respectively, at December 31, 2011. At December 31, 2010, the Company estimated the fair value and carrying value was \$611.2 million and \$606.5 million, respectively. The interest rate on the \$450.0 million Senior Notes, the \$300.0 million Senior Notes, and the \$250.0 million Private Placement Notes are fixed rates of 4.1%, 2.8% and 4.1%, respectively, and their fair value is based on the interest rates as of December 31, 2011. 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 December 31, 2011 and 2010, which are classified as "Cash and cash equivalents," "Prepaid expenses and other current assets," "Long-Term investments," "Other noncurrent assets, net," "Accrued liabilities," and "Other noncurrent liabilities" on the consolidated balance sheet. 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)	December 31, 2011			
	Total	Level 1	Level 2	Level 3
Assets				
Money market funds	\$ 10,516	\$ 10,516	\$ —	\$ —
Interest rate swaps	5,699	—	5,699	—
Commodity forward purchase contracts	15	—	15	—
Cross currency interest rate swaps	19,838	—	19,838	—
Foreign exchange forward contracts	8,303	—	8,303	—
Corporate convertible bonds	47,850	—	—	47,850
Total assets	\$ 92,221	\$ 10,516	\$ 33,855	\$ 47,850
Liabilities				
Interest rate swaps	\$ 1,631	\$ —	\$ 1,631	\$ —
Commodity forward purchase contracts	259	—	259	—
Cross currency interest rate swaps	199,454	—	199,454	—
Foreign exchange forward contracts	3,898	—	3,898	—
Long term debt	154,512	—	154,512	—
Contingent considerations on acquisitions	2,917	—	—	2,917
DIO equity option contracts	419	—	—	419
Total liabilities	\$ 363,090	\$ —	\$ 359,754	\$ 3,336

(in thousands)	December 31, 2010			
	Total	Level 1	Level 2	Level 3
Assets				
Money market funds	\$ 380,593	\$ 380,593	\$ —	\$ —
Commodity forward purchase contracts	88	—	88	—
Foreign exchange forward contracts	3,297	—	3,297	—
Corporate convertible bonds	66,024	—	—	66,024
Total assets	\$ 450,002	\$ 380,593	\$ 3,385	\$ 66,024
Liabilities				
Interest rate swaps	\$ 5,744	\$ —	\$ 5,744	\$ —
Cross currency interest rate swaps	169,105	—	169,105	—
Foreign Exchange forward contracts	1,874	—	1,874	—
Contingent considerations on acquisitions	5,887	—	—	5,887
Total liabilities	\$ 182,610	\$ —	\$ 176,723	\$ 5,887

Derivative valuations are based on observable inputs to the valuation model including interest rates, foreign currency exchange rates, future commodities prices and credit risks. The commodity contracts, certain interest rate swaps and foreign exchange forward contracts are considered cash flow hedges and cross currency interest rate swaps are considered balance sheet or hedges of net investments in foreign operations as discussed in Note 15, Financial Instruments and Derivatives.

The Company uses the income method valuation technique to estimate the fair value of the corporate bonds. The significant unobservable inputs for valuing the corporate bonds are DIO Corporation's stock volatility factor of approximately 40% and corporate bond rating which implies an approximately 15% 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. Changes in the fair value of the DIO equity option contracts are reported in “Other expense (income), net” on the consolidated statements of operations.

Certain purchase agreements for acquisitions completed after January 1, 2009 contain provisions where the seller could receive additional consideration based on the future operating performance of the acquired business. In accordance with US GAAP, the Company has recorded the fair value of these additional payments on the acquisition date. The fair value was based on a probability-weighted average payout discounted using a market rate of approximately 5%. The fair value is subject to management's estimates at the time of the acquisition and is based upon level 3 inputs. The fair values of these additional payments are reported in “Other noncurrent liabilities,” on the consolidated balance sheets.

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

(in thousands)	Corporate Convertible Bonds	DIO Equity Options Contracts	Contingent Considerations
Balance at December 31, 2010	\$ 66,024	\$ —	\$ 5,887
Additions/purchases, gross	—	786	—
Payments/sales, gross	—	—	(2,989)
Unrealized loss:			
Reported in AOCI	(16,577)	—	—
Unrealized gain:			
Reported in other expense (income), net	—	(388)	—
Effect of exchange rate changes	(1,597)	21	19
Balance at December 31, 2011	<u>\$ 47,850</u>	<u>\$ 419</u>	<u>\$ 2,917</u>

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Leases

The Company leases automobiles and machinery and equipment and certain office, warehouse and manufacturing facilities under non-cancellable leases. The leases generally require the Company to pay insurance, taxes and other expenses related to the leased property. Total rental expense for all operating leases was \$39.0 million for 2011, \$34.9 million for 2010 and \$32.2 million for 2009.

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

(in thousands)

2012	\$ 38,946
2013	26,918
2014	19,712
2015	15,512
2016	13,755
2017 and thereafter	27,416
	<u>\$ 142,259</u>

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 purchased and used one or more Cavitron® ultrasonic scalers for the performance of oral surgical procedures. The Company filed a motion for decertification of the class and this motion was granted. Plaintiffs appealed the decertification of the class to the California Court of Appeals and the Court of Appeals reversed the decertification decision of the trial Court. The case was remanded to and is pending in the San Francisco County Court. As the result of several hearings, the Judge has held that the class period will be from 2000 to the present and the class will be defined as dentists who “purchased and used the Cavitron for oral surgery”. Based on his ruling, the Class Notice, which likely will be mailed sometime in March, will go to dentists licensed to practice in California during the class period from 2000 to the present.

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. Plaintiffs have filed their motion for class certification to which the Company has filed its response. The Company also filed other motions, including a motion to dismiss the claims of Drs. Hildebrand and Jaffin for lack of standing. The Court granted this motion for lack of standing of the individuals and did not allow the plaintiffs to amend the complaint to substitute their corporate practices, leaving Dr. Goldman as a putative class representative in Pennsylvania, raising a question of jurisdiction of the U.S. District Court. Subsequently, the Court issued an Order dismissing this case on the grounds that it did not have jurisdiction over the matter. The plaintiffs filed a second complaint after the Court granted the initial Motion for lack of standing in which they named the corporate practices of Drs. Hildebrand and Jaffin as class representatives. The Company has moved to dismiss this complaint and the Court has not yet ruled on this Motion.

As of December 31, 2011, a reasonable estimate of a possible range of loss related to the above litigation 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.

On August 18, 2011, the Company entered into a Settlement Agreement and Mutual Release with Guidance Endodontics, LLC and its principal (together “Guidance”) under which the Company agreed to pay Guidance a settlement in exchange for a full release and settlement of Guidance's claims against the Company.

Other

The Company has no material non-cancelable purchase commitments.

The Company has employment agreements with its executive officers. These agreements generally provide for salary continuation for a specified number of months under certain circumstances. If all of the employees under contract were to be terminated by the Company without cause, as defined in the agreements, the Company's liability would be approximately \$13.8 million at December 31, 2011.

QUARTERLY FINANCIAL INFORMATION (UNAUDITED)
DENTSPLY INTERNATIONAL INC.
Quarterly Financial Information (Unaudited)

(in thousands, except per share amounts)

	First Quarter	Second Quarter	Third Quarter (a)	Fourth Quarter (b)	Rounding	Total Year
2011						
Net sales	\$ 570,503	\$ 609,443	\$ 619,759	\$ 738,013	\$ —	\$ 2,537,718
Gross profit	299,984	314,851	297,648	360,957	—	1,273,440
Operating income	98,584	97,004	39,802	65,338	—	300,728
Net income attributable to						
DENTSPLY International	69,084	74,236	60,597	40,603	—	244,520
Earnings per common share - basic	\$ 0.49	\$ 0.53	\$ 0.43	\$ 0.29	\$ (0.01)	\$ 1.73
Earnings per common share - diluted	\$ 0.48	\$ 0.52	\$ 0.42	\$ 0.28	\$ —	\$ 1.70
Cash dividends declared per common share	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.055	\$ —	\$ 0.205
2010						
Net sales	\$ 545,944	\$ 565,086	\$ 541,815	\$ 568,169	\$ —	\$ 2,221,014
Gross profit	282,038	287,595	272,814	287,711	—	1,130,158
Operating income	89,324	104,969	90,419	95,561	—	380,273
Net income attributable to						
DENTSPLY International	61,843	72,386	63,653	67,826	—	265,708
Earnings per common share - basic	\$ 0.42	\$ 0.50	\$ 0.45	\$ 0.48	\$ —	\$ 1.85
Earnings per common share - diluted	\$ 0.41	\$ 0.49	\$ 0.44	\$ 0.47	\$ 0.01	\$ 1.82
Cash dividends declared per common share	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.050	\$ —	\$ 0.200

(a) Includes the results of the Astra Tech acquisition for the period September 1, 2011 through September 30, 2011

(b) Includes the results of the Astra Tech acquisition for the period October 1, 2011 through December 31, 2011

Net sales, excluding precious metal content, were \$527.0 million, \$564.0 million, \$563.8 million and \$677.8 million, respectively, for the first, second, third and fourth quarters of 2011. Net sales, excluding precious metal content, were \$497.5 million, \$519.3 million, \$494.3 million and \$520.7 million, respectively, for the first, second, third and fourth quarters of 2010. This measurement should be considered a non-US GAAP measure as discussed further in Management's Discussion and Analysis of Financial Condition and Results of Operations.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DENTSPLY INTERNATIONAL INC.

By: /s/ Bret W. Wise
Bret W. Wise
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ <u>Bret W. Wise</u>	February 24, 2012
Bret W. Wise	Date
Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	
/s/ <u>William R. Jellison</u>	February 24, 2012
William R. Jellison	Date
Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	
/s/ <u>John C. Miles II</u>	February 24, 2012
John C. Miles II	Date
Director	
/s/ <u>Dr. Michael C. Alfano</u>	February 24, 2012
Dr. Michael C. Alfano	Date
Director	
/s/ <u>Eric K. Brandt</u>	February 24, 2012
Eric K. Brandt	Date
Director	
/s/ <u>Paula H. Cholmondeley</u>	February 24, 2012
Paula H. Cholmondeley	Date
Director	
/s/ <u>Michael J. Coleman</u>	February 24, 2012
Michael J. Coleman	Date
Director	

/s/ Willie A. Deese February 24, 2012
Willie A. Deese Date
Director

/s/ William F. Hecht February 24, 2012
William F. Hecht Date
Director

/s/ Leslie A. Jones February 24, 2012
Leslie A. Jones Date
Director

/s/ Francis J. Lunger February 24, 2012
Francis J. Lunger Date
Director

/s/ John L. Miclot February 24, 2012
John L. Miclot Date
Director

\$500,000,000

CREDIT AGREEMENT

dated as of

July 27, 2011

among

DENTSPLY INTERNATIONAL INC.

The Subsidiary Borrowers Party Hereto

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

MORGAN STANLEY SENIOR FUNDING, INC.
as Syndication Agent

and

CITIGROUP GLOBAL MARKETS INC., THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. and WELLS FARGO BANK, N.A.
as Co-Documentation Agents

MORGAN STANLEY SENIOR FUNDING, INC. and J.P. MORGAN SECURITIES LLC
as Joint Bookrunners and Joint Lead Arrangers

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- Exhibit B-1 - Form of Opinion of General Counsel to Borrowers
- Exhibit B-2 - Form of Opinion of External Counsel to the Borrowers
- Exhibit C - Form of Increasing Lender Supplement
- Exhibit D - Form of Augmenting Lender Supplement
- Exhibit E - List of Closing Documents
- Exhibit F-1 - Form of Borrowing Subsidiary Agreement
- Exhibit F-2 - Form of Borrowing Subsidiary Termination

CREDIT AGREEMENT (this "Agreement") dated as of July 27, 2011 among DENTSPLY INTERNATIONAL INC., the SUBSIDIARY BORROWERS from time to time party hereto, the LENDERS from time to time party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, MORGAN STANLEY SENIOR FUNDING, INC., as Syndication Agent, and CITIGROUP GLOBAL MARKETS INC., THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. and WELLS FARGO BANK, N.A., as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to a Loan, or the Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate.

"Adjusted LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the sum of (i) (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate plus, without duplication and (ii) in the case of Loans by a Lender from its office or branch in the United Kingdom, the Mandatory Cost.

"Administrative Agent" means JPMorgan Chase Bank, N.A. (including its branches and affiliates), in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitment" means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the Effective Date, the Aggregate Commitment is \$500,000,000.

"Agreed Currencies" means (i) Dollars, (ii) euro, (iii) Swiss Francs, (iv) Japanese Yen, (v) Pounds Sterling and (vi) any other Foreign Currency agreed to by the Administrative Agent and each of the Lenders.

"Agreement" has the meaning assigned to such term in the preamble.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such page) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

“Applicable Percentage” means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender’s Commitment; provided that, in the case of Section 2.24 when a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment in accordance with Section 2.24. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“Applicable Rate” means, for any day, with respect to any Eurocurrency Revolving Loan or any ABR Revolving Loan or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Eurocurrency Spread”, “ABR Spread” or “Commitment Fee Rate”, as the case may be, based upon the Index Debt Rating applicable on such date:

	Index Debt Ratings (Moody’s/S&P):	Eurocurrency Spread	ABR Spread	Commitment Fee Rate
<u>Category 1:</u>	A2/A or higher	1.13%	0.13%	0.10%
<u>Category 2:</u>	A3/A-	1.25%	0.25%	0.13%
<u>Category 3:</u>	Baa1/BBB+	1.50%	0.50%	0.15%
<u>Category 4:</u>	Baa2/BBB	1.75%	0.75%	0.20%
<u>Category 5:</u>	less than Baa2/BBB	2.00%	1.00%	0.25%

For purposes of the foregoing, (i) if either Moody’s or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Category 5; (ii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category next below that of the higher of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Company to the Administrative Agent and the Lenders. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and

ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"Arrangers" means each of Morgan Stanley Senior Funding, Inc. and J.P. Morgan Securities LLC, in its capacity as joint lead arranger and joint bookrunner for the credit facility evidenced by this Agreement.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Astra Tech" means Astra Tech AB, a private company limited by shares incorporated in Sweden.

"Augmenting Lender" has the meaning assigned to such term in Section 2.20.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Banking Services" means each and any of the following bank services provided to the Company or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Banking Services Agreement" means any agreement entered into by the Company or any Subsidiary in connection with Banking Services.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means the Company or any Subsidiary Borrower.

"Borrowing" means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect or (b) a Swingline Loan.

“Borrowing Request” means a request by any Borrower for a Revolving Borrowing in accordance with Section 2.03.

“Borrowing Subsidiary Agreement” means a Borrowing Subsidiary Agreement substantially in the form of Exhibit F-1.

“Borrowing Subsidiary Termination” means a Borrowing Subsidiary Termination substantially in the form of Exhibit F-2.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurocurrency Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in the relevant Agreed Currency in the London interbank market or the principal financial center of such Agreed Currency (and, if the Borrowings or LC Disbursements which are the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in euro, the term “Business Day” shall also exclude any day on which the TARGET payment system is not open for the settlement of payments in euro).

“Change in Law” means (a) the adoption of any law, rule, policy or regulation on or after the date of this Agreement, (b) any change in any law, rule, policy or regulation or in the interpretation or application thereof by any Governmental Authority on or after the date of this Agreement or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender’s or the Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued on or after the date of this Agreement; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, policies or directives thereunder or issued or promulgated in connection therewith and (y) all requests, rules, guidelines or directives issued or promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, promulgated or issued.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans.

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

“Co-Documentation Agent” means each of Citigroup Global Markets Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Wells Fargo Bank, N.A. in its capacity as co-documentation agent for the credit facility evidenced by this Agreement.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or terminated from time to time

pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

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

“Computation Date” is defined in Section 2.04.

“Consignment Agreements” means, collectively, (i) that certain Consignment Agreement dated as of February 15, 2002 by and between OMG AG & Co. KG and the Company, (ii) that certain Consignment Agreement dated as of December 15, 2005 by and between ABN Amro Bank N.V., Australian Branch and the Company, (iii) that certain Consignment and Forward Contracts Agreement dated as of December 20, 2001 by and between The Bank of Nova Scotia and the Company, (iv) that certain Consignment Agreement dated as of January 30, 2002 by and between Dresdner Bank AG, Frankfurt and the Company, (v) that certain Consignment Agreement dated as of December 20, 2001 by and between JPMorgan Chase Bank and the Company and (vi) that certain Consignment Agreement dated as of December 20, 2001 by and between Mitsui & Co., Precious Metals Inc. and the Company, in each case as each may be amended, restated, supplemented or otherwise modified from time to time.

“Consolidated” refers to the consolidation of accounts in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Credit Event” means a Borrowing, the issuance of a Letter of Credit, an LC Disbursement or any of the foregoing.

“Debt” of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit or similar extensions of credit, (g) all obligations of such Person in respect of Swap Agreements, (h) all Debt of others referred to in clauses (a) through (g) above or clause (i) below and other payment obligations (collectively, “Guaranteed Debt”) guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (1) to pay or purchase such Guaranteed Debt or to advance or supply funds for the payment or purchase of such

Guaranteed Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Guaranteed Debt or to assure the holder of such Guaranteed Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, and (i) all Debt referred to in clauses (a) through (h) above (including Guaranteed Debt) secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

“Debt for Borrowed Money” of any Person means all items that, in accordance with GAAP, would be classified as indebtedness on a Consolidated balance sheet of such Person, provided that Debt for Borrowed Money of the Company and its Subsidiaries shall not include Debt incurred in connection with the Consignment Agreements relating to the consignment of precious metals between the Company and certain counterparties.

“Default” means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

“Defaulting Lender” means any Lender, as determined by the Administrative Agent, that has (a) failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans within three (3) Business Days of the date required to be funded by it hereunder (unless such Lender notifies the Administrative Agent and the Company in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied), (b) notified the Company, the Administrative Agent, the Issuing Bank, the Swingline Lender or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied) or under other agreements in which it commits to extend credit, (c) failed, within three (3) Business Days after request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, unless the subject of a good faith dispute, or (e) (i) become or is insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of

its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment. Notwithstanding anything to the contrary above, a Lender will not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity in such Lender or its parent company by any Governmental Authority.

“Dollar Amount” of any currency at any date shall mean (i) the amount of such currency if such currency is Dollars or (ii) the equivalent in such currency of Dollars if such currency is a Foreign Currency, calculated on the basis of the Exchange Rate for such currency, on or as of the most recent Computation Date provided for in Section 2.04.

“Dollars” or “\$” refers to lawful money of the United States of America.

“Domestic Subsidiary” means a Subsidiary organized under the laws of a jurisdiction located in the United States of America.

“Domestic Subsidiary Borrower” means any Eligible Domestic Subsidiary that becomes a Domestic Subsidiary Borrower pursuant to Section 2.23 and that has not ceased to be a Domestic Subsidiary Borrower pursuant to such Section.

“EBITDA” means, for any period, net income (or net loss) plus the sum of (a) interest expense, (b) income tax expense, (c) depreciation expense, (d) amortization expense, (e) other non-cash charges (less unusual or non-recurring non-cash income or gains) and (f) any extraordinary, non-recurring or unusual fees, expenses or other charges incurred in connection with any acquisition by the Company or a Subsidiary (including the issuance or repayment of Debt related to such acquisition), and any corporate reorganization and integration activities which are related to such acquisition, in each case determined in accordance with GAAP for such period.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“Eligible Domestic Subsidiary” means any direct or indirect wholly-owned Domestic Subsidiary that is approved from time to time by the Administrative Agent.

“Eligible Foreign Subsidiary” means any direct or indirect wholly-owned Foreign Subsidiary that is approved from time to time by the Administrative Agent.

“Environmental Action” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“Environmental Law” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equivalent Amount” of any currency with respect to any amount of Dollars at any date shall mean the equivalent in such currency of such amount of Dollars, calculated on the basis of the Exchange Rate for such other currency at 11:00 a.m., London time, on the date on or as of which such amount is to be determined.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means any Person that for purposes of Title IV of ERISA is a member of the Company’s controlled group, or under common control with the Company, within the meaning of Section 414 of the Code.

“ERISA Event” means (a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC, or (ii) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are met with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of the Company or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by the Company or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for the imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan; (g) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of

proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Plan.

“EU” means the European Union.

“euro” and/or “EUR” means the single currency of the participating member states of the EU.

“Eurocurrency”, when used in reference to a currency means an Agreed Currency and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

“Eurocurrency Payment Office” of the Administrative Agent shall mean, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Company and each Lender.

“Event of Default” has the meaning specified in Section 7.01.

“Exchange Rate” means, on any day, with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m., Local Time, on such date on the Reuters World Currency Page for such Foreign Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate with respect to such Foreign Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be reasonably selected by the Administrative Agent or, in the event no such service is selected, such Exchange Rate shall instead be calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange of the Administrative Agent for such Foreign Currency on the London market at 11:00 a.m., Local Time, on such date for the purchase of Dollars with such Foreign Currency, for delivery two Business Days later; provided, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent, after consultation with the Company, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Company hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Company is located, (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Company under Section 2.19(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender’s failure to comply with Section 2.17(f), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Company with respect to such withholding tax

pursuant to Section 2.17(a) and (d) any United States of America withholding tax that is imposed by FATCA.

“Existing Credit Agreement” means the Credit Agreement, dated May 7, 2010, among the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended, restated, supplemented or otherwise modified prior to the Effective Date.

“Existing Debt” has the meaning specified in Section 6.04(b).

“FATCA” means Sections 1471 through 1474 of the Code, as amended, and any regulations or official interpretations thereof.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Company.

“Foreign Currencies” means Agreed Currencies other than Dollars.

“Foreign Currency LC Exposure” means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn and unexpired amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the aggregate principal Dollar Amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed at such time.

“Foreign Currency Letter of Credit” means a Letter of Credit denominated in a Foreign Currency.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Company is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” means any Subsidiary which is not a Domestic Subsidiary.

“Foreign Subsidiary Borrower” means any Eligible Foreign Subsidiary that becomes a Foreign Subsidiary Borrower pursuant to Section 2.23 and that has not ceased to be a Foreign Subsidiary Borrower pursuant to such Section.

“GAAP” has the meaning specified in Section 1.04.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Hazardous Materials” means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

“Increasing Lender” has the meaning assigned to such term in Section 2.20.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Company that is not guaranteed by any other Person or subject to any other credit enhancement.

“Information Memorandum” means the Confidential Information Memorandum dated June 2011 relating to the Company and the Transactions.

“Interest Election Request” means a request by the applicable Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08.

“Interest Payment Date” means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December and the Maturity Date, (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and the Maturity Date and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Maturity Date.

“Interest Period” means with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the applicable Borrower (or the Company on behalf of the applicable Borrower) may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurocurrency Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Issuing Bank” means JPMorgan Chase Bank, N.A., in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“Japanese Yen” means the lawful currency of Japan.

“LC Collateral Account” has the meaning assigned to such term in Section 2.06(j).

“LC Disbursement” means a payment made by the Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Company at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement.

“LIBO Rate” means, with respect to any Eurocurrency Borrowing for any Interest Period, the rate appearing on, in the case of Dollars, Reuters Screen LIBOR01 Page and, in the case of any Foreign Currency, the appropriate page of such service which displays British Bankers Association Interest Settlement Rates for deposits in such Foreign Currency (or, in each case, on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in the relevant Agreed Currency in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to (or, in the case of Loans denominated in Pounds Sterling, on the day of) the commencement of such Interest Period, as the rate for deposits in the relevant Agreed Currency with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurocurrency Borrowing for such Interest Period shall be the rate at which deposits in the relevant Agreed Currency in an Equivalent Amount of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to (or, in the case of Loans denominated in Pounds Sterling, on the day of) the commencement of such Interest Period.

“Lien” means any lien, security interest or other charge or encumbrance of any kind, or any

other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“Loan Documents” means this Agreement, each Borrowing Subsidiary Agreement, each Borrowing Subsidiary Termination, any Notes, any Letter of Credit applications and any and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Borrower, or any employee of any Borrower, and delivered to the Administrative Agent or any Lender in connection with the Agreement or the transactions contemplated thereby. Any reference in the Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Loans” means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

“Local Time” means (i) New York City time in the case of a Loan, Borrowing or LC Disbursement denominated in Dollars and (ii) local time in the case of a Loan, Borrowing or LC Disbursement denominated in a Foreign Currency (it being understood that such local time shall mean London, England time unless otherwise notified by the Administrative Agent).

“Mandatory Cost” is described in Schedule 2.02.

“Material Adverse Change” means any material adverse change in the business, financial condition or operations of the Company or the Company and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial condition or operations of the Company and the Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any and all other Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder.

“Maturity Date” means July 27, 2016.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Company or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

“Multiple Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Company or any ERISA Affiliate and at least

one Person other than the Company and the ERISA Affiliates or (b) was so maintained and in respect of which the Company or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

“Note” means a promissory note of a Borrower payable to the order of any Lender, delivered pursuant to a request made under Section 2.10(e), evidencing the aggregate indebtedness of such Borrower to such Lender resulting from the Loans made by such Lender.

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Company and its Subsidiaries to any of the Lenders, the Administrative Agent, the Issuing Bank or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or to the Lenders or any of their Affiliates under any Swap Agreement or any Banking Services Agreement or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Overnight Foreign Currency Rate” means, for any amount payable in a Foreign Currency, the rate of interest per annum as determined by the Administrative Agent at which overnight or weekend deposits in the relevant currency (or if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Administrative Agent may elect) for delivery in immediately available and freely transferable funds would be offered by the Administrative Agent to major banks in the interbank market upon request of such major banks for the relevant currency as determined above and in an amount comparable to the unpaid principal amount of the related Credit Event, plus any taxes, levies, imposts, duties, deductions, charges or withholdings imposed upon, or charged to, the Administrative Agent by any relevant correspondent bank in respect of such amount in such relevant currency.

“Participant” has the meaning set forth in Section 9.04.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001, as amended.

“PBGC” means the Pension Benefit Guaranty Corporation (or any successor).

“Permitted Liens” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.02 hereof; (b) Liens imposed by law, such as landlords’, banks’ (and rights of set-off), warehousemen’s, materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days; (c) pledges or deposits to secure obligations under workers’ compensation laws, laws related to unemployment insurance and other types of social security or similar legislation or Liens to secure public or statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations; (d) easements, rights of way, restrictions, encroachments, encumbrances and other minor defects or irregularities in title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (e) interest or title of a lessor, lessee, sublessor or sublessee under any lease or sublease permitted hereunder and any interest or title of a licensor, licensee, sublicensor or sublicensee under any license or sublicense permitted hereunder; (f) Liens solely on any cash earned money deposits, escrow arrangements or similar arrangements made by the Company or any other Borrower in connection with any letter of intent or purchase agreement permitted hereunder; (g) purported Liens evidenced by the filing of precautionary Uniform Commercial Code financing statements (or any similar precautionary filings) relating solely to operating leases of personal property entered into in the ordinary course of business; (h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with importation of goods; (i) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property; (j) Liens arising out of judgments, decrees, orders or awards that do not constitute an Event of Default under Section 7.01; and (k) Liens arising by reason of deposits necessary to obtain standby letters of credit in the ordinary course of business.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means a Single Employer Plan or a Multiple Employer Plan.

“Pounds Sterling” means the lawful currency of the United Kingdom.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Pro Forma Basis” means, with respect to any event, that the Company is in compliance on a pro forma basis with the applicable covenant, calculation or requirement herein recomputed as if the event with respect to which compliance on a Pro Forma Basis is being tested had occurred on the first day of the four fiscal quarter period most recently ended on or prior to such date for which financial statements have been delivered pursuant to Section 5.09.

“Register” has the meaning set forth in Section 9.04.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure and Swingline Exposure at such time.

“Revolving Loan” means a Loan made pursuant to Section 2.01.

“S&P” means Standard & Poor’s.

“SEC” means the United States Securities and Exchange Commission.

“Single Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Company or any ERISA Affiliate and no Person other than the Company and the ERISA Affiliates or (b) was so maintained and in respect of which the Company or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

“Solvent” and “Solvency” mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Statutory Reserve Rate” means, with respect to any currency, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Board, the Financial Services Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in such currency, expressed in the case of each such requirement as a decimal. Such reserve, liquid asset, fees or similar requirements shall, in the case of Dollar denominated

Loans, include those imposed pursuant to Regulation D of the Board. Eurocurrency Loans shall be deemed to be subject to such reserve, liquid asset, fee or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D of the Board. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

“Subordinated Indebtedness” means any Debt of the Company or any Subsidiary the payment of which is subordinated to payment of the obligations under the Loan Documents.

“subsidiary” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person’s other subsidiaries.

“Subsidiary” means any subsidiary of the Company.

“Subsidiary Borrower” means any Domestic Subsidiary Borrower or any Foreign Subsidiary Borrower.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

“Swingline Lender” means JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder.

“Swingline Loan” means a Loan made pursuant to Section 2.05.

“Swiss Francs” means the lawful currency of Switzerland.

“Syndication Agent” means Morgan Stanley Senior Funding, Inc. in its capacity as

syndication agent for the credit facility evidenced by this Agreement.

“TARGET” means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) payment system (or, if such payment system ceases to be operative, such other payment system (if any) reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in euro.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Transactions” means the execution, delivery and performance by the Borrowers of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“Voting Stock” means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “Eurocurrency Loan”) or by Class and Type (e.g., a “Eurocurrency Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a “Eurocurrency Borrowing”) or by Class and Type (e.g., a “Eurocurrency Revolving Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring

thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 3.01(e) ("GAAP"); provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Debt or other liabilities of the Company or any Subsidiary at "fair value", as defined therein. For purposes of calculations made pursuant to the terms of this Agreement, GAAP will be deemed to treat operating leases and capital leases each in a manner consistent with its current treatment under generally accepted accounting principles as in effect on December 31, 2010, notwithstanding any modifications or interpretive changes thereto that may occur thereafter.

SECTION 1.05. Status of Obligations. In the event that the Company or any other Borrower shall at any time issue or have outstanding any Subordinated Indebtedness, the Company shall take or cause such other Borrower to take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such other Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available

or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrowers in Agreed Currencies from time to time during the Availability Period in an aggregate principal amount that will not result in (a) subject to Sections 2.04 and 2.11(b), the Dollar Amount of such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) subject to Sections 2.04 and 2.11(b), the sum of the Dollar Amount of the total Revolving Credit Exposures exceeding the Aggregate Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings. (1) Each Revolving Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05.

(a) Subject to Section 2.14, each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as the relevant Borrower may request in accordance herewith; provided that each ABR Loan shall only be made in Dollars and shall only be made to the Company. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan in accordance with the terms of this Agreement.

(b) At the commencement of each Interest Period for any Eurocurrency Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY 100,000,000 or (ii) a Foreign Currency other than Japanese Yen, 1,000,000 units of such currency) and not less than \$5,000,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY 500,000,000 or (ii) a Foreign Currency other than Japanese Yen, 5,000,000 units of such currency). At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$1,000,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of ten

(10) Eurocurrency Revolving Borrowings outstanding.

(c) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent of such request (a) by irrevocable written notice (via a written Borrowing Request in a form approved by the Administrative Agent and signed by the applicable Borrower, or the Company on behalf of the applicable Borrower, promptly followed by telephonic confirmation of such request) in the case of a Eurocurrency Borrowing, not later than 11:00 a.m., Local Time, three (3) Business Days (in the case of a Eurocurrency Borrowing denominated in Dollars to the Company) or by irrevocable written notice (via a written Borrowing Request in a form approved by the Administrative Agent and signed by such Borrower, or the Company on its behalf) not later than four (4) Business Days (in the case of a Eurocurrency Borrowing denominated in a Foreign Currency or a Eurocurrency Borrowing to a Foreign Subsidiary Borrower), in each case before the date of the proposed Borrowing or (b) by telephone in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the applicable Borrower, or the Company on behalf of the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;

(iv) in the case of a Eurocurrency Borrowing, the Agreed Currency and initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Revolving Borrowing is specified, then, in the case of a Borrowing denominated in Dollars to the Company, the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Revolving Borrowing, then the relevant Borrower shall be deemed to have selected an Interest Period of one

month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Determination of Dollar Amounts. The Administrative Agent will determine the Dollar Amount of:

- (a) each Eurocurrency Borrowing as of the date two (2) Business Days prior to the date of such Borrowing or, if applicable, the date of conversion/continuation of any Borrowing as a Eurocurrency Borrowing,
- (b) the LC Exposure as of the date of each request for the issuance, amendment, renewal or extension of any Letter of Credit, and
- (c) all outstanding Credit Events on and as of the last Business Day of each calendar quarter and, during the continuation of an Event of Default, on any other Business Day elected by the Administrative Agent in its discretion or upon instruction by the Required Lenders.

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a), (b) and (c) is herein described as a "Computation Date" with respect to each Credit Event for which a Dollar Amount is determined on or as of such day.

SECTION 2.05. Swingline Loans. (1) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans in Dollars to the Company from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$75,000,000 or (ii) the Dollar Amount of the total Revolving Credit Exposures exceeding the Aggregate Commitment; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Company may borrow, prepay and reborrow Swingline Loans.

(a) To request a Swingline Loan, the Company shall notify the Administrative Agent of such request by telephone (confirmed by telecopy), not later than 12:00 noon, New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Company. The Swingline Lender shall make each Swingline Loan available to the Company by means of a credit to the general deposit account of the Company with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the Issuing Bank) by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(b) The Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., New York City time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding.

Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Company of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Company (or other party on behalf of the Company) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Company for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Company of any default in the payment thereof.

SECTION 2.06. Letters of Credit. (1) General. Subject to the terms and conditions set forth herein, the Company may request the issuance of Letters of Credit denominated in Agreed Currencies for its own account, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Company to, or entered into by the Company with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(a) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Company shall hand deliver or teletype (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and address of the beneficiary

thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the Company also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Company shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) subject to Sections 2.04 and 2.11(b), the Dollar Amount of the LC Exposure shall not exceed \$50,000,000 and (ii) subject to Sections 2.04 and 2.11(b), the sum of the Dollar Amount of the total Revolving Credit Exposures shall not exceed the Aggregate Commitment.

(b) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five (5) Business Days prior to the Maturity Date.

(c) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate Dollar Amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Company on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Company for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(d) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Company shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the Dollar Amount equal to such LC Disbursement, calculated as of the date the Issuing Bank made such LC Disbursement (or if the Issuing Bank shall so elect in its sole discretion by notice to the Company, in such other Agreed Currency which was paid by the Issuing Bank pursuant to such LC Disbursement in an amount equal to such LC Disbursement) not later than 12:00 noon, Local Time, on the date that such LC Disbursement is made, if the Company shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, on such date, or, if such notice has not been received by the Company prior to such time on such date, then not later than 12:00 noon, Local Time, on the Business Day immediately following the day that the Company receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, if such LC Disbursement is not less than the Dollar Amount of \$1,000,000, the Company may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan in an equivalent Dollar Amount of such LC Disbursement and, to the extent so financed, the Company's obligation to make such payment shall be discharged and replaced by the resulting ABR

Revolving Borrowing or Swingline Loan. If the Company fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Company in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Company, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Company pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Company of its obligation to reimburse such LC Disbursement. If the Company's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, the Issuing Bank or any Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, the Company shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the Issuing Bank or the relevant Lender or (y) reimburse each LC Disbursement made in such Foreign Currency in Dollars, in an amount equal to the Equivalent Amount, calculated using the applicable exchange rates, on the date such LC Disbursement is made, of such LC Disbursement.

(e) Obligations Absolute. The Company's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Company's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Company to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Company to the extent permitted by applicable law) suffered by the Company that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of

Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(f) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Company by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Company of its obligation to reimburse the Issuing Bank and the Lenders with respect to any such LC Disbursement.

(g) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Company shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Company reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans (or in the case such LC Disbursement is denominated in a Foreign Currency, at the Overnight Foreign Currency Rate for such Agreed Currency plus the then effective Applicable Rate with respect to Eurocurrency Revolving Loans); provided that, if the Company fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(h) Replacement of the Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Company shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(i) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Company receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Company shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders (the "LC Collateral Account"), an amount in cash equal to 105% of the Dollar Amount of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Foreign Currency Letters of Credit or LC Disbursements in a Foreign Currency that the Company is not late in reimbursing shall be deposited in the applicable Foreign Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Company described in Section 7.01(e). For the purposes of this paragraph, the Foreign Currency LC Exposure shall be calculated using the applicable Exchange Rate on the date notice demanding cash collateralization is delivered to the Company. The Company also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11(b). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Company's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Company for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations. If the Company is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Company within three (3) Business Days after all Events of Default have been cured or waived.

SECTION 2.07. Funding of Borrowings. (1) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars to the Company, by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders and (ii) in the case of each Loan denominated in a Foreign Currency or to a Foreign Subsidiary Borrower, by 12:00 noon, Local Time, in the city of the Administrative Agent's Eurocurrency Payment Office for such currency and Borrower and at such Eurocurrency Payment Office for such currency and Borrower; provided that Swingline Loans shall be made as provided in Section 2.05. The Administrative Agent will make such Loans available to the relevant Borrower by promptly crediting the amounts so received, in like funds, to (x) an account of the Company maintained with the Administrative Agent in New York City or Chicago and designated by the Company in the applicable Borrowing Request, in the case of Loans denominated in Dollars to the Company and (y) an account of such Borrower in the relevant jurisdiction and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign

Currency or to a Foreign Subsidiary Borrower; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(a) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency) or (ii) in the case of such Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (1) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the relevant Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. A Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(a) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Administrative Agent of such election (by telephone or irrevocable written notice in the case of a Borrowing denominated in Dollars or by irrevocable written notice (via an Interest Election Request in a form approved by the Administrative Agent and signed by such Borrower, or the Company on its behalf) in the case of a Borrowing denominated in a Foreign Currency by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the relevant Borrower, or the Company on its behalf. Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under such Borrowing.

(b) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period and Agreed Currency to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration.

(c) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(d) If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Revolving Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period (i) in the case of a Borrowing denominated in Dollars borrowed by the Company, such Borrowing shall be converted to an ABR Borrowing and (ii) in the case of a Borrowing denominated in a Foreign Currency (or in Dollars by a Foreign Subsidiary Borrower) in respect of which the applicable Borrower shall have failed to deliver an Interest Election Request prior to the third (3rd) Business Day preceding the end of such Interest Period, such Borrowing shall automatically continue as a Eurocurrency Borrowing in the same Agreed Currency with an Interest Period of one month unless such Eurocurrency Borrowing is or was repaid in accordance with Section 2.11. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Company, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing borrowed by the Company or a Domestic Subsidiary Borrower may be converted to or continued as a Eurocurrency Borrowing, (ii) unless repaid, each Eurocurrency Revolving Borrowing borrowed by the Company or a Domestic Subsidiary Borrower shall be converted to an ABR Borrowing (and any such Eurocurrency Revolving Borrowing in a Foreign Currency shall be redenominated in Dollars at the time of such conversion) at the end of the Interest Period applicable thereto and (iii) unless repaid,

each Eurocurrency Revolving Borrowing by a Foreign Subsidiary Borrower shall automatically be continued as a Eurocurrency Borrowing with an Interest Period of one month.

SECTION 2.09. Termination and Reduction of Commitments. (1) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(a) The Company may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$10,000,000 and (ii) the Company shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the Dollar Amount of the sum of the Revolving Credit Exposures would exceed the Aggregate Commitment.

(b) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10. Repayment of Loans; Evidence of Debt. (1) Each Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan made to such Borrower on the Maturity Date in the currency of such Loan and (ii) in the case of the Company, to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two (2) Business Days after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Company shall repay all Swingline Loans then outstanding.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Agreed Currency and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(d) Any Lender may request that Loans made by it to any Borrower be evidenced by a promissory note. In such event, the relevant Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if any such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans.

(a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with the provisions of this Section 2.11(a). The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Revolving Borrowing, not later than 11:00 a.m., Local Time, three (3) Business Days (in the case of a Eurocurrency Borrowing denominated in Dollars) or four (4) Business Days (in the case of a Eurocurrency Borrowing denominated in a Foreign Currency), in each case before the date of prepayment, (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 noon, New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16.

(b) If at any time, (i) other than as a result of fluctuations in currency exchange rates, the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the Aggregate Commitment or (ii) solely as a result of fluctuations in currency exchange rates, the sum of the aggregate principal Dollar Amount of all of the outstanding Revolving Credit Exposures (so calculated), as of the most

recent Computation Date with respect to each such Credit Event, exceeds 105% of the Aggregate Commitment, the Borrowers shall in each case immediately repay Borrowings or cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal amount sufficient to cause the aggregate Dollar Amount of all Revolving Credit Exposures (so calculated) to be less than or equal to the Aggregate Commitment.

SECTION 2.12. Fees. (1) The Company agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the undrawn daily amount of the Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates; provided, however, that any outstanding Swingline Loan shall be deemed not be outstanding solely with respect to the calculation of such commitment fee. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(a) The Company agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurocurrency Revolving Loans on the average daily Dollar Amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.25% per annum on the average daily Dollar Amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) attributable to Letters of Credit issued by the Issuing Bank during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Unless otherwise specified above, participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third (3rd) Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Company agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent.

(c) All fees payable hereunder shall be paid on the dates due, in Dollars (except as otherwise expressly provided in this Section 2.12) and immediately available funds, to the

Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (1) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(a) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(b) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(c) Accrued interest on each Revolving Loan shall be payable in arrears on each Interest Payment Date for such Revolving Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(d) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest (i) computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and (ii) for Borrowings denominated in Pounds Sterling shall be computed on the basis of a year of 365 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately

and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the applicable Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the applicable Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurocurrency Borrowing shall be ineffective and any such Eurocurrency Borrowing shall be repaid on the last day of the then current Interest Period applicable thereto, (ii) any Eurocurrency Borrowing by a Foreign Subsidiary Borrower that is requested to be continued shall be repaid on the last day of the then current Interest Period applicable thereto and (iii) if any Borrowing Request by the Company or a Domestic Subsidiary Borrower requests a Eurocurrency Revolving Borrowing in Dollars, such Borrowing shall be made as an ABR Borrowing (and if any Borrowing Request requests a Eurocurrency Revolving Borrowing by a Foreign Subsidiary Borrower or denominated in a Foreign Currency, such Borrowing Request shall be ineffective); provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

SECTION 2.15. Increased Costs. (1) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or other assessment against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank;

(ii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Lender or the Issuing Bank to any Taxes, or changes the basis of taxation of payments (other than with respect to Excluded Taxes) to any Lender or the Issuing Bank in respect of its Eurocurrency Loans, Letters of Credit or participations therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Loan or of maintaining its obligation to make any such Loan (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency) or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency) or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder, whether of principal, interest or otherwise (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency), then the applicable Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank,

as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time the applicable Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay, or cause the other Borrowers to pay, such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Company shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11 or the operation of Section 2.20), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith) or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.19, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event but excluding loss of anticipated profits. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 2.17. Taxes. (1) Any and all payments by or on account of any obligation of each Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(a) In addition, each Borrower shall pay any Other Taxes related to such Borrower and imposed on or incurred by the Administrative Agent, a Lender or the Issuing Bank to the relevant Governmental Authority in accordance with applicable law.

(b) The relevant Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of such Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender or the Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(c) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Each Lender shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that a Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of any Borrower to do so) attributable to such Lender that are paid or payable by the Administrative Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(e) shall be paid within 10 days after the Administrative Agent or a Borrower (as applicable) delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Administrative Agent or Borrower (as applicable). Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(e) (1) Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under any Loan Document shall deliver

to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A) through (E) below) shall not be required if the Lender reasonably determines that such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of such Borrower or the Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 2.17(f). If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify such Borrower and the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(i) Without limiting the generality of the foregoing, if the Borrower is a U.S. Person, any Lender with respect to such Borrower shall, if it is legally eligible to do so, deliver to such Borrower and the Administrative Agent (in such number of copies reasonably requested by such Borrower and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Lender that is a U.S. Person, IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under this Agreement, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under this Agreement constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN and (2) a certificate substantially in the form of Exhibit C (a “U.S. Tax Certificate”) to the effect that such Lender is not (a) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (b) a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code (c) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under this Agreement (including a partnership or a participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (f)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable the Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which a Borrower has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to such Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section 2.17 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Borrower or any other Person.

(g) If a payment made to a Lender under any Loan Document would be subject to United States of America federal withholding Tax imposed by FATCA if such Lender fails to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the

Administrative Agent and the Borrower, at the time or times prescribed by law and at such time or times reasonably requested by the Administrative Agent or the Borrower, as applicable, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Administrative Agent or the Borrower, as applicable, as may be necessary for the Administrative Agent or the Borrower, as applicable, to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to (i) in the case of payments denominated in Dollars by the Company, 12:00 noon, New York City time and (ii) in the case of payments denominated in a Foreign Currency or by a Foreign Subsidiary Borrower, 12:00 noon, Local Time, in the city of the Administrative Agent's Eurocurrency Payment Office for such currency, in each case on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made (or where such currency has been converted to euro, in euro) and (ii) to the Administrative Agent at its offices at 10 South Dearborn Street, Chicago, Illinois 60603 or, in the case of a Credit Event denominated in a Foreign Currency or to a Foreign Subsidiary Borrower, the Administrative Agent's Eurocurrency Payment Office for such currency, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Credit Event was made (the "Original Currency") no longer exists or any Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, then all payments to be made by such Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrowers take all risks of the imposition of any such currency control or exchange regulations.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and

unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) At the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder whether made following a request by a Borrower (or the Company on behalf of a Borrower) pursuant to Section 2.03 or a deemed request as provided in this Section or may be deducted from any deposit account of such Borrower maintained with the Administrative Agent. Each Borrower hereby irrevocably authorizes (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans) and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03, 2.04 or 2.05, as applicable and (ii) the Administrative Agent to charge any deposit account of the relevant Borrower maintained with the Administrative Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the relevant Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders

or the Issuing Bank, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency).

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent, the Swingline Lender or the Issuing bank to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under such Sections; in the case of each of (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (1) If (i) any Lender requests compensation under Section 2.15, or (ii) if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or (iii) any Lender becomes a Defaulting Lender, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(a) If any Lender requests compensation under Section 2.15, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender becomes a Defaulting Lender, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, the Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (including amounts payable pursuant to Section 2.16(d)), from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such

assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

SECTION 2.20. Expansion Option. The Company may from time to time elect to increase the Commitments, in each case in minimum increments of \$25,000,000 or integral multiples of \$5,000,000 in excess thereof so long as, after giving effect thereto, the aggregate amount of such increases does not exceed an amount, that together with the outstanding Commitments, is equal to \$750,000,000. The Company may arrange for any such increase to be provided by one or more Lenders (each Lender so agreeing to an increase in its Commitment, an "Increasing Lender"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "Augmenting Lender"), to increase their existing Commitments or extend Commitments, as the case may be; provided that (i) each Augmenting Lender, shall be subject to the approval of the Company and the Administrative Agent and (ii) (x) in the case of an Increasing Lender, the Company and such Increasing Lender execute an agreement substantially in the form of Exhibit C hereto, and (y) in the case of an Augmenting Lender, the Company and such Augmenting Lender execute an agreement substantially in the form of Exhibit D hereto. No consent of any Lender (other than the Lenders participating in the increase) shall be required for any increase in Commitments pursuant to this Section 2.20. Increases and new Commitments created pursuant to this Section 2.20 shall become effective on the date agreed by the Company, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Commitments (or in the Commitment of any Lender) shall become effective under this paragraph unless, (i) on the proposed date of the effectiveness of such increase, (A) the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Company and (B) the Company shall be in compliance (on a Pro Forma Basis reasonably acceptable to the Administrative Agent) with the covenants contained in Section 6.06 and (ii) the Administrative Agent shall have received documents consistent with those delivered on the Effective Date as to the corporate power and authority of the Borrowers to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Commitments, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) the Borrowers shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the applicable Borrower, or the Company on behalf of the applicable Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurocurrency Loan, shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods.

SECTION 2.21. [Intentionally Omitted].

SECTION 2.22. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Borrower hereunder in the currency expressed to be payable herein (the “specified currency”) into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent’s main New York City office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of each Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, each Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to such Borrower.

SECTION 2.23. Designation of Subsidiary Borrowers. The Company may at any time and from time to time designate any Eligible Domestic Subsidiary as a Domestic Subsidiary Borrower or any Eligible Foreign Subsidiary as a Foreign Subsidiary Borrower by delivery to the Administrative Agent of a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company and the satisfaction of the other conditions precedent set forth in Section 4.03, and upon such delivery and satisfaction such Subsidiary shall for all purposes of this Agreement be a Subsidiary Borrower and a party to this Agreement; provided, that in the case of the designation of a Foreign Subsidiary Borrower, the Administrative Agent and the Lenders shall have received at least 10 Business Days prior written notice of such designation during which period the Administrative Agent and the Lenders shall have an opportunity to review drafts of the documentation to be provided under Section 4.03 in connection with such designation and to discuss such designation with the Administrative Agent and/or the Company as applicable. If the Company shall at any time execute and deliver to the Administrative Agent a Borrowing Subsidiary Termination with respect to any Subsidiary Borrower, such Subsidiary shall cease to be a Subsidiary Borrower and a party to this Agreement; provided, that no Borrowing Subsidiary Termination will become effective as to any Subsidiary Borrower at a time when any principal of or interest on any Loan to such Borrower shall be outstanding hereunder; provided, further, that such Borrowing Subsidiary Termination shall be effective to terminate the right of such Subsidiary Borrower to make further Borrowings under this Agreement. As soon as practicable upon receipt of a Borrowing Subsidiary Agreement, the Administrative Agent shall furnish a copy thereof to each Lender.

SECTION 2.24. Defaulting Lenders. Notwithstanding any provision of this Agreement to

the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 9.02); provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender;

(c) if any Swingline Exposure or LC Exposure exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of such Swingline Exposure and LC Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and (y) the conditions set forth in Section 4.02 are satisfied at such time;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Company shall within one (1) Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Company cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to Section 2.24(c), the Company shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to Section 2.24(c), then the fees payable to the Lenders pursuant to Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; or

(v) if any Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to Section 2.24(c), then, without prejudice to any rights or remedies of the Issuing Bank or any Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until such LC Exposure is cash collateralized and/or

reallocated; and

(d) so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Company in accordance with Section 2.24(c), and participating interests in any such newly issued or increased Letter of Credit or newly made Swingline Loan shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.24(c)(i) (and Defaulting Lenders shall not participate therein).

In the event that the Administrative Agent, the Company, the Issuing Bank and the Swingline Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

ARTICLE III

Representations and Warranties

SECTION 3.01. Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Company of this Agreement and the Notes to be delivered by it, and the consummation of the transactions contemplated hereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Company's charter or by-laws, (ii) any law in any material respect or (iii) any contractual restriction binding on or affecting the Company, except in the case of this clause (iii), to the extent such contravention could not reasonably be expected to result in a Material Adverse Effect.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party (except for such approvals, notices or filings which are obtained on or before the Effective Date, have been disclosed in writing to the Arrangers, and remain in full force and effect) is required for the due execution, delivery and performance by the Company of this Agreement or the Notes to be delivered by it.

(d) This Agreement has been, and each of the Notes to be delivered by it when delivered hereunder will have been, duly executed and delivered by the Company. This Agreement is, and each of the Notes when delivered hereunder will be, the legal, valid and binding obligation

of the Company enforceable against the Company in accordance with their respective terms, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

(e) The Consolidated balance sheet of the Company and its Subsidiaries as at December 31, 2010, and the related Consolidated statements of income and cash flows of the Company and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of PricewaterhouseCoopers LLC, independent public accountants, and the Consolidated balance sheet of the Company and its Subsidiaries as at March 31, 2011, and the related Consolidated statements of income and cash flows of the Company and its Subsidiaries for the three months then ended, duly certified by the chief financial officer, treasurer or controller of the Company, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2011, and said statements of income and cash flows for the three months then ended, to year-end audit adjustments, the Consolidated financial condition of the Company and its Subsidiaries as at such dates and the Consolidated results of the operations of the Company and its Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since December 31, 2010, there has been no Material Adverse Change.

(f) There is no pending or, to the knowledge of the Company, threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(g) No Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(h) No Borrower is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(i) Neither the Information Memorandum nor any other written information, exhibit or report other than projections and information of a general economic or general industry nature furnished by or on behalf of the Company or any other Borrower to the Administrative Agent or any Lender in connection with the negotiation and syndication of this Agreement or pursuant to the terms of this Agreement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein not misleading as of the date made, in light of the circumstances in which the same were made; provided, that the foregoing representations to the extent relating to Astra Tech are, until and including the Effective Date, made only to the best of the Company's knowledge.

(j) The Company and the Borrowers are Solvent on a consolidated basis.

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Lenders shall have received favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of (i) Deborah M. Rasin, general counsel for the initial Borrowers, substantially in the form of Exhibit B-1 and (ii) Skadden, Arps, Slate, Meagher & Flom LLP, external counsel to the initial Borrowers, substantially in the form of Exhibit B-2, and each covering such other matters relating to the initial Borrowers, the Loan Documents or the Transactions as the Administrative Agent shall reasonably request. The Company hereby requests each such counsel to deliver such opinions, respectively.

(c) The Arrangers shall have received (i) GAAP audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company for the three most recent fiscal years ended at least 90 days prior to the Effective Date and (ii) GAAP unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company for each subsequent fiscal quarter ended at least 40 days before the Effective Date.

(d) The Lenders shall have received (i) such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the initial Borrowers, the authorization of the Transactions and any other legal matters relating to such Borrowers, the Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E and (ii) at least 10 Business Days prior to the Effective Date to the extent requested by any of the Lenders, all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act.

(e) The Arrangers shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Company, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(f) The Arrangers shall have received a certificate, dated the Effective Date and signed by the chief financial officer of the Company, confirming that the Company and the Borrowers are, on a consolidated basis, Solvent at the Effective Date and immediately after giving

effect to the Transactions.

(g) The Arrangers shall have received evidence satisfactory to it that the Existing Credit Agreement shall have been terminated and cancelled and all indebtedness thereunder shall have been fully repaid (except to the extent being so repaid with the initial Revolving Loans).

(h) The Arrangers shall have received evidence reasonably satisfactory to it that all governmental and third party approvals necessary in connection with the Transactions have been obtained and are in full force and effect.

(i) The Administrative Agent, the Arrangers and the Lenders shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least 3 Business Days prior to the Effective Date, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Company hereunder.

The Administrative Agent shall notify the Company and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement (except those representations and warranties set forth in (x) the last sentence of Section 3.01(e) and (y) Section 3.01(f) which need only be true and correct on and as of the Effective Date) shall be true and correct on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit (or, for the purposes of Section 4.01(e), as of the Effective Date), as applicable.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit (or, for the purposes of Section 4.01(e), as of the Effective Date), as applicable, no Default shall have occurred and be continuing.

(c) No law or regulation shall prohibit, and no order, judgment or decree of any Governmental Authority shall enjoin, prohibit or restrain, any Lender from making the requested Loan or the Issuing Bank or any Lender from issuing, renewing, extending or increasing the face amount of or participating in the Letter of Credit requested to be issued, renewed, extended or increased.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Designation of a Subsidiary Borrower. The designation of a Subsidiary Borrower pursuant to Section 2.23 is subject to the condition precedent that the Company or such

proposed Subsidiary Borrower shall have furnished or caused to be furnished to the Administrative Agent:

(a) Copies, certified by the Secretary or Assistant Secretary of such Subsidiary, of its Board of Directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for the Administrative Agent) approving the Borrowing Subsidiary Agreement and any other Loan Documents to which such Subsidiary is becoming a party and such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of such Subsidiary.

(b) An incumbency certificate, executed by the Secretary or Assistant Secretary of such Subsidiary, which shall identify by name and title and bear the signature of the officers of such Subsidiary authorized to request Borrowings hereunder and sign the Borrowing Subsidiary Agreement and the other Loan Documents to which such Subsidiary is becoming a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Company or such Subsidiary.

(c) Opinions of counsel to such Subsidiary, in form and substance reasonably satisfactory to the Administrative Agent and its counsel, with respect to the laws of its jurisdiction of organization and such other matters as are reasonably requested by counsel to the Administrative Agent and addressed to the Administrative Agent and the Lenders.

(d) Any promissory notes requested by any Lender, and any other instruments and documents reasonably requested by the Administrative Agent.

ARTICLE V

Affirmative Covenants

So long as any Loan shall remain unpaid, and any Letter of Credit is outstanding or any Lender shall have any Commitment hereunder, the Company will:

SECTION 5.01. Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA, Environmental Laws and the Patriot Act, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.02. Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all material taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all material lawful claims that, if unpaid, might by law become a Lien upon its property; provided, however, that neither the Company nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

SECTION 5.03. Maintenance of Insurance. Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such Subsidiary operates; provided, however, that the Company and its Subsidiaries may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such Subsidiary operates and to the extent consistent with prudent business practice.

SECTION 5.04. Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Company and its Subsidiaries may consummate any merger or consolidation permitted under Section 6.02 and provided further that neither the Company nor any of its Subsidiaries shall be required to maintain corporate existence of any subsidiary or preserve any right or franchise if the Board of Directors of the Company or such Subsidiary shall determine that the maintenance or preservation thereof is no longer desirable in the conduct of the business of the Company or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Company, such Subsidiary or the Lenders.

SECTION 5.05. Visitation Rights. At any reasonable time upon reasonable notice during normal business hours and from time to time, permit the Administrative Agent or any of the Lenders or any authorized agents or representatives thereof, to examine and make copies of and abstracts from the financial records and books of account of, and visit the properties of, the Company and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Company and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants; provided that, such visitation rights shall not be exercised more frequently than once during any calendar quarter, except during the existence of an Event of Default.

SECTION 5.06. Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Company and each such Subsidiary in accordance with generally accepted accounting principles in effect from time to time.

SECTION 5.07. Maintenance of Properties, Etc. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its material properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

SECTION 5.08. Transactions with Affiliates. Conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of their Affiliates on terms that are fair and reasonable and not materially less favorable to the Company or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate; provided, that the foregoing restriction shall not apply to (a) any transaction between or among Company and its Subsidiaries; (b) reasonable and customary fees paid to members of the board of directors (or similar governing body) of Company and its Subsidiaries; (c) compensation arrangements (including severance arrangements to the extent approved by a majority of the disinterested members of

Company's or the applicable Subsidiary's board of directors (or similar governing body) or the applicable committee thereof) for present or former officers and other employees entered into in the ordinary course of business; (d) indemnities provided for the benefit of, directors, officers or employees of Company and its Subsidiaries in the ordinary course of business; and (e) loans and advances to employees of Company and its Subsidiaries permitted hereunder.

SECTION 5.09. Reporting Requirements. Furnish to the Lenders:

(a) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, the Consolidated balance sheet of the Company and its Subsidiaries as of the end of such quarter and Consolidated statements of income and cash flows of the Company and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, treasurer or controller of the Company as having been prepared in accordance with generally accepted accounting principles and certificates of the chief financial officer, treasurer or controller of the Company as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 6.06, provided that, subject to Section 1.04, in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Company shall also provide, if necessary for the determination of compliance with Section 6.06, a statement of reconciliation conforming such financial statements to GAAP;

(b) as soon as available and in any event within 90 days after the end of each fiscal year of the Company, a copy of the annual audit report for such year for the Company and its Subsidiaries, containing the Consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and Consolidated statements of income and cash flows of the Company and its Subsidiaries for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by PricewaterhouseCoopers LLC or other independent public accountants acceptable to the Required Lenders and certificates of the chief financial officer, treasurer or controller of the Company as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 6.06, provided that, subject to Section 1.04, in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Company shall also provide, if necessary for the determination of compliance with Section 6.06, a statement of reconciliation conforming such financial statements to GAAP;

(c) as soon as possible and in any event within five days after the chief financial officer, treasurer or controller of the Company obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer, treasurer or controller of the Company setting forth details of such Default and the action that the Company has taken and proposes to take with respect thereto;

(d) promptly after the sending or filing thereof, copies of all reports that the Company sends to any of its securityholders, and copies of all reports and registration statements that the Company or any Subsidiary files with the SEC or any national securities exchange;

(e) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Company or any of its Subsidiaries of the type described in Section 3.01(f); and

(f) such other information respecting the Company or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

SECTION 5.10. Use of Proceeds. Use the proceeds of the Borrowings to provide working capital from time to time for the Borrower and other general corporate purposes.

ARTICLE VI

Negative Covenants

So long as any Loan shall remain unpaid, and any Letter of Credit is outstanding or any Lender shall have any Commitment hereunder, the Company will not:

SECTION 6.01. Liens, Etc. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(a) Permitted Liens;

(b) purchase money Liens upon or in any real property or equipment acquired or held by the Company or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided, however, that no such Lien shall extend to or cover any properties of any character other than the real property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced, provided further that the aggregate principal amount of the indebtedness secured by the Liens referred to in this clause (b) shall not exceed the amount specified therefor in Section 6.04(c) at any time outstanding;

(c) the Liens existing on the Effective Date and described on Schedule 6.01 hereto;

(d) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Company or any Subsidiary of the Company or becomes a Subsidiary of the Company; provided that such Liens were not created in contemplation of such merger, consolidation or acquisition and do not extend to any assets other than those of the Person so merged into or consolidated with the Company or such Subsidiary or acquired by the Company or such

Subsidiary;

(e) other Liens securing Debt in an aggregate principal amount not to exceed the amount specified therefor in Section 6.04(d) at any time outstanding; and

(f) the replacement, extension or renewal of any Lien permitted by clauses (c) or (d) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

SECTION 6.02. Mergers, Etc. Merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, or permit any of its Subsidiaries to do so, except that any Subsidiary of the Company may merge or consolidate with or into, or dispose of assets to, any other Subsidiary of the Company, and except that any Subsidiary of the Company may merge into or dispose of assets to the Company, provided, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

SECTION 6.03. Accounting Changes. Make or permit, or permit any of its Subsidiaries to make or permit, any change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

SECTION 6.04. Subsidiary Debt. Permit any of its Subsidiaries to create or suffer to exist, any Debt other than:

(a) Debt owed to the Company or to a wholly owned Subsidiary of the Company or Debt under this Agreement or the Notes;

(b) Debt existing on the Effective Date and described on Schedule 6.04 hereto (the "Existing Debt"), and any Debt extending the maturity of, or refunding or refinancing, in whole or in part, the Existing Debt, provided that the principal amount of such Existing Debt shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing, and the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding or refinancing;

(c) Debt secured by Liens permitted by Section 6.01(b) aggregating for all of the Company's Subsidiaries not more than \$100,000,000 at any one time outstanding;

(d) Debt that, in aggregate with all Debt secured by Liens permitted by Section 6.01(e), does not exceed an amount equal to 15% of Consolidated net worth of the Company and its Subsidiaries at any one time outstanding; and

(e) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business.

SECTION 6.05. Change in Nature of Business. Make, or permit any of its Subsidiaries to make, any material change in the nature of the business as carried on by the Company and its Subsidiaries at the date hereof; provided, that the nature of the businesses carried on by Astra Tech as of the date hereof shall be deemed to be in the nature of the business carried on by the Company and its Subsidiaries.

SECTION 6.06. Financial Covenants. So long as any Loan shall remain unpaid, and any Letter of Credit is outstanding or any Lender shall have any Commitment hereunder, the Company will:

(a) Leverage Ratio. Maintain a ratio of Consolidated Debt for Borrowed Money to the sum of Consolidated Debt for Borrowed Money plus Consolidated net worth of the Company and its Subsidiaries of not greater than 0.55 to 1.00.

(b) Interest Coverage Ratio. Maintain a ratio of Consolidated EBITDA for the period of four fiscal quarters then ended of the Company and its Subsidiaries to the sum of interest payable on, and amortization of debt discount in respect of, all Debt for Borrowed Money during such period by the Company and its Subsidiaries of not less than 3.5 to 1.0.

ARTICLE VII

Events of Default

SECTION 7.01. If any of the following events (each an "Event of Default") shall occur and be continuing:

(a) The Company or any other Borrower shall fail to pay any principal of any Loan when the same becomes due and payable; or the Company or any other Borrower shall fail to pay any interest on any Loan or make any other payment of fees or other amounts payable under this Agreement or any Note within five Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by any Borrower herein or by any Borrower (or any of its officers) in connection with this Agreement or by any Subsidiary Borrower in the Borrowing Subsidiary Agreement pursuant to which such Subsidiary Borrower became a Borrower hereunder shall prove to have been incorrect in any material respect when made; or

(c) (i) The Company shall fail to perform or observe any term, covenant or agreement contained in Sections 5.04, 5.05, 5.08, 5.09 or 5.10 or Article VI, or (ii) the Company shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure pursuant to this clause (ii) shall remain unremedied for 30 days after written notice thereof shall have been given to the Company by the Administrative Agent or any Lender; or

(d) The Company or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least \$75,000,000 in the aggregate (but excluding Debt outstanding hereunder) of the Company or such

Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than (i) by a regularly scheduled required prepayment or redemption or (ii) a prepayment or redemption required solely as a result of the proceeds of such Debt not having been applied to consummate a transaction or toward any other purpose for which such Debt was incurred), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Company or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Company or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this clause (e); or

(f) one or more judgments for the payment of money in an aggregate amount in excess of \$75,000,000 shall be rendered against the Company, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Company or any Subsidiary to enforce any such judgment; or

(g) (i) Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Securities Exchange Act of 1934, as amended), directly or indirectly, of Voting Stock of the Company (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of the Company; or (ii) during any period of up to 24 consecutive months, commencing after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of the Company shall cease for any reason (other than due to death or disability) to constitute a majority of the board of directors of the Company (except to the extent that individuals who at the beginning of such 24-month period were replaced by individuals (x) elected by a majority of the remaining members of the board of directors of the Company or (y) nominated for election by a majority of the remaining members of the board of directors of the Company and thereafter elected

as directors by the shareholders of the Company); or

(h) The Company or any of its ERISA Affiliates shall incur, or shall be reasonably likely to incur liability in excess of \$75,000,000 in the aggregate as a result of one or more of the following:

- (i) the occurrence of any ERISA Event;
- (ii) the partial or complete withdrawal of the Company or any of its ERISA Affiliates from a Multiemployer Plan; or
- (iii) the reorganization or termination of a Multiemployer Plan; or

(i) so long as any Subsidiary of the Company is a Subsidiary Borrower, any provision of Article X shall for any reason cease to be valid and binding on or enforceable against the Company, or the Company shall so state in writing;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrowers, declare the obligation of each Lender to make Loans (other than Loans made pursuant to Section 2.06(e)) and of the Issuing Bank to issue Letters of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrowers, declare the Loans, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Loans, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Borrower; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Company or any other Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Loans (other than Loans made pursuant to Section 2.06(e)) and of the Issuing Bank to issue Letters of Credit shall automatically be terminated and (B) the Loans, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by each Borrower.

SECTION 7.02. Actions in Respect of the Letters of Credit upon Default. If any Event of Default shall have occurred and be continuing, the Administrative Agent may with the consent, or shall at the request, of the Required Lenders, irrespective of whether it is taking any of the actions described in Section 7.01 or otherwise, make demand upon the Borrowers to, and forthwith upon such demand the Borrowers will, (a) pay to the Administrative Agent on behalf of the Lenders in same day funds at the Administrative Agent's office designated in such demand, for deposit in the LC Collateral Account, an amount equal to the aggregate undrawn Dollar Amount of all Letters of Credit then outstanding or (b) make such other arrangements in respect of the outstanding Letters of Credit as shall be acceptable to the Required Lenders and not more disadvantageous to the Borrowers than clause (a); provided, however, that in the event of an actual or deemed entry of an order for relief with respect to any Borrower under the Federal Bankruptcy Code, an amount equal to the aggregate undrawn Dollar Amount of all outstanding Letters of Credit shall be immediately due and payable to the Administrative Agent for the account of the Issuing Bank or the Lenders, as

applicable, without notice to or demand upon the Borrowers, which are expressly waived by each Borrower, to be held in the LC Collateral Account. If at any time an Event of Default is continuing the Administrative Agent determines that any funds held in the LC Collateral Account are subject to any right or claim of any Person other than the Administrative Agent, the Issuing Bank or the Lenders or that the total amount of such funds is less than the aggregate undrawn Dollar Amount of all outstanding Letters of Credit, the Borrowers will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in the LC Collateral Account, an amount equal to the excess of (a) such aggregate undrawn Dollar Amount over (b) the total amount of funds, if any, then held in the LC Collateral Account that the Administrative Agent determines to be free and clear of any such right and claim. Upon any LC Disbursement, to the extent funds are on deposit in the LC Collateral Account, such funds shall be applied to reimburse the Issuing Bank and the Lenders, as applicable, to the extent permitted by applicable law. After all such Letters of Credit shall have expired or been fully drawn upon and all other Obligations of the Borrowers hereunder and under the Notes shall have been paid in full, the balance, if any, in such LC Collateral Account shall be returned to the Borrowers.

ARTICLE VIII

The Administrative Agent

Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with Company or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct.

The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Company or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Company. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by any Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between such Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

None of the Lenders, if any, identified in this Agreement as an Arranger, Syndication Agent or Co-Documentation Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Arranger, Syndication Agent or Co-Documentation Agents, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

Except with respect to the exercise of setoff rights of any Lender, in accordance with Section 9.08, the proceeds of which are applied in accordance with this Agreement, each Lender agrees that it will not take any action, nor institute any actions or proceedings, against any Borrower or with respect to any Loan Document, without the prior written consent of the Required Lenders or, as may be provided in this Agreement or the other Loan Documents, with the consent of the Administrative Agent.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (1) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to any Borrower, to it c/o DENTSPLY International Inc., 221 West Philadelphia Street, York, Pennsylvania 17405, Attention of Treasurer (Telecopy No. (717) 849-4759); Telephone No. (717) 845-7511);

(ii) if to the Administrative Agent, (A) in the case of Borrowings by the Company or any Domestic Subsidiary Borrower denominated in Dollars, to JPMorgan Chase Bank, N.A., 10 South Dearborn, 7th Floor, Chicago, Illinois 60603, Attention of Nan

Wilson (Telecopy No. (888) 208-7168) and (B) in the case of Borrowings by any Foreign Subsidiary Borrower or Borrowings denominated in Foreign Currencies, to J.P. Morgan Europe Limited, 125 London Wall, London EC2Y 5AJ, Attention of Loan and Agency (Telecopy No. 44 207 777 2360), and in each case with a copy to JPMorgan Chase Bank, N.A., 277 Park Avenue, 23rd Floor, New York, New York 10172, Attention of Deborah R. Winkler (Telecopy No. (646) 534-3081;

(iii) if to the Issuing Bank, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, 7th Floor, Chicago, Illinois 60603, Attention of Kenya Mosley (Telecopy No. (312) 732-2729);

(iv) if to the Swingline Lender, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, 7th Floor, Chicago, Illinois 60603, Attention of Nan Wilson (Telecopy No. (888) 208-7168); and

(v) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt; provided, that notices should only be deemed received by the recipient during its normal business hours.

SECTION 9.02. Waivers; Amendments. (1) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(a) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.18(b) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, or (vi) release the Company from its obligations under Article X without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be.

(b) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrowers to each relevant Loan Document (i) to add one or more credit facilities to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans and the accrued interest and fees in respect thereof and (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(c) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Company may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Company and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) each Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by such Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the

replacement Lender.

(d) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrowers only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (1) The Company shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Administrative Agent (together with (A) a single local counsel and single specialist counsel (for each relevant jurisdiction and relevant specialization), as reasonably required and (B) in the case of an actual conflict of interest, one additional counsel for each relevant jurisdiction and/or specialization for similarly situated parties); provided, that the Company shall not be obligated to pay for any other third party advisor hired without the consent of the Company (such consent not to be unreasonably withheld), in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, the Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(a) The Company shall indemnify the Administrative Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related reasonable and documented out-of-pocket expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of

competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(b) To the extent that the Company fails to pay any amount required to be paid by it to the Administrative Agent, the Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Company's failure to pay any such amount shall not relieve the Company of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(c) To the extent permitted by applicable law, no Borrower shall assert, and each Borrower hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(d) All amounts due under this Section shall be payable not later than fifteen (15) days after written demand therefor.

SECTION 9.04. Successors and Assigns. (1) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(a) (1) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Company, provided that no consent of the Company

shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default under Section 7.01(a) or 7.01(e) has occurred and is continuing, any other assignee;

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the Issuing Bank; provided that no consent of the Issuing Bank shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Company and the Administrative Agent otherwise consent, provided that no such consent of the Company shall be required if an Event of Default under Section 7.01(a) or 7.01(e) has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Company and its affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws; and

(E) the assignee shall not be the Company or an Affiliate of

the Company.

Notwithstanding the foregoing, if the consent of the Company is required pursuant to this Section 9.04(b) in connection with any proposed assignment, then the Company shall be deemed to have consented to such proposed assignment unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after having received written notice of such proposed assignment.

For the purposes of this Section 9.04(b), the term “Approved Fund” has the following meaning:

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender’s rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of each Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such

assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(b) (1) Any Lender may, without the consent of the Company, the Administrative Agent, the Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(d) as though it were a Lender.

(i) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Company, to comply with Section 2.17(e) as though it were a Lender.

(c) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made

by the Borrowers in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement 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. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower against any of and all of the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured, provided that the deposits and other indebtedness owing by any Lender to the Company or any Borrower organized under the laws of any political subdivision of the United States shall be set-off prior to the set-off of the deposits or other indebtedness owed to any other Borrower. The rights of each Lender under this Section are in addition to other rights and

remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (1) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(a) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Borrower or its properties in the courts of any jurisdiction.

(b) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Each Subsidiary Borrower irrevocably designates and appoints the Company, as its authorized agent, to accept and acknowledge on its behalf, service of any and all process which may be served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City. The Company hereby represents, warrants and confirms that the Company has agreed to accept such appointment. Said designation and appointment shall be irrevocable by each such Subsidiary Borrower until all Loans, all reimbursement obligations, interest thereon and all other amounts payable by such Subsidiary Borrower hereunder and under the other Loan Documents shall have been paid in full in accordance with the provisions hereof and thereof and such Subsidiary Borrower shall have been terminated as a Borrower hereunder pursuant to Section 2.23. Each Subsidiary Borrower hereby consents to process being served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City by service of process upon the Company as provided in this Section 9.09(d); provided that, to the extent lawful and possible, notice of said service upon such agent shall be mailed by registered or certified air mail, postage prepaid, return receipt requested, to the Company and (if applicable to) such Subsidiary Borrower at its address set forth in the Borrowing Subsidiary Agreement to which it is a party or to any other address of which such Subsidiary Borrower shall have given written notice to the Administrative Agent (with a copy thereof to the Company). Each Subsidiary Borrower irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service in such manner and agrees that such service shall be deemed in every respect effective service of process upon such

Subsidiary Borrower in any such suit, action or proceeding and shall, to the fullest extent permitted by law, be taken and held to be valid and personal service upon and personal delivery to such Subsidiary Borrower. To the extent any Subsidiary Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether from service or notice, attachment prior to judgment, attachment in aid of execution of a judgment, execution or otherwise), each Subsidiary Borrower hereby irrevocably waives such immunity in respect of its obligations under the Loan Documents. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) with the consent of the Company or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than the Company. For the purposes of this Section, "Information" means all information received from the Company relating to the Company or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to disclosure

by the Company; provided that, in the case of information received from the Company after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies each Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender to identify such Borrower in accordance with the Patriot Act.

ARTICLE X

Company Guarantee

In order to induce the Lenders to extend credit to the other Borrowers hereunder, but subject to the last sentence of this Article X, the Company hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due of the Obligations of such other Borrowers.

The Company waives presentment to, demand of payment from and protest to any Borrower of any of the Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The obligations of the Company hereunder shall not be affected by (a) the failure of the Administrative Agent, the Issuing Bank or any Lender to assert any claim or demand or to enforce any right or remedy against any Borrower under the provisions of this Agreement, any other Loan Document or otherwise; (b) any extension or renewal of any of the Obligations; (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement, or any other Loan Document or agreement; (d) any default, failure or delay, willful or otherwise, in the performance of any of the Obligations; (e) the failure of the Administrative Agent to take any steps to perfect and maintain any security interest in, or to preserve any rights to, any security or collateral for the Obligations, if any; (f) any change in the corporate, partnership or other existence, structure or ownership of any Borrower or any other guarantor of any of the Obligations; (g) the enforceability or validity of the Obligations or any part thereof or the genuineness, enforceability or validity of any agreement relating thereto or with respect to any collateral securing the Obligations or any part thereof, or any other invalidity or unenforceability relating to or against any Borrower or any other guarantor of any of the Obligations, for any reason related to this Agreement, any Swap Agreement, any Banking Services Agreement, any other Loan Document, or any provision of applicable law, decree, order or regulation of any jurisdiction purporting to prohibit the payment by the Company or any other guarantor of the Obligations, of any of the Obligations or otherwise affecting any term of any of the Obligations; or (h) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of the Company to subrogation.

The Company further agrees that its agreement hereunder constitutes a guarantee of payment

when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by the Administrative Agent, the Issuing Bank or any Lender to any balance of any deposit account or credit on the books of the Administrative Agent, the Issuing Bank or any Lender in favor of any Borrower or any other Person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason other than the irrevocable payment in full of the Obligations, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of any of the Obligations, any impossibility in the performance of any of the Obligations or otherwise.

The Company further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Administrative Agent, the Issuing Bank or any Lender upon the bankruptcy or reorganization of any Borrower or otherwise.

In furtherance of the foregoing and not in limitation of any other right which the Administrative Agent, the Issuing Bank or any Lender may have at law or in equity against the Company by virtue hereof, upon the failure of any other Borrower to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by the Administrative Agent, the Issuing Bank or any Lender, forthwith pay, or cause to be paid, to the Administrative Agent, the Issuing Bank or any Lender in cash an amount equal to the unpaid principal amount of such Obligations then due, together with accrued and unpaid interest thereon. The Company further agrees that if payment in respect of any Obligation shall be due in a currency other than Dollars and/or at a place of payment other than New York, Chicago or any other Eurocurrency Payment Office and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of the Administrative Agent, the Issuing Bank or any Lender, disadvantageous to the Administrative Agent, the Issuing Bank or any Lender in any material respect, then, at the election of the Administrative Agent, the Company shall make payment of such Obligation in Dollars (based upon the applicable Equivalent Amount in effect on the date of payment) and/or in New York, Chicago or such other Eurocurrency Payment Office as is designated by the Administrative Agent and, as a separate and independent obligation, shall indemnify the Administrative Agent, the Issuing Bank and any Lender against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by the Company of any sums as provided above, all rights of the Company against any Borrower arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full in cash of all the Obligations owed by the Company to the Administrative Agent, the Issuing Bank and the Lenders.

Nothing shall discharge or satisfy the liability of the Company hereunder except the full performance and payment of the Obligations.

[Signature Pages Follow]

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

DENTSPLY INTERNATIONAL INC., as the Company

By ___
Name:
Title:

By ___
Name:
Title:

JPMORGAN CHASE BANK, N.A., individually
as a Lender, as the Swingline Lender, as the
Issuing Bank and as Administrative Agent

By —
Name:
Title:

[LENDERS]

By _____
Name:
Title

364-DAY REVOLVING CREDIT AGREEMENT

dated as of

July 27, 2011

among

DENTSPLY INTERNATIONAL INC. as Borrower

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

MORGAN STANLEY SENIOR FUNDING, INC.
as Syndication Agent

and

CITIGROUP GLOBAL MARKETS INC., THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. and WELLS FARGO BANK, N.A.
as Co-Documentation Agents

MORGAN STANLEY SENIOR FUNDING, INC. and J.P. MORGAN SECURITIES LLC
as Joint Bookrunners and Joint Lead Arrangers

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- Exhibit A - Form of Assignment and Assumption
- Exhibit B - Form of Solvency Certificate

364-DAY REVOLVING CREDIT AGREEMENT (this "Agreement") dated as of July 27, 2011 among DENTSPLY INTERNATIONAL INC., as Borrower, the LENDERS from time to time party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, MORGAN STANLEY SENIOR FUNDING, INC., as Syndication Agent, and CITIGROUP GLOBAL MARKETS INC., THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. and WELLS FARGO BANK, N.A., as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Revolving Loan or Borrowing, refers to a Revolving Loan, or the Revolving Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acquisition" means the acquisition by the Borrower (or one of its wholly-owned Subsidiaries) of the issued and outstanding shares of capital stock of Target pursuant to the Acquisition Agreement.

"Acquisition Agreement" means that certain Agreement relating to the entire issued share capital of Astra Tech AB, dated as of June 21, 2011 (including all annexes and exhibits thereto and all material documents related to the consummation of the Acquisition, as amended, modified and supplemented in accordance with the terms hereof).

"Act" has the meaning assigned to such term in Section 4.01(c).

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the LIBO Rate for such Interest Period multiplied by the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, N.A. (including its branches and affiliates), in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“**Aggregate Commitment**” means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the date hereof, the Aggregate Commitment is \$250,000,000.

“**Agreement**” has the meaning assigned to such term in the preamble.

“**Alternate Base Rate**” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such page) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

“**Applicable Percentage**” means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender’s Commitment; provided that, in the case of Section 2.20 when a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment in accordance with Section 2.20. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“**Applicable Rate**” means, for any day, with respect to any Eurodollar Revolving Loan or any ABR Revolving Loan or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Eurodollar Spread”, “ABR Spread” or “Commitment Fee Rate”, as the case may be, based upon the Index Debt Rating applicable on such date:

	Index Debt Ratings (Moody’s/S&P):	Eurodollar Spread	ABR Spread	Commitment Fee Rate
<u>Category 1:</u>	A2/A or higher	1.13%	0.13%	0.10%
<u>Category 2:</u>	A3/A-	1.25%	0.25%	0.13%
<u>Category 3:</u>	Baa1/BBB+	1.50%	0.50%	0.15%
<u>Category 4:</u>	Baa2/BBB	1.75%	0.75%	0.20%
<u>Category 5:</u>	less than Baa2/BBB	2.00%	1.00%	0.25%

For purposes of the foregoing, (i) if either Moody’s or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Category 5; (ii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the

two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category next below that of the higher of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Borrower to the Administrative Agent and the Lenders. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"Arrangers" means each of Morgan Stanley Senior Funding, Inc. and J.P. Morgan Securities LLC, in its capacity as joint lead arranger and joint bookrunner for the credit facility evidenced by this Agreement.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means DENTSPLY International Inc., a Delaware corporation.

"Borrowing" means Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Revolving Loans, as to which a single Interest Period is in effect.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Revolving Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in the London interbank market.

“Change in Law” means (a) the adoption of any law, rule, policy or regulation on or after the date of this Agreement, (b) any change in any law, rule, policy or regulation or in the interpretation or application thereof by any Governmental Authority on or after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued on or after the date of this Agreement; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, policies or directives thereunder or issued or promulgated in connection therewith and (y) all requests, rules, guidelines or directives issued or promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, promulgated or issued.

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

“Co-Documentation Agent” means each of Citigroup Global Markets Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Wells Fargo Bank, N.A. in its capacity as co-documentation agent for the credit facility evidenced by this Agreement.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Loans hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

“Consignment Agreements” means, collectively, (i) that certain Consignment Agreement dated as of February 15, 2002 by and between OMG AG & Co. KG and the Borrower, (ii) that certain Consignment Agreement dated as of December 15, 2005 by and between ABN Amro Bank N.V., Australian Branch and the Borrower, (iii) that certain Consignment and Forward Contracts Agreement dated as of December 20, 2001 by and between The Bank of Nova Scotia and the Borrower, (iv) that certain Consignment Agreement dated as of January 30, 2002 by and between Dresdner Bank AG, Frankfurt and the Borrower, (v) that certain Consignment Agreement dated as of December 20, 2001 by and between JPMorgan Chase Bank and the Borrower and (vi) that certain Consignment Agreement dated as of December 20, 2001 by and between Mitsui & Co., Precious Metals Inc. and the Borrower, in each case as each may be amended, restated, supplemented or otherwise modified from time to time.

“Consolidated” refers to the consolidation of accounts in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Debt” of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit or similar extensions of credit, (g) all obligations of such Person in respect of Swap Agreements, (h) all Debt of others referred to in clauses (a) through (g) above or clause (i) below and other payment obligations (collectively, “Guaranteed Debt”) guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (1) to pay or purchase such Guaranteed Debt or to advance or supply funds for the payment or purchase of such Guaranteed Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Guaranteed Debt or to assure the holder of such Guaranteed Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, and (i) all Debt referred to in clauses (a) through (h) above (including Guaranteed Debt) secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

“Debt for Borrowed Money” of any Person means all items that, in accordance with GAAP, would be classified as indebtedness on a Consolidated balance sheet of such Person, provided that Debt for Borrowed Money of the Borrower and its Subsidiaries shall not include Debt incurred in connection with the Consignment Agreements relating to the consignment of precious metals between the Borrower and certain counterparties.

“Default” means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

“Defaulting Lender” means any Lender, as determined by the Administrative Agent, that has (a) failed to fund any portion of its Revolving Loans within three (3) Business Days of the date required to be funded by it hereunder (unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied), (b) notified the Borrower, the Administrative Agent or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (unless such writing or public statement relates to such Lender’s obligation to fund a Revolving Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be

specifically identified in such writing or public statement) cannot be satisfied) or under other agreements in which it commits to extend credit, (c) failed, within three (3) Business Days after request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Revolving Loans, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, unless the subject of a good faith dispute, or (e) (i) become or is insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment. Notwithstanding anything to the contrary above, a Lender will not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity in such Lender or its parent company by any Governmental Authority.

“Dollars” or “\$” refers to lawful money of the United States of America.

“EBITDA” means, for any period, net income (or net loss) plus the sum of (a) interest expense, (b) income tax expense, (c) depreciation expense, (d) amortization expense, (e) other non-cash charges (less unusual or non-recurring non-cash income or gains) and (f) any extraordinary, non-recurring or unusual fees, expenses or other charges incurred in connection with any acquisition (including the Acquisition) by the Borrower or a Subsidiary (including the issuance or repayment of Debt related to such acquisition), and any corporate reorganization and integration activities which are related to such acquisition, in each case determined in accordance with GAAP for such period.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“Environmental Action” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“Environmental Law” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means any Person that for purposes of Title IV of ERISA is a member of the Borrower’s controlled group, or under common control with the Borrower, within the meaning of Section 414 of the Code.

“ERISA Event” means (a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC, or (ii) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are met with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of the Borrower or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for the imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan; (g) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Plan.

“Eurodollar”, when used in reference to any Revolving Loan or Borrowing, means that such Revolving Loan, or the Revolving Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” has the meaning specified in Section 7.01.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other

recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located, (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.19(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.17(f), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.17(a) and (d) any United States of America withholding tax that is imposed by FATCA.

“Existing Debt” has the meaning specified in Section 6.04(b).

“FATCA” means Sections 1471 through 1474 of the Code, as amended, and any regulations or official interpretations thereof.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“GAAP” has the meaning specified in Section 1.04.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Hazardous Materials” means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified

or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

“IFRS” means the International Financial Reporting Standards adopted by the International Accounting Standards Board, as in effect from time to time.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

“Information Memorandum” means the Confidential Information Memorandum dated June 2011 relating to the Borrower and the Transactions.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08.

“Interest Payment Date” means (a) with respect to any ABR Revolving Loan, the last day of each March, June, September and December and the Maturity Date and (b) with respect to any Eurodollar Revolving Loan, the last day of the Interest Period applicable to the Borrowing of which such Revolving Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and the Maturity Date.

“Interest Period” means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on, in the case of Dollars, Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates

applicable to deposits in Dollars in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for deposits in Dollars with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which deposits in Dollars in amount of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period.

“Lien” means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“Loan Documents” means this Agreement, any Notes and any and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices and all other written matter whether heretofore, now or hereafter executed by or on behalf of the Borrower, or any employee of the Borrower, and delivered to the Administrative Agent or any Lender in connection with the Agreement or the transactions contemplated thereby. Any reference in the Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Material Adverse Change” means any material adverse change in the business, financial condition or operations of the Borrower or the Borrower and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial condition or operations of the Borrower and the Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any and all other Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder.

“Maturity Date” means the date that is 364 days following the Effective Date.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

“Multiple Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and at least one Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect

of which the Borrower or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

“Note” means a promissory note of the Borrower payable to the order of any Lender, delivered pursuant to a request made under Section 2.10(e), evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Revolving Loans made by such Lender.

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Revolving Loans, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of the Borrower to any of the Lenders, the Administrative Agent or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Revolving Loans made or other obligations incurred or other instruments at any time evidencing any thereof.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Participant” has the meaning set forth in Section 9.04.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001, as amended.

“PBGC” means the Pension Benefit Guaranty Corporation (or any successor).

“Permitted Liens” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.02 hereof; (b) Liens imposed by law, such as landlords’, banks’ (and rights of set-off), warehousemen’s, materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days; (c) pledges or deposits to secure obligations under workers’ compensation laws, laws related to unemployment insurance and other types of social security or similar legislation or Liens to secure public or statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations; (d) easements, rights of way, restrictions, encroachments, encumbrances and other minor defects or irregularities in title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (e) interest or title of a lessor, lessee, sublessor or sublessee under any lease or

sublease permitted hereunder and any interest or title of a licensor, licensee, sublicensor or sublicensee under any license or sublicense permitted hereunder; (f) Liens solely on any cash earnest money deposits, escrow arrangements or similar arrangements made by the Borrower in connection with any letter of intent or purchase agreement permitted hereunder; (g) purported Liens evidenced by the filing of precautionary Uniform Commercial Code financing statements (or any similar precautionary filings) relating solely to operating leases of personal property entered into in the ordinary course of business; (h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with importation of goods; (i) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property; (j) Liens arising out of judgments, decrees, orders or awards that do not constitute an Event of Default under Section 7.01; and (k) Liens arising by reason of deposits necessary to obtain standby letters of credit in the ordinary course of business.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means a Single Employer Plan or a Multiple Employer Plan.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Pro Forma Basis” means, with respect to any event, that the Borrower is in compliance on a pro forma basis with the applicable covenant, calculation or requirement herein recomputed as if the event with respect to which compliance on a Pro Forma Basis is being tested had occurred on the first day of the four fiscal quarter period most recently ended on or prior to such date for which financial statements have been delivered pursuant to Section 5.09.

“Register” has the meaning set forth in Section 9.04.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Revolving Loans and unused Commitments representing more than 50% of the sum of the aggregate amount of Revolving Loans and unused Commitments at such time.

“Revolving Loan” means each loan made pursuant to Section 2.01.

“S&P” means Standard & Poor’s.

“SEC” means the United States Securities and Exchange Commission.

“Single Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and no Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

“Solvent” and “Solvency” mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Specified Representations” means those representations and warranties set forth in Sections 3.01(b), 3.01(c), 3.01(d), 3.01(e) (other than the last sentence thereof), 3.01(g), 3.01(h) and 3.01(j).

“Statutory Reserve Rate” means, with respect to any currency, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Board, the Financial Services Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in such currency, expressed in the case of each such requirement as a decimal. Such reserve, liquid asset, fees or similar requirements shall include those imposed pursuant to Regulation D of the Board. Eurodollar Revolving Loans shall be deemed to be subject to such reserve, liquid asset, fee or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D of the Board. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

“Subordinated Indebtedness” means any Debt of the Borrower the payment of which is subordinated to payment of the obligations under the Loan Documents.

“subsidiary” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled

by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other subsidiaries.

“Subsidiary” means any subsidiary of the Borrower.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

“Syndication Agent” means Morgan Stanley Senior Funding, Inc. in its capacity as syndication agent for the credit facility evidenced by this Agreement.

“Target” means Astra Tech AB, a private company limited by shares incorporated in Sweden.

“Target Material Adverse Effect” means (with each capitalized term below having the meaning given thereto in the Acquisition Agreement as in effect on June 21, 2011, unless (except in the case of the term “EBITDA” as used below) otherwise defined herein) any change, event or occurrence or any combination thereof that reduces, or could be reasonably expected to reduce, the budgeted EBITDA of the Business in any consecutive four-quarter period up to the date falling two years after June 21, 2011 by more than \$25,000,000 other than any such change, event or occurrence arising from or relating to: (a) general economic, capital markets, financial markets, foreign exchange markets, regulatory or political conditions affecting the dental or health care industry, (b) any cyclical or seasonal effect on Astra Tech Group's business or the industry within which the Astra Tech Group operates consistent with previous experience in the business or the industry, (c) changes in Applicable Law, (d) the taking of any action contemplated by the Acquisition Agreement (including under clause 4.2.1 of the Acquisition Agreement) or any other Transaction Document, including the acquisition of the Astra Tech Group by the Purchaser or any member of the Purchaser's Group or the announcement or pendency of the transaction contemplated by the Acquisition Agreement, or (e) changes arising as a result of terrorism.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, the Acquisition, the borrowing of any Revolving Loans, the incurrence by the Borrower of any other Debt to finance the Acquisition and the use of the respective proceeds thereof on the Effective Date.

“Type”, when used in reference to any Revolving Loan or Borrowing, refers to whether the rate of interest on such Revolving Loan, or on the Revolving Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“Voting Stock” means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Revolving Loans may be classified and referred to by Type (e.g., a “Eurodollar Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurodollar Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 3.01(e) (“GAAP”); provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision

shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Debt or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein. For purposes of calculations made pursuant to the terms of this Agreement, GAAP will be deemed to treat operating leases and capital leases each in a manner consistent with its current treatment under generally accepted accounting principles as in effect on December 31, 2010, notwithstanding any modifications or interpretive changes thereto that may occur thereafter.

SECTION 1.05. Status of Obligations. In the event that the Borrower shall at any time issue or have outstanding any Subordinated Indebtedness, the Borrower shall take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such other Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower in Dollars from time to time during the Availability Period in an aggregate principal amount that will not result in (a) the amount of such Lender's Revolving Loans exceeding such Lender's Commitment or (b) the sum of the amount of the aggregate outstanding Revolving Loans exceeding the Aggregate Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Revolving Loans and Borrowings. (1) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Revolving Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Revolving Loans as required.

(a) Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Revolving Loans or Eurodollar Revolving Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Revolving Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Revolving Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Revolving Loan in accordance with the terms of this Agreement.

(b) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Commitment. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of ten (10) Eurodollar Borrowings outstanding.

(c) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request (a) by irrevocable written notice (via a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower, promptly followed by telephonic confirmation of such request) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of the proposed Borrowing or (b) by telephone in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or teletype to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;
- (iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the Borrower's account to which funds

are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Revolving Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Intentionally Omitted].

SECTION 2.05. [Intentionally Omitted].

SECTION 2.06. [Intentionally Omitted].

SECTION 2.07. Funding of Borrowings. (1) Each Lender shall make each Revolving Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Borrower, by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Revolving Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City or Chicago and designated by the Borrower in the applicable Borrowing Request.

(a) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Revolving Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Revolving Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (1) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Revolving

Loans comprising such Borrowing, and the Revolving Loans comprising each such portion shall be considered a separate Borrowing.

(a) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election (by telephone or irrevocable written notice) by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower. Notwithstanding any contrary provision herein, this Section shall not be construed to permit the Borrower to (i) elect an Interest Period for Eurodollar Revolving Loans that does not comply with Section 2.02(d) or (ii) convert any Borrowing to a Borrowing of a Type not available under such Borrowing.

(b) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(c) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(d) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period, such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the

Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing borrowed by the Borrower may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing borrowed by the Borrower shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination and Reduction of Commitments. (1) Unless previously terminated, the Commitments shall terminate on the earliest to occur of (i) March 21, 2012 in the event that the Effective Date has not occurred on or before such date, (ii) the termination of the Borrower's (or its applicable Subsidiary's) obligations under the Acquisition Agreement to consummate the Acquisition and (iii) the Maturity Date.

(a) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$10,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.11, the aggregate amount of outstanding Revolving Loans would exceed the Aggregate Commitment.

(b) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10. Repayment of Revolving Loans; Evidence of Debt. (1) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan made to the Borrower on the Maturity Date.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Revolving Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Revolving Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Revolving Loans in accordance with the terms of this Agreement.

(d) Any Lender may request that Revolving Loans made by it to the Borrower be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Revolving Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if any such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Revolving Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with the provisions of this Section 2.11(a). The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16.

(b) If at any time, the sum of the aggregate principal amount of all outstanding Revolving Loans exceeds the Aggregate Commitment, the Borrower shall in each case immediately repay Borrowings in an account with the Administrative Agent in an aggregate principal amount sufficient to cause the aggregate amount of all outstanding Revolving Loans to be less than or equal to the Aggregate Commitment.

SECTION 2.12. Fees. (1) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the undrawn daily amount of the Commitment of such Lender during the period from and including August 20, 2011 to but excluding the date on which such Commitment terminates. Accrued commitment fees

shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(a) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(b) All fees payable hereunder shall be paid on the dates due (except as otherwise expressly provided in this Section 2.12) and immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (1) The Revolving Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(a) The Revolving Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(b) Notwithstanding the foregoing, if any principal of or interest on any Revolving Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Revolving Loan, 2% plus the rate otherwise applicable to such Revolving Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Revolving Loans as provided in paragraph (a) of this Section.

(c) Accrued interest on each Revolving Loan shall be payable in arrears on each Interest Payment Date for such Revolving Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Revolving Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Revolving Loan shall be payable on the effective date of such conversion.

(d) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be

conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Revolving Loans (or its Revolving Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and any such Eurodollar Borrowing shall be repaid on the last day of the then current Interest Period applicable thereto and (ii) if any Borrowing Request by the Borrower requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

SECTION 2.15. Increased Costs. (1) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or other assessment against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate);

(ii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Revolving Loans made by such Lender or participation therein; or

(iii) subject any Lender to any Taxes, or changes the basis of taxation of payments (other than with respect to Excluded Taxes) to any Lender in respect of its Eurodollar Revolving Loans or participations therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Revolving Loan or of maintaining its obligation to make any such Revolving Loan or to increase the cost to such Lender or to reduce the amount of any sum received or receivable by such Lender hereunder, whether of principal, interest or otherwise, then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Revolving Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Revolving Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurodollar Revolving Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Revolving Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith) or (d) the assignment of any Eurodollar Revolving Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event but excluding loss of anticipated profits. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 2.17. Taxes. (1) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such

deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(a) In addition, the Borrower shall pay any Other Taxes related to the Borrower and imposed on or incurred by the Administrative Agent or a Lender to the relevant Governmental Authority in accordance with applicable law.

(b) The Borrower shall indemnify the Administrative Agent and each Lender within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(c) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Each Lender shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that a Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of any Borrower to do so) attributable to such Lender that are paid or payable by the Administrative Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(e) shall be paid within 10 days after the Administrative Agent or a Borrower (as applicable) delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Administrative Agent or Borrower (as applicable). Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(e) (1) Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything

to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A) through (E) below) shall not be required if the Lender reasonably determines that such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of such Borrower or the Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 2.17(f). If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify such Borrower and the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(i) Without limiting the generality of the foregoing, any Lender with respect to the Borrower shall, if it is legally eligible to do so, deliver to the Borrower and the Administrative Agent (in such number of copies reasonably requested by the Borrower and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Lender that is a U.S. Person, IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under this Agreement, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under this Agreement constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN and (2) a certificate substantially in the form of Exhibit C (a "U.S. Tax Certificate") to the effect that such Lender is not (a) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (b) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code (c) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in

the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under this Agreement (including a partnership or a participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (f)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable the Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.17 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

(g) If a payment made to a Lender under any Loan Document would be subject to United States of America federal withholding Tax imposed by FATCA if such Lender fails to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Administrative Agent and the Borrower, at the time or times prescribed by law and at such time or times reasonably requested by the Administrative Agent or the Borrower, as applicable, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Administrative Agent or the Borrower, as applicable, as may be necessary for the Administrative Agent or the Borrower, as applicable, to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 12:00 noon, New York City time, in each case on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 10 South Dearborn Street, Chicago, Illinois 60603, except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) At the election of the Administrative Agent, all payments of principal, interest, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder whether made following a request by the Borrower pursuant to Section 2.03 or a deemed request as provided in this Section or may be deducted from any deposit account of the Borrower maintained with the Administrative Agent. The Borrower hereby irrevocably authorizes (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Revolving Loans and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03 and (ii) the Administrative Agent to charge any deposit account of the Borrower maintained with the Administrative Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery,

without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.07(b), 2.18(e) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under such Sections; in the case of each of (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (1) If (i) any Lender requests compensation under Section 2.15, or (ii) if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or (iii) any Lender becomes a Defaulting Lender, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Revolving Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (A) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (B) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(a) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative

Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Revolving Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (including amounts payable pursuant to Section 2.16(d)), from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.20. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a); and

(b) the Commitment and Revolving Loans of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 9.02); provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender.

In the event that the Administrative Agent and the Borrower each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Revolving Loans of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Revolving Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Revolving Loans in accordance with its Applicable Percentage.

ARTICLE III

Representations and Warranties

SECTION 3.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Borrower of this Agreement and the Notes to be delivered by it, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws, (ii) any law in any material respect or (iii) any contractual restriction binding on or affecting the Borrower, except in the case of this clause (iii), to the extent such contravention could not reasonably be expected to result in a Material Adverse Effect.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party (except for such approvals, notices or filings which are obtained on or before the Effective Date, have been disclosed in writing to the Arrangers, and remain in full force and effect) is required for the due execution, delivery and performance by the Borrower of this Agreement or the Notes to be delivered by it.

(d) This Agreement has been, and each of the Notes to be delivered by it when delivered hereunder will have been, duly executed and delivered by the Borrower. This Agreement is, and each of the Notes when delivered hereunder will be, the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with their respective terms, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

(e) The Consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2010, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of PricewaterhouseCoopers LLC, independent public accountants, and the Consolidated balance sheet of the Borrower and its Subsidiaries as at March 31, 2011, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the three months then ended, duly certified by the chief financial officer, treasurer or controller of the Borrower, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2011, and said statements of income and cash flows for the three months then ended, to year-end audit adjustments, the Consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the Consolidated results of the operations of the Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since December 31, 2010, there has been no Material Adverse Change as of the Effective Date.

(f) As of the Effective Date, there is no pending or, to the knowledge of the Borrower, threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(g) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Revolving Loan will

be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(h) The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(i) Neither the Information Memorandum nor any other written information, exhibit or report other than projections and information of a general economic or general industry nature furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation and syndication of this Agreement or pursuant to the terms of this Agreement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein not misleading as of the date made, in light of the circumstances in which the same were made; provided, that the foregoing representations to the extent relating to the Target are, until and including the Effective Date, made only to the best of the Borrower's knowledge.

(j) The Borrower on a consolidated basis, before and after giving effect to any applicable Borrowing hereunder, is Solvent.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Revolving Loans hereunder shall not become effective until the date, on or before March 21, 2012, on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Lenders shall have received favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of (i) Deborah M. Rasin, general counsel for the Borrower, in form and substance reasonably satisfactory to the Administrative Agent and its counsel and (ii) Skadden, Arps, Slate, Meagher & Flom LLP, external counsel to the Borrower, in form and substance reasonably satisfactory to the Administrative Agent and its counsel, and each covering such other matters relating to the Borrower, the Loan Documents or the Transactions as the Administrative Agent shall reasonably request. The Borrower hereby requests each such counsel to deliver such opinions respectively.

(c) The Arrangers shall have received (i) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for the three years ended December 31, 2010, and unaudited consolidated balance sheets

and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for each subsequent fiscal quarter ended at least 40 days prior to the Effective Date, in each case prepared in conformity with GAAP, (ii) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Target for the two years ended December 31, 2010, in each case prepared in conformity with IFRS and (iii) customary pro forma financial statements, which in each case meet the requirements of Regulation S-X under the Securities Act of 1933, as amended (the "Act"), and all other accounting rules and regulations of the SEC promulgated thereunder applicable to a registration statement under the Act on Form S-1.

(d) The Lenders shall have received (i) such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization of the Transactions and any other legal matters relating to the Borrower, the Loan Documents or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel and (ii) at least 10 Business Days prior to the Effective Date (to the extent requested by any of the Lenders), all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act.

(e) The Arrangers shall have received a certificate reasonably satisfactory to them, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, (i) confirming satisfaction of the conditions set forth in Sections 4.02(a)(i) and 4.02(b), (ii) confirming that (x) the Acquisition has been consummated in accordance with the terms of the Acquisition Agreement without any waiver, amendment, supplement or other modification since June 21, 2011 that is materially adverse to the interests of the Lenders, unless the Arrangers' prior written consent thereto has been obtained (such consent not to be unreasonably withheld, conditioned or delayed) and (y) as of the date of such consummation of the Acquisition, no Target Material Adverse Effect has occurred since June 21, 2011, (iii) attaching a true and complete copy of the Acquisition Agreement and (iv) confirming each of the other conditions set forth in this Section 4.01 has been satisfied.

(f) The Arrangers shall have received a certificate substantially in the form of Exhibit B, dated the Effective Date and signed by the chief financial officer of the Borrower, confirming the Borrower is, on a consolidated basis, Solvent at the Effective Date before and immediately after giving effect to the Transactions.

(g) The Administrative Agent, the Arrangers and the Lenders shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least 3 Business Days prior to the Effective Date, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Borrowing. The obligation of each Lender to make a Revolving Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) (i) The Specified Representations shall be true and correct on and as of the Effective Date, and (ii) with respect to any Borrowing after the Effective Date, the representations and warranties of the Borrower set forth in this Agreement (except those representations and warranties set forth in (x) the last sentence of Section 3.01(e) and (y) Section 3.01(f)) shall be true and correct on and as of the date of such Borrowing.

(b) No Default shall have occurred and be continuing at the time of and immediately after giving effect to (i) the Effective Date (other than a Default under Section 7.01(b) resulting from the breach of a representation or warranty set forth in Section 3.01 which is not a Specified Representation) and (ii) each Borrowing made after the Effective Date.

(c) The Borrower shall have delivered a Borrowing Request in accordance with Section 2.03.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section. Each representation and warranty set forth in Section 3.01 is made by the Borrower as of the Effective Date and the date of each Borrowing regardless of whether the accuracy of such representation or warranty is a condition to the occurrence of the Effective Date or the making of such Borrowing under this Article IV.

ARTICLE V

Affirmative Covenants

So long as any Revolving Loan shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

SECTION 5.01. Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA, Environmental Laws and the Patriot Act, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.02. Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all material taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all material lawful claims that, if unpaid, might by law become a Lien upon its property; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

SECTION 5.03. Maintenance of Insurance. Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses

and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates; provided, however, that the Borrower and its Subsidiaries may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates and to the extent consistent with prudent business practice.

SECTION 5.04. Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Borrower and its Subsidiaries may consummate any merger or consolidation permitted under Section 6.02 and provided further that neither the Borrower nor any of its Subsidiaries shall be required to maintain corporate existence of any subsidiary or preserve any right or franchise if the Board of Directors of the Borrower or such Subsidiary shall determine that the maintenance or preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower, such Subsidiary or the Lenders.

SECTION 5.05. Visitation Rights. At any reasonable time upon reasonable notice during normal business hours and from time to time, permit the Administrative Agent or any of the Lenders or any authorized agents or representatives thereof, to examine and make copies of and abstracts from the financial records and books of account of, and visit the properties of, the Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants; provided that, such visitation rights shall not be exercised more frequently than once during any calendar quarter, except during the existence of an Event of Default.

SECTION 5.06. Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Subsidiary in accordance with generally accepted accounting principles in effect from time to time.

SECTION 5.07. Maintenance of Properties, Etc. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its material properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

SECTION 5.08. Transactions with Affiliates. Conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of their Affiliates on terms that are fair and reasonable and not materially less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate; provided, that the foregoing restriction shall not apply to (a) any transaction between or among Borrower and its Subsidiaries; (b) reasonable and customary fees paid to members of the board of directors (or similar governing body) of the Borrower and its Subsidiaries; (c) compensation arrangements (including severance arrangements to the extent approved by a majority of the disinterested members of Borrower's or the applicable Subsidiary's board of directors (or similar governing body) or the applicable committee thereof) for present or former officers and other employees entered into in the ordinary course of business; (d) indemnities provided for the benefit of, directors, officers or employees of Borrower and its Subsidiaries in the ordinary course of business; and (e) loans and

advances to employees of Borrower and its Subsidiaries permitted hereunder.

SECTION 5.09. Reporting Requirements. Furnish to the Lenders:

(a) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Borrower, the Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, treasurer or controller of the Borrower as having been prepared in accordance with generally accepted accounting principles and certificates of the chief financial officer, treasurer or controller of the Borrower as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 6.06, provided that, subject to Section 1.04, in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 6.06, a statement of reconciliation conforming such financial statements to GAAP;

(b) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing the Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by PricewaterhouseCoopers LLC or other independent public accountants acceptable to the Required Lenders and certificates of the chief financial officer, treasurer or controller of the Borrower as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 6.06, provided that, subject to Section 1.04, in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 6.06, a statement of reconciliation conforming such financial statements to GAAP;

(c) as soon as possible and in any event within five days after the chief financial officer, treasurer or controller of the Borrower obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer, treasurer or controller of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(d) promptly after the sending or filing thereof, copies of all reports that the Borrower sends to any of its securityholders, and copies of all reports and registration statements that the Borrower or any Subsidiary files with the SEC or any national securities exchange;

(e) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Borrower or any of its Subsidiaries of the type described in Section 3.01(f); and

(f) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

SECTION 5.10. Use of Proceeds. Use the proceeds of the Borrowings to provide working capital from time to time for the Borrower and other general corporate purposes, including to back stop issuances of commercial paper, in each case which may be used (directly or indirectly) to finance the Acquisition and to pay a part of the fees and expenses in connection therewith.

ARTICLE VI

Negative Covenants

So long as any Revolving Loan shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will not:

SECTION 6.01. Liens, Etc. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(a) Permitted Liens;

(b) purchase money Liens upon or in any real property or equipment acquired or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided, however, that no such Lien shall extend to or cover any properties of any character other than the real property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced, provided further that the aggregate principal amount of the indebtedness secured by the Liens referred to in this clause (b) shall not exceed the amount specified therefor in Section 6.04(c) at any time outstanding;

(c) the Liens existing as of the date hereof and described on Schedule 6.01 hereto;

(d) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Borrower or any Subsidiary of the Borrower or becomes a Subsidiary of the Borrower; provided that such Liens were not created in contemplation of such merger, consolidation or acquisition and do not extend to any assets other than those of the Person so merged into or consolidated with the Borrower or such Subsidiary or acquired by the Borrower or such Subsidiary;

(e) other Liens securing Debt in an aggregate principal amount not to exceed the amount specified therefor in Section 6.04(d) at any time outstanding; and

(f) the replacement, extension or renewal of any Lien permitted by clauses (c) or (d) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

SECTION 6.02. Mergers, Etc. Merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, or permit any of its Subsidiaries to do so, except that any Subsidiary of the Borrower may merge or consolidate with or into, or dispose of assets to, any other Subsidiary of the Borrower, and except that any Subsidiary of the Borrower may merge into or dispose of assets to the Borrower, provided, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

SECTION 6.03. Accounting Changes. Make or permit, or permit any of its Subsidiaries to make or permit, any change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

SECTION 6.04. Subsidiary Debt. Permit any of its Subsidiaries to create or suffer to exist, any Debt other than:

(a) Debt owed to the Borrower or to a wholly owned Subsidiary of the Borrower or Debt under this Agreement or the Notes;

(b) Debt existing as of the date hereof and described on Schedule 6.04 hereto (the "Existing Debt"), and any Debt extending the maturity of, or refunding or refinancing, in whole or in part, the Existing Debt, provided that the principal amount of such Existing Debt shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing, and the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding or refinancing;

(c) Debt secured by Liens permitted by Section 6.01(b) aggregating for all of the Borrower's Subsidiaries not more than \$100,000,000 at any one time outstanding;

(d) Debt that, in aggregate with all Debt secured by Liens permitted by Section 6.01(e), does not exceed an amount equal to 15% of Consolidated net worth of the Borrower and its Subsidiaries at any one time outstanding; and

(e) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business.

SECTION 6.05. Change in Nature of Business. Make, or permit any of its Subsidiaries to

make, any material change in the nature of the business as carried on by the Borrower and its Subsidiaries at the date hereof; provided, that the nature of the businesses carried on by the Target as of the date hereof shall be deemed to be in the nature of the business carried on by the Borrower and its Subsidiaries.

SECTION 6.06. Financial Covenants. So long as any Revolving Loan shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) Leverage Ratio. Maintain a ratio of Consolidated Debt for Borrowed Money to the sum of Consolidated Debt for Borrowed Money plus Consolidated net worth of the Borrower and its Subsidiaries of not greater than 0.55 to 1.00.

(b) Interest Coverage Ratio. Maintain a ratio of Consolidated EBITDA for the period of four fiscal quarters then ended of the Borrower and its Subsidiaries to the sum of interest payable on, and amortization of debt discount in respect of, all Debt for Borrowed Money during such period by the Borrower and its Subsidiaries of not less than 3.5 to 1.0.

ARTICLE VII

Events of Default

SECTION 7.01. If any of the following events (each an "Event of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Revolving Loan when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Revolving Loan or make any other payment of fees or other amounts payable under this Agreement or any Note within five Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein (or any of its officers) in connection with this Agreement hereunder shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Sections 5.04, 5.05, 5.08, 5.09 or 5.10 or Article VI, or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure pursuant to this clause (ii) shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least \$75,000,000 in the aggregate (but excluding Debt outstanding hereunder) of the Borrower or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such

Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than (i) by a regularly scheduled required prepayment or redemption or (ii) a prepayment or redemption required solely as a result of the proceeds of such Debt not having been applied to consummate a transaction or toward any other purpose for which such Debt was incurred), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this clause (e); or

(f) one or more judgments for the payment of money in an aggregate amount in excess of \$75,000,000 shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment; or

(g) (i) Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Securities Exchange Act of 1934, as amended), directly or indirectly, of Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of the Borrower; or (ii) during any period of up to 24 consecutive months, commencing after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of the Borrower shall cease for any reason (other than due to death or disability) to constitute a majority of the board of directors of the Borrower (except to the extent that individuals who at the beginning of such 24-month period were replaced by individuals (x) elected by a majority of the remaining members of the board of directors of the Borrower or (y) nominated for election by a majority of the remaining members of the board of directors of the Borrower and thereafter elected as directors by the shareholders of the Borrower); or

(h) The Borrower or any of its ERISA Affiliates shall incur, or shall be

reasonably likely to incur liability in excess of \$75,000,000 in the aggregate as a result of one or more of the following:

- (i) the occurrence of any ERISA Event;
- (ii) the partial or complete withdrawal of the Borrower or any of its ERISA Affiliates from a Multiemployer Plan; or
- (iii) the reorganization or termination of a Multiemployer Plan;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Revolving Loans to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Revolving Loans, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Revolving Loans, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Revolving Loans shall automatically be terminated and (B) the Revolving Loans, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VIII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary

rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment

as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

None of the Lenders, if any, identified in this Agreement as an Arranger, Syndication Agent or Co-Documentation Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Arranger, Syndication Agent or Co-Documentation Agents, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

Except with respect to the exercise of setoff rights of any Lender, in accordance with Section 9.08, the proceeds of which are applied in accordance with this Agreement, each Lender agrees that it will not take any action, nor institute any actions or proceedings, against the Borrower or with respect to any Loan Document, without the prior written consent of the Required Lenders or, as may be provided in this Agreement or the other Loan Documents, with the consent of the Administrative Agent.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Revolving Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (1) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and

other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to DENTSPLY International Inc., 221 West Philadelphia Street, York, Pennsylvania 17405, Attention of Treasurer (Telecopy No. (717) 849-4759); Telephone No. (717) 845-7511);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., 10 South Dearborn, 7th Floor, Chicago, Illinois 60603, Attention of Nan Wilson (Telecopy No. (888) 208-7168), with a copy to JPMorgan Chase Bank, N.A., 277 Park Avenue, 23rd Floor, New York, New York 10172, Attention of Deborah R. Winkler (Telecopy No. (646) 534-3081); and

(iii) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt; provided, that notices should only be deemed received by the recipient during its normal business hours.

SECTION 9.02. Waivers; Amendments. (1) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Revolving Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(a) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower

and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Revolving Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Revolving Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.18(b) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender or (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

(b) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower to each relevant Loan Document to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(c) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Revolving Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Revolving Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(d) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (1) The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its

Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Administrative Agent (together with (A) a single local counsel and single specialist counsel (for each relevant jurisdiction and relevant specialization), as reasonably required and (B) in the case of an actual conflict of interest, one additional counsel for each relevant jurisdiction and/or specialization for similarly situated parties); provided, that the Borrower shall not be obligated to pay for any other third party advisor hired without the consent of the Borrower (such consent not to be unreasonably withheld)), in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Revolving Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Revolving Loans.

(a) The Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related reasonable and documented out-of-pocket expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Revolving Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(b) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Borrower’s failure to pay any such amount shall not relieve the Borrower of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(c) To the extent permitted by applicable law, the Borrower shall not assert, and the Borrower hereby waives, any claim against any Indemnitee (i) for any damages arising from

the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Revolving Loan or the use of the proceeds thereof.

(d) All amounts due under this Section shall be payable not later than fifteen (15) days after written demand therefor.

SECTION 9.04. Successors and Assigns. (1) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(a) (1) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Revolving Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default under Section 7.01(a) or 7.01(e) has occurred and is continuing, any other assignee; and

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Revolving Loans, the amount of the Commitment or Revolving Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each

of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default under Section 7.01(a) or 7.01 (e) has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws; and

(E) the assignee shall not be the Borrower or an Affiliate of the Borrower.

Notwithstanding the foregoing, if the consent of the Borrower is required pursuant to this Section 9.04(b) in connection with any proposed assignment, then the Borrower shall be deemed to have consented to such proposed assignment unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after having received written notice of such proposed assignment.

For the purposes of this Section 9.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning

Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Revolving Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.07(b), 2.18(e) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(b) (1) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Revolving Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a

Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(d) as though it were a Lender.

(i) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.17(e) as though it were a Lender.

(c) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrower in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Revolving Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Revolving Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Revolving Loans, the expiration or termination of the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement 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. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the

benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all of the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (1) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(a) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(b) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan

Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

[Signature Pages Follow]

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

DENTSPLY INTERNATIONAL INC., as the Borrower

By ___
Name:
Title:

By ___
Name:
Title:

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

By _____
Name:
Title:

MORGAN STANLEY SENIOR FUNDING, INC., as
Syndication Agent

By ___
Name:
Title:

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

By ___
Name:
Title:

[LENDERS]

By ___
Name:
Title:

SCHEDULE 2.01

COMMITMENTS

LENDER		COMMITMENT
Morgan Stanley Bank, N.A.	\$	3,616,666.67
Morgan Stanley Senior Funding, Inc.	\$	22,216,666.66
JPMorgan Chase Bank, N.A.	\$	25,833,333.33
Citibank, N.A.	\$	21,666,666.67
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$	21,666,666.67
Wells Fargo Bank, National Association	\$	21,666,666.67
Commerzbank AG New York Branch	\$	16,666,666.67
PNC Bank, National Association	\$	16,666,666.67
Goldman Sachs Bank USA	\$	13,333,333.33
HSBC Bank USA, N.A.	\$	13,333,333.33
TD Bank, N.A.	\$	13,333,333.33
Manufacturers and Trust Bank	\$	10,000,000
Skandinaviska Enskilda Banken AB (publ)	\$	10,000,000
Svenska Handelsbanken AB (publ) New York	\$	10,000,000
The Bank of Nova Scotia	\$	10,000,000
The Royal Bank of Scotland plc	\$	10,000,000
U.S. Bank, National Association	\$	10,000,000
AGGREGATE COMMITMENT	\$	250,000,000

Capital Lease Obligations

<u>Source</u>	<u>Currency</u>	<u>FC Principal</u>	<u>FX</u>	<u>USD Equivalent</u>
Volksbank - Building, Germany	EUR	140,000	\$ 1.45175 \$	203,245
Various - Italy	EUR	4,594,997	\$ 1.45175 \$	6,670,787
Great American Leasing - Equipment, USA	USD	10,294	\$ 1 \$	10,294
CMCIC - Building, France	EUR	429,895	\$ 1.45175 \$	624,100
Subtotal			\$	<u>7,508,426</u>

SCHEDULE 6.01

EXISTING LIENS

SCHEDULE 6.04

EXISTING DEBT

As of June 30, 2011

<u>Source</u>	<u>Currency</u>	<u>FC Principal</u>	<u>FX</u>	<u>USD Equivalent</u>
Subsidiary Bank Debt				
Various, Italy	EUR	2,648,953 \$	1.45175	\$3,845,618
Volksbank, Germany	EUR	40,000 \$	1.45175	\$58,070
Bawag P.S.K, Austria	EUR	50 \$	1.45175	\$73
Banque Populaire, France	EUR	5,958 \$	1.45175	\$8,649
Various, Brazil	USD	3,668,942 \$	1	\$3,668,942
Citibank, London	EUR	65 \$	1.45175	\$95
Checks issued not cleared	TWD	4,017,045	28.7985	\$139,488
Subtotal				<u>\$7,720,935</u>
Capital Lease Obligations				
Volksbank - Building, Germany	EUR	140,000 \$	1.45175	\$203,245
Various - Italy	EUR	4,594,997 \$	1.45175	\$6,670,787
Great American Leasing - Equipment, USA	USD	10,294 \$	1	\$10,294
CMCIC - Building, France	EUR	429,895 \$	1.45175	\$624,100
Subtotal				<u>\$7,508,426</u>
Other				
Fair Value of Derivatives		2,935,144 \$	1	\$2,935,144
Guarantee/Letters of Credit				<u>\$4,526,049</u>
Subtotal				<u>\$7,461,193</u>
Consolidated Debt				<u><u>\$22,690,554</u></u>

Letters of Credit/Guarantees

<u>Beneficiary</u>	<u>Issuer</u>	<u>Type</u>	<u>USD Equivalent</u>
MSNW Continental Associates LLC	M&T Bank	Letter of Credit	\$25,249
Belastingdienst Rijnmond	Citibank	Letter of Credit	\$50,811
Kuehne Nagel	Citibank	Letter of Credit	\$50,811
National Guard King Fahd Hosp	Citibank	Guarantee	\$2,333
General Directorate	Citibank	Guarantee	\$59,422
Garanti Filo Yonetim Mizmeteri	Citibank	Guarantee	\$68,801
AS Turkey	Citibank	Guarantee	\$337,192
German Government	Citibank	Guarantee	\$1,785,653
French Government	Citibank	Guarantee	\$2,145,777
Subtotal			<u>\$4,526,049</u>

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “Assignor”) and [*Insert name of Assignee*] (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

- | | | |
|---|-----------------------|---|
| 1 | Assignor: | |
| 2 | Assignee: | [and is an Affiliate/Approved Fund of [identify Lender] ¹ |
| 3 | Borrower: | DENTSPLY International Inc. |
| 4 | Administrative Agent: | JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement |
| 5 | Credit Agreement: | The 364-Day Revolving Credit Agreement dated as of July 27, 2011 among DENTSPLY International Inc., the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto |
| 6 | Assigned Interest: | |

¹ Select as applicable.

Aggregate Amount of Commitment/Revolving Loans for all Lenders	Amount of Commitment/Revolving Loans Assigned	Percentage Assigned of Commitment/Revolving Loans ²
\$	\$	%
\$	\$	%
\$	\$	%

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By:____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By:____
Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By:____
Title:

[Consented to:]³

DENTSPLY INTERNATIONAL INC.

By:____
Title:

² Set forth, so at least 9 decimals, as a percentage of the Commitment/Revolving Loans of all Lenders thereunder.

³ To be added only if the consent of the Borrower is required by the terms of the Credit

Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.09 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure

to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

FORM OF SOLVENCY CERTIFICATE
OF
DENTSPLY INTERNATIONAL INC. AND ITS SUBSIDIARIES

[], 2011

This Solvency Certificate (the "Certificate") of DENTSPLY International Inc., a Delaware corporation (the "Borrower"), and its Subsidiaries is delivered pursuant to Section 4.01(f) of that certain 364-Day Revolving Credit Agreement dated as of July 27, 2011 (the "Revolving Credit Agreement") by and among the Borrower, the Lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Morgan Stanley Senior Funding, Inc., as Syndication Agent, and Morgan Stanley Senior Funding, Inc. and J.P. Morgan Securities LLC as Joint Bookrunners and Joint Lead Arrangers (the "Arrangers"). Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the Revolving Credit Agreement.

I, William R. Jellison, solely in my capacity as the duly elected qualified, and acting Chief Financial Officer of the Borrower, DO HEREBY CERTIFY to the Arrangers, the Administrative Agent and the Lenders, as follows:

1. I have carefully reviewed the Revolving Credit Agreement and the other Loan Documents referred to therein (collectively, the "Transaction Documents") and such other documents as I have deemed relevant and the contents of this Certificate and, in connection herewith, have made such investigation as I have deemed necessary therefore. I further certify that the financial information and assumptions which underlie and form the basis for the representations made in this Certificate were fair and reasonable when made and were made in good faith and continue to be fair as of the date hereof.
2. As of the date hereof and immediately after giving effect to the Transactions:
 - a. the fair value of the property of the Borrower, on a consolidated basis, is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of the Borrower on a consolidated basis;
 - b. the present fair salable value of the assets of the Borrower, on a consolidated basis, is not less than the amount that will be required to pay the probable liability of the Borrower, on a consolidated basis, on its debts as they become absolute and matured;
 - c. the Borrower, on a consolidated basis, does not intend to, nor does it believe that it will, incur debts or liabilities that would be beyond its ability to pay as such debts and liabilities mature; and
 - d. the Borrower is not engaged in business or a transaction, and are not about to engage in business or a transaction, for which the Borrower's property would constitute an unreasonably small capital.

For the purposes of this Certificate, the amount of contingent liabilities at any time have been computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned has hereunto executed this certificate on the date first written above.

Name: William R. Jellison
Title: Chief Financial Officer

SECOND AMENDMENT TO CREDIT AGREEMENT

SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of August 31, 2011, among DENTSPLY International Inc. (the "Company"), the banks, financial institutions and other institutional lenders parties to the Existing Credit Agreement (as hereinafter defined) (collectively, the "Lenders"), and PNC BANK, NATIONAL ASSOCIATION, as Agent for the Lenders (in such capacity, the "Agent").

W I T N E S S E T H:

WHEREAS, the Company, the Lenders and the Agent are parties to a Two Year Credit Agreement, dated as of February 24, 2010 (as heretofore amended, supplemented or otherwise modified, the "Existing Credit Agreement"; as further amended by this amendment, the "Amended Credit Agreement"); and

WHEREAS, the Company and the Lenders have agreed to extend the term of the Existing Credit Agreement, to change the pricing and to make certain other changes to the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Defined Terms**. Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined.
2. **Amendments to Credit Agreement**. Effective as of the Effective Date (as defined below) the Existing Credit Agreement is hereby amended in its entirety to read as set forth in Annex A hereto. The Schedules and Exhibits attached to the Existing Credit Agreement shall remain as Schedules and Exhibits to the Amended Credit Agreement.
3. **Representations and Warranties**. The Company hereby represents and warrants to the Lenders and the Agent that:
 - (a) There exists no Default or Event of Default under the Amended Credit Agreement.
 - (b) The representations and warranties made in the Amended Credit Agreement are true and correct in all material respects on and as of the date hereof as if made on and as of the date hereof, except that any such representation and warranty that is given as of a particular date or period and relates solely to such date or period is true and correct in all material respects as of such date or period.
 - (c) It has the power and authority and legal right to make, deliver and perform

this Amendment and the Allonge (as defined below) (collectively, the “Second Amendment Documents”), and to consummate the transactions contemplated hereby and thereby and by the Amended Credit Agreement.

(d) The execution and delivery of the Second Amendment Documents by the Company has been duly authorized by all requisite action on behalf of the Company, and the Second Amendment Documents constitute the Company’s legal, valid and binding obligation, enforceable in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws or equitable principles from time to time in effect relating to or affecting the rights of creditors generally.

(e) No consent, approval, authorization or order of, or filing, registration or qualification with, any Governmental Authority or other Person is required in connection with the execution, delivery or performance by the Company of the Second Amendment Documents (except for those which have been obtained on or prior to the Effective Date).

(f) No approval of any Governmental Authority or consent or authorization of, filing with, notice to or other act by or in respect of, any other Person is required in connection with the execution and delivery of the Second Amendment Documents, the performance, validity or enforceability of the Second Amendment Documents and the Amended Credit Agreement, and the consummation of the transactions contemplated hereby and thereby.

4. Conditions Precedent. This Amendment shall become effective on the date when each of the following is satisfied or waived by the Agent and the Lenders (the “Effective Date”):

(a) Receipt by the Agent of this Amendment duly executed by the Company, the Agent and each Lender.

(b) Receipt by the Agent of an Allonge to each Note in a form acceptable to the Agent (the “Allonge”).

(c) Payment to the Agent of such fees as shall have been agreed to with the Agent, which fees shall be fully earned on and as of the Effective Date and are non-refundable.

(d) Payment to the Agent of all accrued fees and expenses of the Agent and the Lenders (including the accrued fees and expenses of counsel to the Agent).

(e) There shall have occurred no Material Adverse Change since December 31, 2010.

(f) There shall exist no action, suit, investigation, litigation or proceeding affecting the Company or any of its Subsidiaries pending or threatened before any Governmental Authority that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Amendment or the consummation of the

transactions contemplated hereby.

(g) All governmental and third party consents and approvals necessary in connection with the transactions contemplated hereby shall have been obtained (without the imposition of any conditions that are not acceptable to the Lenders) and shall remain in effect, and no law or regulation shall be applicable in the reasonable judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated hereby.

(h) On the Effective Date, the following statements shall be true and the Agent shall have received a certificate signed by a duly authorized officer of the Company, dated the Effective Date, stating that:

(1) The representations and warranties contained in Section 4.01 of the Amended Credit Agreement are true and correct in all material respects on and as of the Effective Date, and

(2) No event has occurred and is continuing that constitutes a Default.

(i) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent:

(1) Certified copies of the resolutions of the Board of Directors of the Company approving this Amendment and the Allonge, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Amendment.

(2) A certificate of the Secretary or an Assistant Secretary of the Company certifying (x) the names and true signatures of the officers of the Company authorized to sign this Amendment and the other documents to be delivered hereunder and (y) any changes to the organizational documents of the Company since the Closing Date.

(3) A recent good standing certificate.

(4) A favorable opinion of Deborah Rasin, General Counsel for the Company, covering such matters incident to the transactions contemplated by this Amendment as the Agent may reasonably require.

(j) The Agent shall have received such other documents, resolutions and certificates as the Agent or its counsel may request all in form and substance reasonably satisfactory to the Agent and its counsel.

5. Effect of this Amendment. Except as expressly set forth herein or in the Amended Credit Agreement, neither this Amendment, nor the Amended Credit Agreement, shall by implication or otherwise, limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders or the Agent under the Existing Credit Agreement or the Notes, and

shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or the Notes, all of which shall continue in full force and effect. None of (a) this Amendment, (b) the Amended Credit Agreement or (c) the Allonge shall constitute a novation, payment and reborrowing or complete or partial termination of the obligations under the Existing Credit Agreement and the Notes as in effect prior to the Effective Date.

6. Affirmations. The Company hereby: (1) ratifies and affirms all the provisions of the Existing Credit Agreement and the Notes as supplemented and amended hereby, (1) agrees that the terms and conditions of the Existing Credit Agreement and the Notes shall continue in full force and effect as supplemented and amended hereby and (1) acknowledges and agrees that it has no defense, set-off, counterclaim or challenge against the payment of any sums currently owing under the Existing Credit Agreement and the Notes or the enforcement of any of the terms or conditions thereof and agrees to be bound thereby and perform thereunder.

7. Limited Effect. Except as expressly modified hereby, the Existing Credit Agreement and the Notes shall continue to be, and shall remain, unaltered and in full force and effect in accordance with their terms.

8. Release. Recognizing and in consideration of the Lenders' agreements set forth herein, the Company hereby waives and releases each Lender, the Agent and each of their respective Affiliates and the officers, directors, employees, agents, and advisors of such Persons and such Affiliates from any liability, suit, damage, claim, loss or expense of any kind or nature whatsoever and howsoever arising that the Company ever had or now has against any of them through and including the date hereof arising out of or relating to any acts or omissions with respect to this Amendment, the Amended Credit Agreement, the Notes or any other matters described or referred to herein or therein or related hereto or thereto.

9. Integration. This Amendment constitutes the sole agreement of the parties with respect to the terms hereof and shall supersede all oral negotiations and the terms of prior writings with respect thereto.

10. Severability. Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11. Miscellaneous.

(a) Expenses. The Company agrees to pay all of the Agent's reasonable out-of-pocket fees and expenses incurred in connection with the preparation, negotiation and execution of this Amendment, the Allonge, the Amended Credit Agreement and the transactions contemplated hereby and thereby, including without limitation, the reasonable fees and expenses of counsel to

the Agent.

(b) Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(c) Consent to Jurisdiction; Waiver of Jury Trial. The provisions of Sections 9.13 and 9.17 of the Amended Credit Agreement (in the form attached hereto as Annex A) are incorporated herein and made applicable to, and shall govern, this Amendment *mutatis mutandis* to the same extent as they are applicable to the Amended Credit Agreement.

(d) No Waiver. The execution, delivery and effectiveness of this Amendment, and effectiveness of the Amended Credit Agreement, shall not operate as a waiver of any right, power or remedy of the Agent or the Lenders under the Amended Credit Agreement.

(e) Successor and Assigns. This Amendment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

(f) Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same instrument.

(g) Headings. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.

(h) Modifications. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

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

COMPANY:

DENTSPLY INTERNATIONAL INC.

By: _____

Name:

Title:

PNC BANK, NATIONAL ASSOCIATION,
as a Lender and as Agent

By: _____

Name:

Title:

Amended Credit Agreement

Term Loan Agreement

JPY12,552,500,000

DENTSPLY International Inc.

Borrower

:

Arranger

:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Co-Arranger

:

Development Bank of Japan Inc.

Agent

:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Lenders

:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Development Bank of Japan Inc.

The Shinkumi Federation Bank

Mitsui Sumitomo Insurance Company, Limited

The Chiba Bank, Ltd.

Dated: September 21, 2011

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DENTSPLY International Inc.

JPY12,552,500,000

Term Loan Agreement

September 21, 2011

THIS AGREEMENT ("**this Agreement**") is entered into as of September 21, 2011 by and among DENTSPLY International Inc. (hereinafter referred to as the "**Borrower**"), The Bank of Tokyo-Mitsubishi UFJ, Ltd., Development Bank of Japan Inc., The Shinkumi Federation Bank, Mitsui Sumitomo Insurance Company, Limited, The Chiba Bank, Ltd., as lenders (hereinafter referred to collectively as the "**Lenders**" and individually as a "**Lender**") and The Bank of Tokyo-Mitsubishi UFJ, Ltd. acting in its capacity as the agent (hereinafter referred to as the "**Agent**").

Article 1 Definition

(1) The following terms when used herein shall (unless the context otherwise requires) have the following meanings:

1 "**Agent Account**" means a JPY account held by the Agent opened with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Head Office (Account No.3928980; Account Name: Administration Office Agent Account), or such other account as the Agent may designate and notify the Borrower and each Lender from time to time.

2 "**Agent Fee**" means such fee payable by the Borrower to the Agent as separately agreed between the Borrower and the Agent.

3 "**Agent Services**" means such services provided herein as are entrusted to the Agent by the Lenders in the interests of the Lenders.

4 "**Applicable Rate of Interest**" means the rate corresponding to the Base Rate plus the Margin.

5 "**Arranger**" means The Bank of Tokyo-Mitsubishi UFJ, Ltd.

6 "**Assignee**" means the person or entity to which an Individual Loan is assigned in accordance with Article 26(1).

7 "**Assignor**" means the person or entity which assigns an Individual Loan in accordance with Article 26(1).

8 "**Base Rate**", with respect to each Interest Calculation Period, means the interest rate applicable to the relevant Interest Calculation Period appearing on the Telerate Screen Page 3750 or Reuters Reference LIBOR01 or any other replacement page displaying London interbank offered rate for lending in Japanese Yen as the "JPY LIBOR" published by British Bankers' Association, for a period of three (3) months, at 11:00 a.m., London time on the day that is two (2) London Business Days preceding the commencement of such Interest Calculation Period. In the event that such rate is not available at such time for any reason, then the Base Rate for such Interest Calculation Period shall be reasonably determined by the Agent. "**London Business Day**" herein means any day that is not a Saturday, Sunday or other day on which commercial banks in London are authorized or required by the Laws and Ordinances to remain closed.

9 "**Break Funding Costs**" means the amount which is calculated by applying the difference between the Reinvestment Rate and the Applicable Rate of Interest for the actual number of days in the Remaining Period to the amount of the principal repaid or offset if the Reinvestment Rate, when the principal of an Individual Advance is repaid or offset on a day which is not an Interest Payment Date, is below the Applicable Rate of Interest pertaining to the Interest Calculation Period during which the date of such repayment or offset occurs. The "**Remaining Period**" means the period from the day when the repayment or offset occurs to the next Interest Payment Date; and the "**Reinvestment Rate**" refers to the interest rate that is reasonably determined by a relevant Lender as the interest rate which would be obtained on the assumption that the principal so repaid or offset were to be reinvested in the London interbank market for the Remaining Period. As for the calculations of the Break Funding Costs, they shall be made on the daily basis of a 360-day year for the actual number of days elapsed (including the first day but excluding the last day) with division being made at the end of the calculation with any fraction of less than JPY1 being rounded down.

10 "**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in Tokyo, London and New York are authorized or required by the Laws and Ordinances to remain closed.

11 "**Co-Arranger**" means Development Bank of Japan Inc.

12 "**Disbursement Date**" means September 28, 2011.

13 "**Disbursement Suspension Event**" means (i) occurrence of natural calamity or war; (ii) suspension or disruption of electricity, communication or various clearing and settlement systems; (iii) any event that has occurred in the interbank market and that has made it impossible to carry out the lending and borrowing transactions in funds; and (iv) any other event out of control of the Lenders which the Majority Lenders or the Agent determines has made disbursement of the Loan in accordance with this Agreement impossible.

14 **"Due Date"** means (with respect to the principal of the Loan) the Maturity Date or any Prepayment Date, (with respect to the interest on the Loan) each Interest

Payment Date which is the final day of each Interest Calculation Period, and (with respect to other monies) such other date that is specified as a day when a payment shall be made in accordance with this Agreement.

15 "**EBITDA**" has the meaning given to that term in Article 18.

16 "**ERISA**" means the Employee Retirement Income Security Act of 1974.

17 "**Environmental Laws**" means any and all applicable federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

18 "**Event of Default**" means an event described in Article 19.

19 "**Facility**" means a loan facility in the sum of JPY12,552,500,000 that is expected to be provided to the Borrower on the Disbursement Date.

20 "**GAAP**" means the generally accepted accounting principles in the United States of America or any other accounting standards that may be adopted by the Borrower from time to time.

21 "**Increased Costs**" means an increase (reasonably calculated by the relevant Lender) in the lending cost under this Agreement on the part of such Lender which results from (i) any enactment, abolishment or change of Laws and Ordinances or any change in interpretation or application of Laws and Ordinances, (ii) any imposition or increase, etc. of reserves, or (iii) any change in accounting regulation or application (excluding, however, an increase resulting from any change in the tax rate applicable to the taxable income of such Lender).

22 "**Individual Advance**" means an advance made by each Lender on the Disbursement Date.

23 "**Individual Advance Payable**" means the principal, the interest, the default interest and the Break Funding Costs in connection with an Individual Advance and all the other monies payable by the Borrower hereunder.

24 "**Individual Loan**" means the loan in connection with an Individual Advance.

25 "**Information Memorandum**" means the information memorandum dated August 2011 used by the Arranger in connection with the syndication of the Facility.

26 "**Interest Calculation Period**" means the period, in the case of first such period, commencing on the Disbursement Date and ending on the first Interest Payment Date (December 28, 2011), and thereafter commencing on each Interest Payment Date and ending on the next succeeding Interest Payment Date first to occur since each such commencement date.

27 "**Interest Payment Date**" means the date on which the interest shall be payable on 28th day of each March, June, September and December, commencing on December 28, 2011 and ending on the Maturity Date; provided, however, that if any such Interest Payment Date falls on the day which is not a Business Day, the next succeeding Business Day (or the immediately preceding Business Day if the next succeeding Business Day falls in the next month) shall be the Interest Payment Date.

28 "**Laws and Ordinances**" mean treaties, laws, enabling legislations, ordinances, regulations, notices, judgments, decrees, awards, circulars and policies of relevant authorities applicable to this Agreement, transactions hereunder and the parties hereto.

29 "**Lender with Increased Costs**" means the Lender with respect to which the Increased Costs have occurred or are likely to occur.

30 "**Lien**" has the meaning given to that term in Article 18.

31 "**Loan**" means the aggregate of the Individual Advances.

- 32 **"Loan Commitment"** means the amount specified for each Lender in the column "Loan Commitment" in Schedule attached hereto with respect to such Lender.
- 33 **"Majority Lenders"** means one or more Lenders that have advanced not less than 66-2/3% of the aggregate amount of the principal of the Loan then outstanding or, if no disbursement has been made, one or more Lenders the aggregate of Loan

Commitments of which is at least 66-2/3% of the total Loan Commitment of the Lenders.

34 "**Margin**" means, with respect to each Interest Calculation Period, 0.90% per annum.

35 "**Material Adverse Change**" means any material adverse change in the business, financial condition or operations of the Borrower or the Borrower and its Subsidiaries taken as a whole.

36 "**Material Adverse Effect**" means a material adverse effect on (a) the business, financial condition or operations of the Borrower or the Borrower and its Subsidiaries taken as a whole, (b) the rights and remedies of the Agent or any Lender under this Agreement or (c) the ability of the Borrower to perform its obligations under this Agreement.

37 "**Maturity Date**" means September 29, 2014; provided, however, that if such date falls on the day which is not a Business Day, the next succeeding Business Day (or the immediately preceding Business Day if the next succeeding Business Day falls in the next month) shall be the Maturity Date.

38 "**Non-Disbursing Lender**" has the meaning given to that term in Article 6.

39 "**PATRIOT Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute, and all rules and regulations from time to time promulgated thereunder.

40 "**Payment Time**" means 10:30 a.m. (Japan time) of the Due Date in case the Due Date is specified herein.

41 "**Permitted Lien**" has the meaning given to that term in Article 18.

42 "**Person**" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

43 "**Prepayment Date**" has the meaning given to that term in Article 11.

44 "**Prepayment Date for Increased Costs**" has the meaning given to that term in

Article 8.

- 45 "**Qualified Assignee**" shall mean a Lender or Lenders as at the date of execution hereof *Development Bank of Japan Inc, The Norinchukin Bank, Shinkin Central Bank, National Mutual Insurance Federation of Agricultural Cooperatives, Japan Agricultural Cooperatives* of each Municipality, any entity which is licensed to carry on banking business under the Banking Law or Long-Term Credit Banking Law of Japan or foreign law, or any entity which is licensed to carry on life insurance business or casualty and property insurance business under the Insurance Business Law of Japan.
- 46 "**Status Transferor**" and "**Status Transferee**" have the respective meanings given to these terms in Article 25.
- 47 "**Subsidiary**" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.
- 48 "**Syndicate Account**" means a JPY deposit account (Account No.10806188; Account Name: DENTSPLY International Inc.) held by the Borrower with Citibank, N.A., London Branch or such other account opened by the Borrower and approved by the Agent.
- 49 "**Taxes and Duties**" means any and all taxes, levies, imposts, duties, charges, assessments or fees of any nature, including income tax, corporation tax or other taxes, that may be imposed by any government or taxing authority in connection with this Agreement.
- 50 "**Unsatisfied Item**" has the meaning given to that term in Article 15.
- 51 "**Voting Stock**" has the meaning given to that term in Article 19.

(2) Certain Interpretive Provisions

- (a) For the purposes hereof, a period constituting one-month means such period commencing on (and including) the starting date of calculation and ending on (and including) the corresponding date in the next calendar month, and also any period consisting multiples of one month shall be calculated in the same way (provided, however, that if such corresponding date is not a Business Day, then the next following Business Day shall be the last day of the period concerned unless that day falls in the next calendar month in which case that date will be the first preceding Business Day). In this case, if the starting date of calculation is the last Business Day of the calendar month to which such starting date belongs, then the applicable corresponding date shall be the last Business Day of such month, and if no corresponding date exists in the calendar month during which such period is to terminate, then the last Business Day of such month shall be deemed to be the applicable corresponding date.
- (b) All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

Article 2 Rights and Obligations of Lender

- (1) Unless otherwise provided in this Agreement, each Lender may exercise its rights under this Agreement separately from and independently upon other Lenders.
- (2) Each Lender shall disburse the Individual Advance of such Lender on the Disbursement Date.
- (3) Unless otherwise provided in this Agreement, the obligations of each Lender under this Agreement are several and independent of the obligations of the other Lenders. Therefore, no Lender may be released from its obligations hereunder on account of other Lenders not performing such obligations, nor is any Lender liable for the non-

performance of the obligations hereunder of any other Lender.

Article 3 Use of Proceeds

The Borrower shall use the proceeds of the funds procured from the Loan only for general corporate purposes. Neither the Agent nor any of the Lenders shall be obliged to monitor or review the way in which such proceeds are actually used by the Borrower.

Article 4 Conditions Precedent to Disbursement of Individual Advance

Each Lender shall make an Individual Advance, subject to fulfillment of all the following conditions (irrespective whether or not the notice pursuant to Article 6(1) having been made) as of the Disbursement Date. The fulfillment of the conditions precedent shall be determined by each Lender, and the other Lenders and the Agent shall not be liable for a Lender's determination of and non-performance of the Individual Advance by it.

- (a) The Disbursement Suspension Event has not occurred with respect to the Lender or the obligations of the Lenders to make the Individual Advances have not been released pursuant to Article 7(2).
- (b) All the representations and warranties of the Borrower set forth in Article 17 are true and correct in all material respects as of the Disbursement Date.
- (c) No event has occurred and is continuing, or would result from the making of the Individual Advances or the application of the proceeds thereof, that constitutes (or would constitute with the giving of notice or the lapse of time or both) an Event of Default.
- (d) The Borrower does not breach any of the provisions of this Agreement, and there is no likelihood that such breach will occur after the Disbursement Date.
- (e) There is no consultation underway with respect to such Lender pursuant to Article 8(4).
- (f) The Agent has received the documents enumerated below on or before the date of

execution hereof satisfactory to the Agent and the Lenders:

- (i) a certificate of incumbency and signatures of the representative of the Borrower to execute this Agreement;
- (ii) a certified copy of the certificate of incorporation of the Borrower;
- (iii) a certified copy of the document issued by the State of Delaware which certifies that the Borrower is a corporation validly existing and in good standing;
- (iv) a certified copy of the articles of incorporation and by-laws of the Borrower;
- (v) submission of the signatures of the Borrower;
- (vi) a certified copy (or extract) of the minutes of the meeting of the Board of Directors authorizing the Borrower's entering into this Agreement accompanied by a letter or certificate of an authorized officer of the Borrower covering completion of all procedures necessary for the execution of this Agreement and borrowings thereunder under its corporate documents;
- (vii) a legal opinion of a lawyer licensed in the United States as to the legal validity of this Agreement under the laws of the United States of America; and
- (viii) a copy of the identification page of passport (which is effective as of the date of execution of this Agreement) of the representative of the Borrower who will sign this Agreement.

Article 5 Disbursement of the Loan

- (1) Where there shall have been no notice made pursuant to Article 6(1) and all the conditions precedent set forth in Article 4 shall have been satisfied as of the Disbursement Date, each Lender shall remit the amount of its Loan Commitment to the Agent Account on the Disbursement Date (each Lender shall complete the procedure of such remittance to the Agent Account not later than 10:00 a.m. (Japan time) on the Disbursement Date). On the Disbursement Date, the Agent shall transfer the amount remitted to the Agent Account for disbursement of each Lender's Individual Advance, to the Syndicate Account for each Lender. When the Agent transfers the amount of the Loan Commitment of each Lender to the Syndicate Account, such Lender is deemed to have disbursed its Individual Advance.
- (2) Unless the Agent receives notification from any Lender not later than 5:00 p.m. (Japan time) on four (4) Business Day preceding the Disbursement Date to the effect that it will not make the amount of its Loan Commitment for Individual Advance available to the Agent, the Agent shall be entitled to presume that each Lender has made the amount of its Loan Commitment available to the Agent on the Disbursement Date pursuant to the preceding Paragraph (1). In such case the Agent shall be entitled (but not obliged) to make available the sum equivalent to the amount of such Loan Commitment to the Borrower on the Disbursement Date in reliance upon such presumption. Where, with respect to the Individual Advance, the Agent has credited to the Syndicate Account the amount of Loan Commitment to be made available by any Lender, but such Lender has not in fact provided the funds to the Agent, such Lender shall immediately reimburse the Agent for the amount equal to such funds which it failed to provide, together with the interest representing the funding cost of the Agent which shall be calculated based upon the reasonable market rate notified to such Lender by the Agent for the period commencing on the date (inclusive) when the funds were credited to the Syndicate Account and ending on the date (exclusive) when the amount equal to such funds are actually provided to the Agent. In such event, the Borrower shall upon request of the Agent return such funds to the Agent to the extent not provided by such Lender, together with the interest representing the funding cost of the Agent calculated based upon the reasonable market rate notified to the Borrower by the Agent in respect of the period commencing on the date (inclusive) when such funds were credited to its account and ending on the date (exclusive) when such funds are returned to the Agent in full.

- (3) Upon disbursement of the Loan pursuant to the preceding Paragraph (1), the Borrower shall without delay deliver to the Agent a receipt in the form attached hereto as Attachment 1 stating the amount of the Facility and the detailed description of the Individual Advances. The Agent, upon receipt of such receipt, shall forthwith forward a copy of such receipt to each Lender who has made its Individual Advance. The Agent shall retain the original of such receipt for the account of each such

Lender until the entire amount of each Individual Advance Payable shall have been paid.

Article 6 Non-Disbursement of the Individual Advance

- (1) If any Lender (the "**Non-Disbursing Lender**") determines that it will not disburse an Individual Advance for the reason that any of the conditions precedent provided in Article 4 has failed to be satisfied or waived, it may notify the Agent, the Borrower and all of the other Lenders thereof together with the reason therefor, not later than 5:00 p.m. (Japan time) on four (4) Business Days prior to the Disbursement Date; provided, however, that if notwithstanding the fulfillment of all the conditions precedent set forth in Article 4, such notice has been issued and such Individual Advance has not been disbursed, the Non-Disbursing Lender shall not be relieved from its liabilities for breach of its obligation to make such Individual Advance.
- (2) If any Non-Disbursing Lender or the Agent incurs damages, losses, expenses and others as a result of such Non-Disbursing Lender's declining to disburse its Individual Advance under the preceding Paragraph (1), the Borrower shall indemnify such parties for such damages, losses, expenses and others; provided, however, that the preceding sentence shall not apply if the failure of such Non-Disbursing Lender to disburse its Individual Advance constitutes a breach of such Non-Disbursing Lender's obligations.

Article 7 Exemption from Liability of the Lenders

- (1) If any Disbursement Suspension Event has occurred with respect to the Lenders, the Agent shall forthwith notify the Borrower and the Lenders thereof in writing.
- (2) Where notification was dispatched by the Agent to the Borrower and the Lenders of an occurrence of the Disbursement Suspension Event prior to the Disbursement Date and subsequently no further notification has been dispatched by the Agent to the Borrower and the Lenders to the effect that such Disbursement Suspension Event ceased to exist in the reasonable judgment of the Majority Lenders and the Agent prior to the Disbursement Date, then the Lenders shall be relieved of the obligations

to make Individual Advances to the Borrower.

Article 8 Increased Costs and Illegality

- (1) Any Lender with Increased Costs may request the Borrower to pay the Increased Costs. Upon such request, the Borrower shall pay the Increased Costs to such Lender with Increased Costs to the extent not inconsistent with the Laws and Ordinances.
- (2) If the Borrower receives, prior to the Disbursement Date, a notice of request as provided in the preceding Paragraph (1), it may release the obligation to make an advance in relation to such Lender with Increased Costs by notifying the Agent and the Lenders thereof not later than one (1) Business Day prior to the Disbursement Date.
- (3) If the Borrower receives, on or after the Disbursement Date, a notice of request as provided in the preceding Paragraph (1), it may, on the date on which it proposes to prepay the Individual Advance of such Lender with Increased Costs (which date shall be no earlier than tenth (10th) Business Day after the receipt of such request and be notified to such Lender and the Agent; such date being hereinafter referred to as the "**Prepayment Date for Increased Costs**"), prepay the Individual Advance of such Lender with Increased Costs. In case of the prepayment of principal of the Individual Advance made by such Lender with Increased Costs in accordance with the provisions of this Paragraph (3), the Borrower shall pay the entire amount of principal of such Individual Advance, together with any accrued interest on such principal and any Break Funding Costs, and the Increased Costs so requested to pay, to such Lender with Increased Costs on such Prepayment Date for Increased Costs.
- (4) If the execution and performance of this Agreement and transactions pursuant hereto shall become in breach of any Laws and Ordinances binding on any of the Lenders, as notified by such Lender to the Borrower through the Agent, (i), in the event of

the maintenance of obligation to make an advance, the disbursement of an Individual Advance or the funding to make an Individual Advance becoming illegal, such Lender may terminate its obligation to make an advance as of the date before a day on which such illegality occurs and (ii), in the event of the maintenance of an Individual Advance already disbursed becoming illegal, such Lender may require the Borrower to pay the entire amount of an Individual Advance Payable relating to the Individual Advance, together with any accrued interest and Break Funding Costs (if any) on the date before a day on which such illegality occurs (or such other date as provided in the Laws and Ordinances if the due date is so provided), in which case the Due Date shall be deemed to have come as of such date with respect to such Individual Advance.

Article 9 Repayment of Principal

The Borrower shall, in accordance with the provisions of Article 15, repay the principal amount of the Loan then outstanding in its entirety on the Maturity Date.

Article 10 Interest

- (1) The Borrower shall pay the aggregate amount of interest, calculated by applying the Applicable Rate of Interest pertaining to each Interest Calculation Period for the actual number of days in such Interest Calculation Period to the outstanding principal amount of the Loan during such Interest Calculation Period, on the Interest Payment Date, the last day of such Interest Calculation Period, in accordance with the provisions of Article 15.
- (2) As for the calculations of the interest provided in the preceding Paragraph (1), they shall be made on the daily basis of a 360-day year for the actual number of days elapsed (including the first day but excluding the last day) with division being made at the end of the calculation with any fraction of less than JPY1 being rounded down.
- (3) The aggregate amount of interest paid by the Borrower under the preceding Paragraph (1) shall be distributed pursuant to the provisions of Article 16 to each Lender in accordance with the outstanding principal amount of its Individual

Advance during the relevant Interest Calculation Period.

Article 11 Prepayment

- (1) Except as otherwise expressly provided in this Agreement, the Borrower may not prepay the whole or any part of the principal of the Loan prior to the Maturity Date.
- (2) Optional Prepayment
 - (a) If the Borrower intends to make a prepayment, it must give a written notice to the Agent not later than fifteen (15) Business Days prior to the date on which it intends to make such prepayment (the "**Prepayment Date**") specifying the principal amount of the Loan to be prepaid (such amount being the entire outstanding principal of the Loan or at least JPY100 million or any integral multiple thereof) and the Prepayment Date. The notice shall constitute the Borrower's irrevocable commitment to prepay that amount on the Prepayment Date, together with (i) interest accrued on the amount prepaid to but excluding such date and (ii) (if such prepayment is effected prior to the date 18 months from Disbursement Date) an amount equal to the net present value of the Margin of the amount prepaid that would have been payable from the Prepayment Date to the date 18 months after the Disbursement Date. The Agent shall notify the Lenders of the contents of such notice forthwith upon receipt thereof from the Borrower.
 - (b) If the Prepayment Date falls on a day which is not an Interest Payment Date, the Lenders shall notify the Borrower and the Agent of the amount of the Break Funding Costs not later than two (2) Business Days prior to the Prepayment Date. The Borrower shall pay such Break Funding Costs on the Prepayment Date as well as the amounts as referred to in the preceding Sub-paragraph (a) in accordance with the provisions of Article 15.

Article 12 Default Interest

- (1) If the Borrower fails to make payment with respect to its obligations towards the

Lenders or the Agent under this Agreement on the Due Date, the Borrower shall, at the request of the Agent, forthwith pay default interest calculated by multiplying the amount of the indebtedness not having been paid when due by the Applicable Rate of Interest plus 2 per cent (2%) per annum (to the extent that such rate shall not constitute breach of any Laws and Ordinances) for the period commencing on (and including) such Due Date on which the Borrower fails to make such payment when due and ending on (and including) the date on which the Borrower shall have paid such overdue amount in accordance with the provisions of Article 15.

- (2) As for the calculations of the default interest provided in the preceding Paragraph (1), they shall be made on the daily basis of a 360-day year for the actual number of days elapsed (including both the first day and the last day) with division being made at the end of the calculation with any fraction of less than JPY1 being rounded down.

Article 13 Agent Fee

The Borrower shall pay to the Agent for its services rendered as Agent hereunder the Agent Fee as agreed separately between the Borrower and the Agent.

Article 14 Expenses and Taxes and Duties

- (1) The Borrower shall pay all expenses and costs (including reasonable legal fees) incurred in connection with the preparation, revision or amendment of this Agreement and all expenses and costs (including reasonable legal fees) incurred in connection with the preservation or enforcement of rights or performance of obligations hereunder by the Lenders or the Agent. If any Lender(s) or the Agent have paid such expenses and costs on behalf of the Borrower, the Borrower shall reimburse such expenses and costs at the request of the Agent without delay in accordance with the provisions of Article 15.
- (2) The Borrower shall pay all the stamp duties and any other similar Taxes and Duties that may be imposed and payable in connection with the preparation, revision or execution of this Agreement and other related agreement and documents. If the

Lenders or the Agent have paid any such Taxes and Duties on behalf of the Borrower, the Borrower shall reimburse such Taxes and Duties at the request of the Agent without delay in accordance with the provisions of Article 15.

- (3) If, for any causes beyond the control of a Lender, the principal of the Individual Advance of such Lender is repaid prior to the stated Due Date and the Reinvestment Rate applicable to the principal so repaid is lower the Applicable Rate of Interest applicable to such Individual Advance, then, unless otherwise provided in this Agreement, the Borrower shall pay the Break Funding Costs to such Lender on the same day when such Individual Advance is repaid pursuant to the provision of Article 15.

Article 15 Performance of Obligations by the Borrower

- (1) For the purpose of performance of its obligations hereunder, the Borrower shall remit to the Agent Account the monies, for which the Due Date is specified in this Agreement, not later than the Payment Time and the monies, for which the Due Date is not specified herein, upon the request by the Agent without delay. In such case, the Borrower's obligations towards the Agent or the Lenders shall be deemed to have been performed upon such money being credited to the Agent Account.
- (2) Unless otherwise provided in this Agreement, the Borrower shall not pay for its obligations under this Agreement directly to the Lenders in violation of the provisions of the preceding Paragraph (1). If any Lender receives payment from the Borrower, such Lenders shall pay immediately to the Agent the sum so received, and upon such sum being received by the Agent, the obligations with respect to such sum shall be deemed to have been performed.
- (3) Payments made by the Borrower under this Agreement shall be applied in the following order; provided, however, that if the payment obligations of the Borrower are accelerated pursuant to Article 19, subject to the provisions of Article 16, this Paragraph (3) shall not apply:
 - (a) Any expenses and costs to be borne by the Borrower under this Agreement

which have been paid by the Agent for the Borrower and the Agent Fee, and any default interest thereon;

- (b) Any expenses and costs to be borne by the Borrower under this Agreement which shall be due and owing to a third party;
- (c) Any expenses and costs to be borne by the Borrower under this Agreement which have been paid by the Lenders for the Borrower, and default interest thereon;
- (d) Default interest (excluding default interest mentioned in Sub-paragraphs (a) and (c) of this Paragraph (3)) and the Break Funding Costs;
- (e) Interest on the Loan; and
- (f) Principal of the Loan.

(4) In applying payments pursuant to the preceding Paragraph (3), if the amount so applied is insufficient to pay the full amount of any item enumerated above, as to the first item not to be satisfied (the "**Unsatisfied Item**"), the remaining amount after subtraction of the amount applied to the items in priority to the Unsatisfied Item from the amount paid by the Borrower shall be applied on a *pro rata* basis according to the share of each obligation due and payable by the Borrower with respect to such Unsatisfied Item.

(5) The Borrower shall not deduct any Taxes and Duties from the payment of obligations under this Agreement unless such deduction is required by Laws and Ordinances. If such deduction is required to be made from the amount payable by the Borrower, the Borrower shall pay such additional amounts as will result in payment to the Lenders and the Agent of the amounts which would otherwise have been payable. In such case, the Borrower shall send the tax certificate (or any other documents which may be obtainable or available by the Borrower and satisfactory to the Lenders

or the Agent) with respect to withholding tax issued by the tax authorities or other regulatory agencies in the United States of America directly to the relevant Lenders or the Agent within 30 days after the payment thereof.

Article 16 Distribution to the Lenders

- (1) The Agent shall distribute immediately to the Lenders any remaining amount after subtraction of the sum as provided for in Article 15(3)(a) and (b) from the sum received from the Borrower under Article 15.
- (2) The Agent may (but is not obliged to) make distribution to the Lenders by way of reimbursable payment. Such reimbursable payment does not constitute the Borrower's performance of obligations. In the event that reimbursable payment is made, if the Borrower does not perform its obligations pertaining to such reimbursable payment by the Payment Time, the Lenders to whom the reimbursable payment has been distributed pursuant to this Paragraph (2) shall, as soon as so requested by the Agent, return to the Agent the amount of such reimbursable payment distributed to them. Furthermore, such Lenders shall, as soon as so requested by the Agent, pay any reimbursable costs required for such reimbursable payment to the Agent according to the amount of the reimbursable payment they have received. If the reimbursable costs are paid by the Lender to the Agent, the Borrower shall compensate such Lender for the amount equal to such reimbursable costs so paid. In the event the Agent has completed the procedure for reimbursable payment of the distribution to the Lenders prior to receiving a notice from the Borrower of service of order for provisional attachment, preservative attachment or attachment against the Individual Loan pursuant to Article 18(3)(b), the Agent shall not be liable for damages and others incurred by a creditor who applied for such provisional attachment, preservative attachment or attachment, the Borrower, the Lenders or any other third party due to such reimbursable payment of the distribution by the Agent and such damages and others shall be dealt with by the Borrower at its own expense and on its own responsibility. If the Agent has incurred damages and others (including, but not limited to, the monies receivable specified in the third and fourth sentences in this Paragraph (2)) attributable to such reimbursable payment of the

distribution, the Borrower shall indemnify the Agent for such damages and others.

Article 17 Representations and Warranties of the Borrower

The Borrower represents and warrants to the Lenders and the Agent that each of the following matters is and will be true and correct as at the date of execution hereof:

- (a) The Borrower is a corporation duly established and validly existing under the laws of the State of Delaware, and is in good standing thereunder.
- (b) The execution and performance of this Agreement by the Borrower and any transactions associated herewith are within the corporate purposes of the Borrower and the Borrower has duly completed all procedures necessary therefor under the Laws and Ordinances, the articles of incorporation, the by-laws and other intracompany rules and regulations of the Borrower.
- (c) The execution and performance of this Agreement by the Borrower and any transactions associated herewith does not result in (i) any violation of Laws and Ordinances binding upon the Borrower, (ii) any breach of its articles of incorporation and other intracompany rules of the Borrower, and (iii) any breach of a contractual restriction binding on or affecting the Borrower or its property.
- (d) The persons who have executed this Agreement are duly authorized so as to do as the representatives of the Borrower by all procedures necessary pursuant to the Laws and Ordinances, the articles of incorporation, the by-laws or other intracompany rules and regulations of the Borrower.
- (e) This Agreement constitutes legal, valid and binding obligations of the Borrower, and is enforceable against the Borrower in accordance with the terms of this Agreement, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.
- (f) The consolidated balance sheet of the Borrower and its consolidated Subsidiaries

as at December 31, 2010, and the related consolidated statements of income and cash flows of the Borrower and its consolidated Subsidiaries for the fiscal year then ended, which include an opinion of PricewaterhouseCoopers LLC, independent public accountants, and the consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at March 31, 2011, and the related consolidated statements of income and cash flows of the Borrower and its consolidated Subsidiaries for the three months then ended, duly certified by the chief financial officer, treasurer or controller of the Borrower, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2011, and said statements of income and cash flows for the three months then ended, to year-end audit adjustments, the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such dates and the consolidated results of the operations of the Borrower and its consolidated Subsidiaries for the periods ended on such dates, all in accordance with GAAP consistently applied. Since December 31, 2010, there has been no Material Adverse Change.

- (g) Neither the Information Memorandum nor any other information, exhibit or report furnished by or on behalf of the Borrower to the Agent or any Lender in connection with the negotiation and syndication of this Agreement or pursuant to the terms of this Agreement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein not misleading.
- (h) There is no pending or, to the knowledge of the Borrower, threatened action, suit, investigation, litigation or proceeding, affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby.
- (i) No event has occurred which constitutes, or which with the lapse of time or the giving of notice or both, would be likely to constitute, any of the events of default

provided in Article 19(1) or 19(2).

- (j) The Borrower complies in all material respects with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA, Environmental Laws and the PATRIOT Act.

Article 18 Covenants of the Borrower

- (1) The Borrower covenants to perform, at its expense, the matters described in each of the following Paragraphs on and after the date hereof, and until the Lenders' lending obligations are terminated and the Borrower completes the performance of all of its obligations under this Agreement towards the Lenders and the Agent.

- (2) Financial Reporting

- (a) The Borrower shall furnish to the Agent:

- (i) as soon as available and in any event within the earlier of (A) five (5) days after the time period specified by the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934 (Exchange Act) for quarterly reporting or (B) forty-five (45) days after the end of each of the first three quarters of each fiscal year of the Borrower, sufficient copies for distribution to each Lender of a consolidated balance sheet of the Borrower and its consolidated Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the chief financial officer of the Borrower (it being understood that the certification provided by the chief financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 is acceptable for this purpose); provided., however, that at any time the Borrower shall be subject to reporting requirements of Section 13 or 15(d) of the Exchange Act, delivery within the time period specified above of copies of the quarterly

balance sheets and statements on Form 10-Q of the Borrower and its consolidated Subsidiaries for such quarterly period as filed with the SEC shall, subject to the provision of written notice of such filing to the Agent, be deemed to satisfy the requirements of this Sub-paragraph (a)(i); and

- (ii) as soon as available and in any event within the earlier of (A) five (5) days after the time period specified by the SEC under the Exchange Act for annual reporting or (B) ninety (90) days after the end of each fiscal year of the Borrower, sufficient copies for distribution to each Lender of a consolidated balance sheet of the Borrower and its consolidated Subsidiaries as of the end of such year and consolidated statements of income, stockholders' equity and comprehensive income and cash flows of the Borrower and its consolidated Subsidiaries for such fiscal year and accompanied by a report of PricewaterhouseCoopers LLP, or other independent public accountants of nationally recognized standing, on the results of their examination of the consolidated annual financial statements of the Borrower and its consolidated Subsidiaries, which report shall be unqualified or shall be otherwise reasonably acceptable to the Lenders representing the Majority Lenders; provided, that such report may set forth qualifications to the extent such qualifications pertain solely to changes in generally accepted accounting principles from such principles applied during earlier accounting periods, the implementation of which changes (with the concurrence of such accountants) is reflected in the financial statements accompanying such report, provided, further, that at any time the Borrower shall be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, delivery within the time period specified above of copies of the annual balance sheets and statements on Form 10-K of the Borrower and its consolidated Subsidiaries for such annual period as filed with the SEC shall, subject to the provision of written notice of such filing

to the Agent, be deemed to satisfy the requirements of this Sub-paragraph (a)(ii).

- (b) Upon a request made by the Agent or a Lender through the Agent, the Borrower shall promptly provide such other information concerning the Borrower or any of its Subsidiaries as may be reasonable from time to time.
- (c) Promptly after the commencement thereof, the Borrower shall notify the Agent and the Lenders of all actions and proceedings before any court, governmental agency or arbitrator affecting the Borrower or any of its Subsidiaries of the type described in Article 17(h).
- (d) If any representation or warranty under Article 17 made or given by the Borrower herein proves to have been incorrect or untrue, then the Borrower shall forthwith notify the Agent and the Lenders thereof.

(3) Notices of Default, Etc.

- (a) If any Event of Default has occurred, or any event is likely to occur with the lapse of time or the giving of notice or both which would constitute any such event, the Borrower shall as soon as possible and in any event with five (5) days notify the Agent and the Lenders thereof setting forth the details of such event and the action that the Borrower has taken and proposes to take with respect thereto.
- (b) If an order or notice of pre-judgement attachment, preservative attachment or attachment is given or served with respect to an Individual Loan, the Borrower shall forthwith notify the Lenders through the Agent thereof in writing.

(4) Pari Passu

The respective obligations of the Borrower under this Agreement rank and shall continue to rank at least *pari passu* in respect of priority of payment and in all other respects with all its other unsecured and unsubordinated indebtedness, save as provided by applicable laws of bankruptcy, insolvency, liquidation or similar laws of general application.

(5) Liens

The Borrower will not create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

- (a) Permitted Liens,
- (b) purchase money Liens upon or in any real property or equipment acquired or held by the Borrower or any of its Subsidiaries in the ordinary course of business to secure the purchase price of such property or equipment or to secure debt incurred solely for the purpose of financing the acquisition of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided, however, that no such Lien shall extend to or cover any properties of any character other than the real property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced, provided further that the aggregate principal amount of the indebtedness secured by the Liens referred to in this Sub-paragraph (b) shall not exceed USD50,000,000 at any time outstanding,
- (c) the Liens existing on the date hereof and notified *ex ante* in writing to the Agent,

- (d) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Borrower or any Subsidiary of the Borrower or becomes a Subsidiary of the Borrower; provided that such Liens were not created in contemplation of such merger, consolidation or acquisition and do not extend to any assets other than those of the Person so merged into or consolidated with the Borrower or such Subsidiary or acquired by the Borrower or such Subsidiary,
- (e) other Liens securing any financial obligations, whether actual or contingent, in an aggregate principal amount not to exceed an amount equal to 15% of the consolidated net worth of the Borrower and its consolidated Subsidiaries at any time outstanding, and
- (f) the replacement, extension or renewal of any Lien permitted by Sub-paragraph (c) or (d) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the financial obligations secured thereby.

For the purposes of this Paragraph:

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property; and

"Permitted Lien" means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced:

(i) Liens for taxes, assessments and governmental charges or levies to the extent that such obligations are being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained; (ii) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days; (iii) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations; and (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes.

(6) Mergers, Etc.

The Borrower will not merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, or permit any of its Subsidiaries to do so, except that any Subsidiary of the Borrower may merge or consolidate with or into, or dispose of assets to, any other Subsidiary of the Borrower, and except that any Subsidiary of the Borrower may merge into or dispose of assets to the Borrower, provided, in each case, that no Event of Default (including any circumstance which would, with lapse of time or the giving of notice or both or fulfillment of other conditions, constitute an Event of Default) shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(7) Insurance

The Borrower shall maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged

in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates; provided, however, that the Borrower and its Subsidiaries may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates and to the extent consistent with prudent business practice.

(8) Compliance with Laws

The Borrower will, and cause each of its Subsidiaries to, comply in all material respects with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA, Environmental Laws and the PATRIOT Act.

(9) Conduct of Business

The Borrower will, and will cause each of its Subsidiaries to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(10) Preservation of Corporate Existence

The Borrower will preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises, except where the failure to do so could not reasonably be expected to

have a Material Adverse Effect.

(11) Leverage Ratio

The Borrower shall at all times maintain a ratio of consolidated debt to the sum of consolidated debt plus consolidate net worth of the Borrower and its consolidated Subsidiaries of not greater than 0.55 to 1.00. For the purposes of this Paragraph, "*consolidated debt*" means all items that, in accordance with GAAP, would be classified as indebtedness on a consolidated balance sheet of the Borrower and its consolidated Subsidiaries.

(12) Interest Coverage Ratio

The Borrower shall maintain a ratio of consolidated EBITDA for the period of four fiscal quarters then ended of the Borrower and its consolidated Subsidiaries to the sum of interest payable on, and amortization of debt discount in respect of, all debt during such period by the Borrower and its Subsidiaries of not less than 3.50 to 1.00. For the purposes of this Paragraph, "**EBITDA**" means, for any period, net income (or net loss) plus the sum of (a) interest expense, (b) income tax expense, (c) depreciation expense and (d) amortization expense, in each case determined in accordance with GAAP for such period.

Article 19 Events of Default

(1) In case any one of the following events has occurred with respect to the Borrower, any and all obligations of the Borrower to the Lenders and the Agent under this Agreement shall automatically become due and payable without any notice or demand by a Lender or the Agent; whereupon the Borrower shall forthwith pay the principal of and interest on the Loan as well as any Break Funding Costs and all such other monies payable by the Borrower hereunder in accordance with the provisions of Article 15, whereby the Lenders' lending obligations shall cease to exist:

(a) The Borrower or any of its Material Subsidiaries shall (i) have an order for

relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial portion of its property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate or partnership action to authorize or effect any of the foregoing actions set forth in this Sub-paragraph (a) or (vi) fail to contest in good faith any appointment or proceeding described in Sub-paragraph (b) below.

(b) Without the application, approval or consent of the Borrower or any of its Subsidiaries, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Material Subsidiaries or any substantial portion of its property, or a proceeding described in Sub-paragraph (a) above shall be instituted against the Borrower or any of its Material Subsidiaries and such appointment continues undischarged or such proceeding continues undismitted or unstayed for a period of sixty (60) consecutive days.

(c)The resolution for dissolution of the Borrower is adopted, or the Borrower receives an order of dissolution (except for such dissolution being made pursuant to the merger or consolidation involving the Borrower).

For the purposes of this Paragraph:

"**Material Subsidiary**" of the Borrower means any Subsidiary (a) whose net sales for the fiscal year in respect of which such statements and related balance sheet were prepared (or the last full fiscal year in the case of quarterly financial statements) exceeded 10% of the consolidated net sales of the Borrower and its consolidated Subsidiaries for such fiscal year or (b) whose total assets as at the end of such fiscal year were in excess of 10% of the consolidated assets of the Borrower and its consolidated Subsidiaries for such fiscal year; and

"*substantial portion*" means, with respect to the property of the Borrower and its Subsidiaries, property which (i) represents more than 10% of the consolidated assets of the Borrower and its consolidated Subsidiaries as would be shown in the consolidated financial statements of the Borrower and its consolidated Subsidiaries (latest available) as of the beginning of the twelve-month period ending with the month in which such determination is made, or (ii) is responsible for more than 10% of the consolidated net sales or of the consolidated net income of the Borrower and its consolidated Subsidiaries as reflected in the consolidated financial statements referred to in the foregoing item (i).

(2) In case any one of the following events has occurred with respect to the Borrower, any and all obligations of the Borrower to the Lenders and the Agent under this Agreement shall immediately become due and payable by notice given to the Borrower through the Agent based on the Majority Lenders' determination; whereupon the Borrower shall forthwith pay the principal of and interest on the Loan then outstanding, as well as any Break Funding Costs and all such other monies payable by the Borrower hereunder in accordance with the provisions of Article 15, whereby the Lenders' lending obligations shall cease to exist:

(a) The Borrower fails to pay for all or any part of its financial obligations incurred hereunder and owed to a Lender or the Agent within five (5) Business Days after the same becomes due and payable.

(b) Any representation or warranty made by the Borrower under or in connection with this Agreement, or any report, certificate, financial statement or other information delivered in connection with this Agreement proves to have been untrue or incorrect in any material respect when so made, deemed made or delivered.

- (c) Except for the events described in the Sub-paragraph (a) above, the Borrower breached any of its obligations under this Agreement, and such breach has not been cured for ten (10) or more Business Days after the Agent has given notice of such failure to the Borrower.
- (d) The Borrower or any of its Subsidiaries fails to pay for all or any part of its financial obligations other than those hereunder on the relevant due date thereof or any of such obligations becomes immediately due and payable and the aggregate amount of such financial obligations subject to such failure or acceleration exceeds USD25,000,000; provided, however, that if any financial obligations incurred by the Borrower in connection with its acquisition of the entire issued share capital of Astra Tech AB (the "**Acquisition**") under the acquisition agreement between the Borrower and Astra Tech International AB dated as of June 21, 2011 (the "**Acquisition Agreement**") become immediately due and payable as a result of the Borrower's failure to complete the Acquisition on or prior to December 31, 2011 or as a result of the termination of the Acquisition Agreement on or prior to December 31, 2011, such event shall not constitute an Event of Default.
- (e) Any governmental or other consent, licence or authority required to make this Agreement legal, valid, binding, enforceable and admissible in evidence or required to enable the Borrower to perform its obligations hereunder is withdrawn or ceases to be in full force and effect.
- (f) The Borrower denies that it has any or further liability or obligations under this Agreement.

(g)The Borrower ceases or threatens to cease to carry on business in the ordinary course.

(h)(i) Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of the Borrower; or (ii) during any period of up to 24 consecutive months, commencing after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of the Borrower shall cease for any reason (other than due to death or disability) to constitute a majority of the board of directors of the Borrower (except to the extent that individuals who at the beginning of such 24-month period were replaced by individuals (x) elected by a majority of the remaining members of the board of directors of the Borrower or (y) nominated for election by a majority of the remaining members of the board of directors of the Borrower and thereafter elected as directors by the shareholders of the Borrower). For the purpose of this Sub-paragraph (h), "**Voting Stock**" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such corporation or such Person, even if the right so to vote has been suspended by the happening of such a contingency.

Article 20 Set-Off

(1) If the Borrower must perform its obligations to the Agent or each Lender due to maturity, prepayment, acceleration of the maturity or any other event, the Agent or such Lender may (i) notwithstanding anything provided in Article 15(1), set off the

obligations owing by the Borrower to the Agent or such Lender under this Agreement which is then due and payable against obligations under deposits, obligations under insurance or other obligations owing by the Agent or such Lender to the Borrower, as the case may be, irrespective of the due date for such obligations, to the extent that such shall not constitute breach of any Laws and Ordinances, and (ii) receive the refund of various deposits on behalf of the Borrower and apply such funds to the repayment of obligations without any prior notice or prescribed procedures. In case such set-off or application to the payment takes place, the calculation of the interest, Break Funding Costs, default interest, etc. with respect to the claims and obligations shall be made as if such claims and obligations terminated as of the date on which such calculation is implemented. The interest rates or other rates shall comply with the provisions of the relevant agreements for such interest rates or other rates. As for the exchange rate, the rate at the time when the calculation is implemented and as reasonably determined by the Agent or the Lenders shall be applied. In such cases, the funds shall be applied in accordance with the provisions of Article 15(3) and (4). In case a set-off takes place pursuant to this Article 20(1), such Lender shall notify the Agent thereof in writing without delay.

- (2) The Borrower may, only if there is a necessity for preservation of its claim, notwithstanding anything provided in Article 15(1), set off its claim under deposits or other claim which is then due and payable by a Lender or the Agent against its obligation owed to such Lender or the Agent under this Agreement which is then due and payable. In this case, the Borrower shall notify such Lender or the Agent of such set-off in writing and forthwith send to such Lender or the Agent the instruments and passbooks, with a signature affixed thereto, evidencing the obligations under the deposits or other obligations which are offset. In case such set-off takes place, the calculation of the interest, Break Funding Costs, default interest, etc. with respect to the claims and obligations shall be made as if such claims and obligations terminated as of the date on which such notice reaches such Lender or the Agent. The interest rates or other rates shall comply with the provisions of the relevant agreements for such interest rates or other rates. As for the exchange

rate, the rate at the time when the calculation is implemented and as reasonably determined by the Agent or such Lender shall be applied. In such cases, the funds shall be applied in accordance with the provisions of Article 15(3) and (4). In case an application to the payment takes place pursuant to this Article 20(2), the Borrower shall notify the Agent thereof in writing without delay.

Article 21 Adjustment among Lenders and Agent

If the obligations of the Borrower to any of the Lenders under this Agreement have extinguished otherwise than pursuant to the provisions of Article 15 (including the case as provided in Article 20), then the Lenders and the Agent shall, unless otherwise provided in this Agreement, make an adjustment among them by transfer or purchase of the Individual Loan or the taking of other appropriate measures, so as to attain the same result as if such obligations to the Agent and the Lenders extinguished through the payment pursuant to Article 15.

Article 22 Rights and Duties of the Agent

- (1) The Agent shall, pursuant to the entrustment by the Lenders, perform the Agent Services and exercise its rights on behalf of the Lenders and exercise such rights that the Agent acknowledges to be usually necessary or appropriate. The Agent shall not be liable for the duties other than those expressly provided for in the provisions of this Agreement, nor shall be liable for any non-performance of obligations of the Lender under this Agreement. The Agent is the Lenders' agent and shall not be the Borrower's agent unless otherwise stipulated.
- (2) The Agent shall be able to rely on the correspondences and documents deemed to be true and appropriate and deemed to be delivered bearing signature or name and seal of an appropriate person, and act relying on the opinions and explanations of experts reasonably appointed by the Agent to the extent necessary for the purpose of this Agreement.
- (3) In performance of its duties and exercise of its powers, the Agent shall pay a due care expected of a good manager.

- (4) The Agent shall not be liable to the Lenders for any acts taken or omitted by the Agent pursuant to or in connection with this Agreement, except for its willful misconduct or gross negligence. If the Agent incurs any liabilities, damages and others (including such expense that it may incur in order to avoid damage or loss as well as such expense that it may incur in order to recover the damage or loss (including legal fees)) in performing its duties under this Agreement, the Lenders other than the Agent shall jointly and severally indemnify the Agent to the extent that it is not reimbursed by the Borrower.
- (5) If so directed in writing by the Majority Lenders, the Agent shall act in accordance with such direction to the extent it is legal to do so, and in that event the Agent shall not be liable to the Borrower or the Lenders for the consequences of so acting.
- (6) Unless the Agent is notified by the Borrower or the Lenders of the existence of any of the Events of Default (including any circumstance which would, with lapse of time or the giving of notice or both or fulfillment of other conditions, constitute an Event of Default), the Agent is deemed not to be able to know of the existence of such event.
- (7) The Agent shall not warrant the effectiveness, validity or enforceability of this Agreement or any matters or situations stated or represented herein. The Lenders shall enter into, and conduct transactions contemplated in, this Agreement at their sole discretion by conducting investigations as to the necessary matters including creditworthiness of the Borrower on the basis of the documents, information and other data as they deemed appropriate.
- (8) In the event the Agent is also one of the Lenders, the Agent in the capacity of the Lender under this Agreement shall have the same rights and obligations as with the other Lenders, irrespective of its duties as Agent under this Agreement. The Agent may engage in generally recognized banking transactions with the Borrower outside

of this Agreement; provided that it is not obligated to disclose any information on the Borrower obtained in such transactions to the other Lenders nor is it obliged to distribute monies obtained or earned in such transactions to the other Lenders.

- (9) In the event the Agent is also one of the Lenders, in calculation of the amount of distribution to each Lender pursuant to the provisions of Article 16, any fraction of less than JPY1 resulting from such calculation shall be rounded down with respect to the distribution to each Lender other than the Agent and the amount of distribution to the Lender which is also the Agent shall be the balance remaining after deduction of the aggregate of the amounts of distribution to the other Lenders from the total amount of distribution to the Lenders.
- (10) As for the treatment of any fraction of less than JPY1 which becomes necessary for the purpose of this Agreement, except in the case of the preceding Paragraph (9), the Agent may determine such method as it deems appropriate.
- (11) Determination as to rate of interest, Due Date, etc. contained in the Agent's notice to the Borrower or the Lenders shall bind the Borrower and the Lenders as conclusive unless there is a manifest error.
- (12) The Agent may resign only if a successor Agent is appointed and accepts its appointment. The Majority Lenders may remove the Agent only if the successor Agent is appointed and accepts its appointment.

Article 23 Decision-Making of the Majority Lenders

- (1) The procedures for the decision-making of the Majority Lenders shall be as follows:
 - (a) If a Lender determines that an event which requires instructions of the Majority Lenders has occurred, such Lender may notify the Agent of its request for the Majority Lenders' decision-making.
 - (b) The Agent shall, upon receipt of the notice mentioned in the preceding Sub-paragraph, promptly give notice to the Lenders that the Majority Lenders'

decision-making shall be formed.

- (c) Each Lender which has received the notice mentioned in the preceding Sub-paragraph shall make a decision on the relevant event and notify the Agent of the contents of such Lender's decision within five (5) Business Days.
 - (d) If the decision-making of the Majority Lenders is formed pursuant to the preceding three Sub-paragraphs, the Agent shall notify promptly the Borrower and the Lenders of the contents thereof as the Majority Lenders' instructions.
- (2) If the Agent determines that an event which requires instructions of the Majority Lenders other than those described in the preceding Paragraph (1) has occurred, it may notify the Lenders that the Majority Lenders' decision-making shall be formed. The procedures after such notice shall comply with the provisions of Sub-paragraphs (c) and (d) of the preceding Paragraph (1).

Article 24 Amendments, Etc.

No amendment or waiver of any provision of this Agreement shall be made validly unless the same shall be in writing and signed by the Borrower and the Majority Lenders; provided, however, with respect to the amendment or waiver of the matters referred to below, no such amendment or waiver may be made validly without being consented to in writing by the Borrower and the Lenders unless otherwise provided for herein.

- (a) Change to the conditions precedent set forth in Article 4 hereof;
- (b) Reduction of principal of or interest on the Loan, fees or any other sum payable by the Borrower hereunder;
- (c) Postponement of the Due Date of principal of or interest on the Loan, fees or any other financial obligations of the Borrower hereunder;
- (d) Change to Article 18, Article 19 or this Article 24; and
- (e) Change of definition of the Majority Lenders.

Article 25 Transfer of Status

- (1) The Borrower shall not be entitled to transfer its status or any of its rights or obligations under this Agreement without obtaining prior written consent of the Lenders and the Agent.
- (2) Each Lender may, before the disbursement of the Loan, assign its status and all or any part of its rights and obligations under this Agreement to a third party, upon obtaining written consent from all other Lenders, the Borrower, and the Agent (such consent not to be unreasonably withheld) and satisfying all of the following requirements as provided in the following Sub-paragraphs (hereinafter in this Article 25, the Lender which has made such transfer shall be referred to as the "**Status Transferor**" and the person to whom such transfer has been made shall be referred to as the "**Status Transferee**"). In this case, the Status Transferor and the Status Transferee shall jointly send the Agent the status transfer notification in the form attached hereto as Attachment 2, together with the copies of the consent letters of all the other Lenders, the Borrower and the Agent. In case of such transfer, the Agent shall notify the Lenders thereof.
 - (a) If any partial assignment of the status under this Agreement is made, both the Status Transferor and the Status Transferee shall become a Lender under this Agreement and each provision of this Agreement shall be applicable to such Lender on and after the date of the assignment, and the Loan Commitment of the Status Transferor shall be reduced by an amount separately agreed upon between the Status Transferor and the Status Transferee and thereafter the Loan Commitment equal to the such reduced amount shall apply to the Status Transferee.
 - (b) The Status Transferee shall be a Qualified Assignee.
 - (c) If a partial assignment is made with respect to its status under this Agreement, the value of both the reduced Loan Commitment and the reduced Loan

Commitment of the Status Transferor are equal to or more than JPY100,000,000.

(d) No withholding tax or other taxes arise from any assignment, and there will be no increase in the amount of the Borrower's interest expense payable to the Status Transferee; except for any assignment of status to a foreign subsidiary due to any revocation of the Lender's lending business in Japan.

(3) Any and all costs and expenses incurred in relation to the transfer pursuant to the preceding Paragraph (2) shall be borne by the Status Transferor or the Status Transferee. Not later than the date of such transfer, the Status Transferor or the Status Transferee shall pay JPY500,000 plus the amount equal to any applicable consumption tax to the Agent for consideration of handling charges involved in such transfer; provided, however, this Paragraph (3) shall not apply to the transfer made before the disbursement of the Loan.

Article 26 Transfer of the Individual Loan

(1) After the disbursement of the Loan, a Lender may, upon obtaining written consent from the Borrower (such consent not to be unreasonably withheld), transfer the whole or any part of its Individual Loan, together with all of its rights and obligations, or otherwise its status under this Agreement, if all the requirements set forth in the following Sub-paragraphs are met. The Assignor and the Assignee shall fulfill requirements for perfection against third parties and requirements for perfection against the debtor with respect to such transfer as at such transfer date, and in that event, the Assignor and the Assignee jointly, and the Borrower alone, shall immediately notify the Agent of such transfer. The joint notice by the Assignor and the Assignee shall be made by sending the Agent the transfer notification in the form attached hereto as Attachment 3. If the Individual Loan is transferred pursuant to this Article 26(1), all the rights pertaining to the Individual Loan to be transferred out of the Assignor's rights hereunder shall be transferred to the Assignee and the Assignee shall assume all the duties pertaining to the Individual Loan to be transferred out of the Assignor's duties hereunder. In that event, the Assignee shall

be treated as the Lender in the application of the provisions concerning such Individual Loan hereunder.

- (a) The Assignee is bound by the provisions of this Agreement with respect to the Individual Loan assigned to it and all of its rights and obligations or otherwise the status under this Agreement;
- (b) The Assignee is a Qualified Assignee;
- (c) If the assignment is made in divided portions of the Individual Loan, the value of each Individual Loan of both the Assignor and the Assignee after such division is respectively equal to or more than JPY100,000,000; and
- (d) No withholding tax or other taxes arise from the assignment, and there will be no increase in the amount of the Borrower's interest expense payable to the Assignee pursuant to Article 15(5); except for any assignment to a foreign subsidiary or affiliate due to any revocation of the Lender's lending business in Japan.

- (2) Any and all costs and expenses incurred in relation to the assignment pursuant to Paragraph (1) above shall be borne by the Assignor or the Assignee. Not later than the date of such assignment, the Assignor or the Assignee shall pay JPY500,000 plus the amount equal to any applicable consumption tax to the Agent for consideration of handling charges involved in such assignment.

Article 27 Collection from Third Party, Etc.

- (1) After the date hereof, without a prior written consent of the Agent and the Lenders, the Borrower may not entrust a third party with giving a guarantee (including provision of collateral) as to the Borrower's obligations hereunder nor may it cause a third party to assume its obligations or performance hereunder.
- (2) A Lender may receive a payment with respect to the Borrower's obligations hereunder from a third party (irrespective of whether such third party (including a

guarantor) has a legitimate interest in the payment thereof) if all the conditions set forth in the following Sub-paragraphs are met. If a Lender receives a payment from a third party pursuant to the provisions of this Paragraph (2), such Lender under the joint names of such Lender and the third party, and the Borrower alone, shall immediately notify the Agent of such payment. The provisions of Article 15(2) shall not be applicable to the receipt of payment pursuant to the provisions of this Paragraph (2), and the adjustment among the Lenders and the Agent stipulated in Article 21(1) shall not be made to the extinction of obligations of the Borrower hereunder upon the receipt of such payment.

- (a) When the third party exercises against the Borrower the right of indemnity obtained as a result of such payment and the claims obtained in subrogation of the Lender, such right of indemnity and such claims obtained in subrogation shall be treated as if such were claims so paid, and such third party provides a written consent to the Agent for the benefit of the Lender and the Agent stating that such third party shall be bound by the provisions hereof to the extent thereof;
- (b) The third party is not a subsidiary or an affiliated company of the Borrower; or the Borrower is not a subsidiary or an affiliated company of such third party;
- (c) If the relevant payment constitutes a repayment of obligations under the Individual Loan, at least JPY100,000,000 and any integral multiply thereof of the outstanding principal of the relevant Individual Loan is paid; and
- (d) No withholding tax or other taxes arise from the relevant payment, and there will be no increase pursuant to the provisions of Article 15(5) in the amount of the Borrower's interest expense payable to the third party.

When a third party exercises the right of indemnity or obtains claims in subrogation,

such acquisition of the right of indemnity or claims in subrogation shall be deemed to be a transfer of the Individual Loan pursuant to Article 26 and the provisions of Article 26(2) shall be applied *mutatis mutandis* thereto.

Article 28 General Provisions

(1) Confidentiality

The Borrower shall not object to the disclosure as described in the following Sub-paragraphs:

- (a) In the event that notice has been given as to non-disbursement of any Individual Advance pursuant to Article 6(1), any Event of Default (including any circumstance which would, with lapse of time or the giving of notice or both or fulfillment of other conditions, constitute an Event of Default) has occurred, or the decision-making of the Majority Lenders is required pursuant to Article 23, the Agent and the Lenders may disclose to each other, to the extent reasonably necessary, information on the Borrower and transactions with the Borrower that has been obtained by the Agent and any of the Lenders in relation to this Agreement or an agreement or arrangement other than this Agreement. Information disclosed pursuant hereto shall be treated as confidential.
- (b) In the event of the transfer of status pursuant to Article 25 or assignment of the Individual Loan pursuant to Article 26, each Lender may disclose information on this Agreement to the Assignee (including the Status Transferee) or a person who is considering the assignment thereof (including a broker in such transfer or assignment) on the condition that such Lender requires the recipient of such information to keep it confidential. The information on this Agreement includes information on the Borrower's credibility obtained in relation to this Agreement, the contents of this Agreement and matters related to this Agreement, and the contents of the Individual Loan subject to assignment and matters related to such Individual Loan, but excludes information on the Borrower's credibility obtained

through in relation to an agreement or arrangement other than this Agreement.

(2) Assumption of Risk, Indemnity and Indemnification and Compensation

- (a) In case where any documents furnished to the Agent or a Lender by the Borrower have been lost, destroyed or damaged due to an accident, natural disaster or any other cause which is beyond the control of the Agent or Lender, the Borrower shall consult the Agent and perform its obligations hereunder in accordance with the books, vouchers, etc., maintained by the Agent or such Lender. Further, when so requested by the Agent or through the Agent by such Lender, the Borrower shall forthwith furnish the substitute documents to the Agent or to such Lender through the Agent.
- (b) In the event a Lender or the Agent has deemed the signature of a representative or agent of the Borrower used in transactions hereunder to be genuine after checking with reasonable care such signature against those filed therewith by the Borrower, the Borrower shall bear any damages and others that may arise from forgery, alteration, unauthorized use, etc. of such signature.
- (c) The Borrower shall bear any damages and others incurred by a Lender or the Agent due to the Borrower's breach of provisions hereof or the Lender's performance or non-performance of indemnification pursuant to Article 22(4).

(3) Severability of this Agreement

Even if a part of the provisions of this Agreement becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not be impaired or affected in any sense.

(4) Notice

- (a) All notices hereunder shall be given in writing, expressly stating that notice is given under this Agreement, addressed at the attention of each recipient party hereto set forth in Schedule attached hereto by any one of the following methods. Any party hereto may change its addressee by giving notification thereof to the Agent.

- (i) by hand delivery;
- (ii) by registered mail or courier service;
- (iii) by facsimile; or
- (iv) by exchange delivery service (solely for the purpose of notices between a Lender and the Agent).

(b) The above notice shall be deemed to have been duly given at the time when the transmission thereof is confirmed as complete on the sender's facsimile transmitter in the case of facsimile transmission and at the time when it is actually received by the addressee in other cases.

(5) Change in Matters Filed

(a) In case of a change in the matters filed with the Agent such as the trade name, representative, agent, signature, seal, address or any other matters pertaining to any Lender, the Borrower, such Lender, the Borrower shall immediately notify the Agent in writing.

(b) In case a notice under this Agreement is delayed or fails to reach a Lender, the Borrower due to the failure of notification under item (a) above, such notice under this Agreement shall be deemed to have reached the Lender, the Borrower as at the time when notice usually reaches.

(6) Settlement of Funds

(a) The method of payment from the Lenders to the Agent or from the Agent to

the Lenders shall be notified by the Agent to each Lender in advance.

(b) Any commissions, etc. payable under item (a) above shall be borne by the party making such payment.

(7) Calculations

As for the calculations, unless there is a separate and express provision in this Agreement, they shall be made on the daily basis of a 360-day year for the actual number of days elapsed (including the first day but excluding the last day) with division being made at the end of the calculation with any fraction of less than JPY1 being rounded down.

(8) Preparation of Notary Deed or Other Document

Whenever so requested by the Agent or the Majority Lenders, the Borrower shall forthwith take procedures necessary to execute a notary deed or other document upon which enforcement without court trial is conferred *de jure*, with respect to its obligations under this Agreement in which it admits such obligations and agrees to the enforcement of them. All costs incurred in relation to the preparation of such notary deed or other document shall be borne by the Borrower.

(9) Governing Law and Jurisdiction

This Agreement is governed by and construed in accordance with Japanese law and any dispute arising from or in connection with this Agreement shall be brought before the Tokyo District Court, which shall have a non-exclusive jurisdiction.

(10) Language

This Agreement shall be prepared in the English language and the version of this Agreement so prepared shall constitute an original.

(11) Consultation

In the event that there arises a matter not provided herein or a question with respect to the interpretation hereof among the parties hereto, the Borrower and the Lenders shall consult one another through the Agent to resolve the matter.

(12) PATRIOT Act Notice

Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notify the Borrower that pursuant to the requirements of the PATRIOT Act, such Lender or the Agent is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Agent to identify the Borrower in accordance with the PATRIOT Act.

IN WITNESS WHEREOF, this Agreement shall be made and entered into in the United States of America. This Agreement has been executed in two (2) originals in the English language, with the name and seal or signature of a representative or agent of each of the Borrower, the Lenders and the Agent affixed hereto. The Borrower and the Agent shall retain each such original and other parties hereto shall each retain a copy thereof.

September 21, 2011

Borrower:

DENTSPLY International Inc.

DENTSPLY International Inc.

Agent:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Lender:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Lender:

Development Bank of Japan Inc.

Lender:

The Shinkumi Federation Bank

Lender:

Mitsui Sumitomo Insurance Company, Limited

Lender:

The Chiba Bank, Ltd.

Schedule (List of Parties)

List of Parties

1. Borrower

Name	DENTSPLY International Inc.
Address	221 West Philadelphia Street, York, PA 17405, U.S.A.
Attention	221 West Philadelphia Street, York, PA 17405, U.S.A. Telephone No.: +1-717-845-7511 Facsimile No.: +1-717-849-4759

2. Agent

Name	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Address	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
Attention	1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Receipt and Payment of Funds) Administration Office, Syndicated Finance Division Telephone No.: + 81-(0)3-5252-0457 Facsimile No.: + 81-(0)3-5252-5609 (General Matters) Syndicated Finance Division Telephone No.: + 81-(0)3-5252-0859 Facsimile No.: + 81-(0)3-5252-3622

3. Lenders

(1)

Name	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Address	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
Lending Office	The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch
Attention	1251 Avenue of the Americas, New York, NY 10020, U.S.A. Telephone No.:+ 1-212-782-5571 Facsimile No.: + 1-212-782-6440
Loan Commitment	JPY4,802,500,000

(2)

Name	Development Bank of Japan Inc.
Address	9-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan
Lending Office	Development Bank of Japan Inc., Head Office, Corporate Finance Department Division 1
Attention	9-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan Telephone No.:+ 81-(0)3-3244-1896 Facsimile No.: + 81-(0)3-3270-2478
Loan Commitment	JPY4,000,000,000

(3)

Name	The Shinkumi Federation Bank
Address	1-9-1, Kyobashi, Chuo-ku, Tokyo, Japan
Lending Office	The Shinkumi Federation Bank, Corporate Finance Department
Attention	1-9-1, Kyobashi, Chuo-ku, Tokyo, Japan Telephone No.:+ 81-(0)3-3562-5167 Facsimile No.: + 81-(0)3-3562-6110
Loan Commitment	JPY1,500,000,000

(4)

Name	Mitsui Sumitomo Insurance Company, Limited
Address	27-2, Shinkawa 2-chome, Chuo-ku, Tokyo 104-8252, Japan
Lending Office	Mitsui Sumitomo Insurance Company, Limited, Financial Service Section, Financial Solutions Department
Attention	27-2, Shinkawa 2-chome, Chuo-ku, Tokyo 104-8252, Japan Telephone No.:+ 81-(0)3-3297-4776 Facsimile No.: + 81-(0)3-3297-6884
Loan Commitment	JPY1,250,000,000

(5)

Name	The Chiba Bank, Ltd.
Address	1-2, Chiba-minato, Chuo-ku, Chiba-city, Chiba, Japan
Lending Office	The Chiba Bank, Ltd., New York Branch
Attention	1133 Avenue of the Americas, 15 th Floor, New York, NY 10036, U.S.A. Telephone No.:+ 1-212-354-7777 Facsimile No.: + 1-212-354-8575
Loan Commitment	JPY1,000,000,000

Attachment 1

Receipt

Date: September 28, 2011

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Development Bank of Japan Inc.
The Shinkumi Federation Bank
Mitsui Sumitomo Insurance Company, Limited
The Chiba Bank, Ltd.

c/o: The Agent
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Administration Office, Syndicated Finance Division

DENTSPLY International Inc.

In reference to the Term Loan Agreement executed as of September 21, 2011 by and among DENTSPLY International Inc. as Borrower, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Development Bank of Japan Inc., The Shinkumi Federation Bank, Mitsui Sumitomo Insurance Company, Limited and The Chiba Bank, Ltd. as Lenders, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as Agent, we hereby confirm that we have made the borrowings described below from each Lender and received the respective borrowed monies on the date hereof.

DESCRIPTION

Aggregate Amount of Borrowing and Detailed Statement

Aggregate Amount: JPY12,552,500,000

Lenders	Borrowed Amount
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	JPY4,802,500,000
	JPY4,000,000,000
Development Bank of Japan Inc.The Shinkumi Federation Bank	JPY1,500,000,000
Mitsui Sumitomo Insurance Company, Limited	JPY1,250,000,000
The Chiba Bank, Ltd.	JPY1,000,000,000

Attachment 2

Notice of Status Assignment to the Agent

Date: _____

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(in its capacity as Agent referred to below)

Administration Office, Syndicated Finance Division

DENTSPLY International Inc.

JPY12,552,500,000

Term Loan Agreement

In reference to the Term Loan Agreement (the "Agreement") executed as of September 21, 2011 by and among DENTSPLY International Inc. as Borrower, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Development Bank of Japan Inc., The Shinkumi Federation Bank, Mitsui Sumitomo Insurance Company, Limited and The Chiba Bank, Ltd. as Lenders, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as Agent, we hereby notify you as follows.

Pursuant to the Agreement on Assignment and Assumption executed as of _____, between _____ (the "Status Transferor") and _____ (the "Status Transferee"), the Status Transferor will assign its status and all of its rights and obligations (Individual Loan: JPY _____) under the Agreement to the Status Transferee as of _____ in accordance with Article 25(2) of the Agreement. Consent of the Borrower, the Lenders (other than the Status Transferor) and the Agent to such assignment has been already obtained, and copies of such consent are attached hereto.

Contact details for notices to be given under the Agreement and information on the account

of the Status Transferee receiving the relevant funds are as follows:

Name of the Status Transferee:

Address:

Lending Office:

Attention:

Telephone:

Facsimile:

Receiving Account

Name of the Bank:

Bank Code:

Name of Branch Office:

Branch Office Code:

Type of Account:

Account Number:

Name of Account:

We have paid the handling fee for such assignment totaling JPY500,000 plus the consumption tax to you on _____ by the Status Transferor / the Status Transferee.

Sincerely yours,

Status Transferor

Status Transferee

Attachment 3

Notice of Assignment to the Agent

Date: _____

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(in its capacity as Agent referred to below)

Administration Office, Syndicated Finance Division

DENTSPLY International Inc.

JPY12,552,500,000

Term Loan Agreement

In reference to the Term Loan Agreement (the "Agreement") executed as of September 21, 2011 by and among DENTSPLY International Inc. as Borrower, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Development Bank of Japan Inc., The Shinkumi Federation Bank, Mitsui Sumitomo Insurance Company, Limited and The Chiba Bank, Ltd. as Lenders, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as Agent, we hereby notify you as follows.

Pursuant to the Agreement on Assignment and Assumption executed as of _____, between _____ (the "Assignor") and _____ (the "Assignee"), the Assignor will assign the following rights and obligations under the Agreement to the Assignee as of _____ in accordance with Article 26(1) of the Agreement. Consent to such assignment by the Borrower has already been obtained, and a copy of such consent is attached hereto.

Individual Loan: JPY _____

The whole / partial amount of the Individual Loan held by the Assignor (i.e. the entitlement to payment of principal and interest and any other rights and obligations related thereto or otherwise the status under the Agreement) pertaining to the borrowing with the Disbursement Date being September 28, 2011 and the Maturity Date being September 29, 2014.

Contact details for notices to be given under the Agreement and information on the receiving account of the Assignee are as follows:

Name of the Assignee

Address:

Lending Office:

Attention:

Telephone:

Facsimile:

Receiving Account

Name of the Bank:

Bank Code:

Name of Branch Office:

Branch Office Code:

Type of Account:

Account Number:

Name of Account:

We have paid the handling fee for such assignment totaling JPY500,000 plus the consumption tax to you on _____ by the Assignor/ the Assignee.

Sincerely yours,

Assignor

Assignee

DENTSPLY

INTERNATIONAL

Annual Incentive Compensation Plan

DENTSPLY INTERNATIONAL INC.
AMENDED AND RESTATED INCENTIVE COMPENSATION PLAN

I. PURPOSE

To provide greater incentive for key employees to continually exert their best efforts on behalf of the Company by rewarding them for achieving predetermined operating objectives.

To attract and retain in the employ of the Company outstanding results oriented individuals.

To align the interests of such employees with those of the Company's stockholders.

To create a management team effort within the various Profit Centers and operating units of the Company.

II. ADMINISTRATION

The Plan will be administered by, and any question of interpretation under the Plan determined by, the Human Resources Committee ("Human Resources Committee") of the Dentsply International Inc. Board of Directors (the "Board"). The Board or the Human Resources Committee may appoint an Incentive Compensation Plan Committee ("ICP Committee") consisting of management employees to assist in the administration of the Plan.

III. AWARDS

Awards will be determined by the Human Resources Committee, based on criteria determined by such Committee and described in Section VIII hereof, for each applicable year (a "Bonus Year"). Cash payments will be made to participants immediately after the close of corporate books for the applicable Bonus Year but in no case later than March 1st of the year succeeding the applicable Bonus Year. Payments will be rounded up or down to the nearest \$100 equivalent.

IV. PARTICIPANT ELIGIBILITY

A. Profit Centers

1. General Managers
2. Individuals who normally report directly to the General Manager.
3. Individuals' work assignment must have a direct bearing on the profit-ability of the Profit Center.
4. Individual must be recommended for participation by both the General Manager of the Profit Center and the Corporate Officer responsible for the Profit Center and approved by the ICP Committee.

B. Corporate Staff

1. Individuals whose work assignment must have direct bearing on the profitability of the corporation.
2. Officers
3. Individuals who normally report directly to a Corporate Officer.
4. Individual must be recommended for participation by the responsible Corporate Officer and the President and approved by the ICP Committee.

V. ENROLLMENT

The Board will designate the officers who will be participants. General Managers will send their recommendations for participation to the Corporate Officer responsible for the Profit Center or Corporate Staff Department.

Corporate Officers will send recommendations to the ICP Committee and Corporate Human Resources Office who will be charged with monitoring participants in conjunction with the ICP Committee.

VI. VESTING OF BONUS RIGHTS

A. Those participants who leave the employ of the Company before the end of the Bonus Year for any reason other than qualified normal or early retirement or a bona fide physical or mental disability (as determined by the Human Resources Committee) will receive no bonus payment for the Bonus Year.

B. Those participants who die or who take normal or early retirement or resign due to a bona fide disability (as determined by the Human Resources Committee) before the end of the Bonus Year will receive a bonus award based upon the pro-rata base pay received while actually working during the Bonus Year.

VII. PARTICIPANT ADDITIONS OR DELETIONS

Profit Center General Managers or Corporate Officers may remove participants from the Plan at any time during the Bonus Year by following the same procedure outlined in Enrollment. Any participants who are removed from the Plan during a Bonus Year shall have no right to receive payments under the Plan for any portion of such Bonus Year.

Participants may be added during the Bonus Year if they are a direct replacement for someone already enrolled in the Plan or, if they are hired to fill a new position eligible for the Plan, and will be in the qualifying position for at least six months. In this instance the new person will only receive his or her bonus award based on the pro-rata base pay received while enrolled in the Plan.

VIII. PLAN CRITERIA

The Plan centers on each Profit Center's performance as measured against the relevant budget, submitted by Profit Center Management and approved by Corporate Management. For corporate level employees, bonuses will be based on corporate performance measured against the corporate budget.

The actual operating results will be adjusted for major sales or dispositions of assets not in the ordinary course of business and changes in the business or segments of the business which are directed to be carried out by Corporate Management to the extent they were not included in the target. In addition, the Human Resources Committee has approved certain principals for measuring earnings related to restructurings, impairments, stock repurchases, legal settlements, acquisitions, the effects of non-cash gains or losses resulting from the application of the provisions of SFAS No. 157, and other unbudgeted items.

In addition to budget based objectives, the Human Resources Committee can establish non-financial objectives as it deems appropriate, including qualitative or strategic objectives.

Unless otherwise determined by the ICP Committee, base salary is defined generally as the year-end actual annual salary, except in the case of a pay adjustment due to a mid-year change in position or role, in which case base salary will be pro-rated to reflect the salary paid before and after the mid-year change. Base salary does not include any other compensation that might be received.

Separate bonus calculations will be made for Officers, General Managers, Key Employees and Corporate Staff.

IX. HUMAN RESOURCE COMMITTEE

The Human Resource Committee may adjust the mathematical calculation of the ICP bonus in their sole discretion, based on their evaluation of business performance.

X. AMENDMENTS TO THE PLAN

The Board has the right to modify or repeal this Plan entirely at its discretion. However, any bonus payments that have been earned in accordance with, but not yet paid under, this Plan cannot be canceled without consent of the participant.

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 to as "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

(a) 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.

(b) 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.

(c) 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 a Director resignation from the Board after nine years of service on the Board or 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:

(a) 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

(b) 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

(c) Consummation by the Company of a reorganization, merger or consolidation (a "Business Combination"), in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the Outstanding Common Stock and Voting Securities immediately prior to such Business Combination do not, following such Business Combination, beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding 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

(d) Consummation of a complete liquidation or dissolution of the Company, or sale or other disposition of all or substantially all of the assets of the Company other than to a corporation with respect to which, following such sale or disposition, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Common Stock and Voting Securities immediately prior to such sale or disposition in substantially the same proportions as their ownership of the Outstanding Common Stock and Voting Securities, as the case may be, immediately prior to such sale or disposition.

(e) 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
- (ii) 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
- (iii) 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 or 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.

EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

DEBORAH M. RASIN

THIS EMPLOYMENT AGREEMENT is entered into February 11, 2011, by and between DENTSPLY International Inc., a Delaware corporation (the "Company") and Deborah M. Rasin, ("Employee").

WHEREAS, the Company and the Employee wish to enter into an Employment Agreement setting forth the terms and conditions of the Employee's employment with the Company;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and intending to be bound, it is hereby agreed as follows:

1. Services

1.1 The Company shall continue to employ Employee and Employee agrees to continue to serve as Vice President, Secretary and General Counsel, of the Company, responsible for the business activities and operations assigned by the Chief Executive Officer and/or the Board of Directors effective as of (the first date of employment), and, if elected thereto, as an officer or director of any Affiliate, for the term and on the conditions herein set forth. Employee shall be responsible for the activities and duties presently associated with his position. Employee shall perform such other services as shall from time to time be assigned to him by the Board of Directors, the Chief Executive Officer, or the President of the Company depending on the needs and demands of the business and the availability of other personnel, provided that such services shall generally be similar in level of position and responsibility as those set forth in this Agreement. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties.

1.2 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment. Employment as Vice President, Secretary and General Counsel shall continue under this Agreement from (the first date of employment), and terminate on the happening of any of the following events:

2.1 Death. The date of death of Employee;

2.2 Termination by Employee Without Good Reason. The date specified in a written

notice of termination given to the Company by Employee not less than 180 days in advance of such specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason. Thirty (30) days following the date of a written notice of termination given to the Company by Employee to the effect that any one or more of the following events ("Change Event") has occurred and the Company has failed within such thirty (30) day period to restore the Employee to the position he was in prior to the Change Event (provided, that such written notice of termination must have been given by Employee within ninety (90) days of the Change Event):

- (a) failure by the Company to maintain the level of responsibility and status of the Employee similar in all material respects to those of Employee's position as of the date of the Agreement, or
- (b) a reduction by the Company in Employee's base salary as in effect as of the date hereof plus all increases thereof subsequent thereto; other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board of Directors of the Company and applicable to all continuing domestic executive employees of the Company, provided such reduction does not reduce Employee's salary by a percentage greater than the average reduction in the compensation of all employees who continue as employees of the Company during such austerity program; or
- (c) the failure of the Company to maintain and to continue Employee's participation in all material respects 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 domestic executive employees; or
- (d) any material and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company. Upon written notice of termination given to Employee by the Company, the Employee's obligation to perform services pursuant to this Agreement shall cease as of the date of such notice.

3. Payments by the Company.

3.1 During the Period of Employment, the Company shall pay to the Employee for all services to be performed by Employee hereunder a salary of not less than \$350,000 per annum, or such larger amount as may from time to time be fixed by the Board of Directors of the Company or, if applicable, by the Human Resources Committee of the Board (or its successor), payable in accordance with the Company's normal pay schedule.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its domestic

executive employees, including (without limitation) benefits under any pension, profit sharing, employee stock ownership, stock option, bonus, performance stock appreciation right, management incentive, vacation, disability, annuity, or insurance plans or programs. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

- 3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.
- 3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.
- 3.5 Except as provided in Section 6, if the Period of Employment is terminated by the Employee under Section 2.3, or by the Company under Section 2.4, the Company shall pay compensation and provide benefits to the employee as provided in this Section 3.5 for a period (the "Termination Period") beginning on the date of the termination notice and ending on the earlier of: (i) the second annual anniversary of the date of such termination notice; or (ii) the date on which the Employee would attain age 65, as follows:
- (a) Compensation shall be paid to the Employee at the rate of salary being paid to Employee under Section 3.1 immediately before the termination, in accordance with the Company's normal pay schedule;
 - (b) Bonus and incentive compensation shall be paid to the Employee in accordance with plans approved by the Board of Directors and similar to those in which the Employee participated at time of termination, at the same time and using the same formula and calculations as if termination had not occurred. The Employee shall not be entitled to receive any further grants of stock options or equity incentives under any stock option or similar such plan subsequent to the date of termination notice, but equity incentive grants shall continue to be exercisable during the Termination Period in accordance with the equity incentive plan, as if termination had not occurred until the end of the Termination Period;
 - (c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during the Termination Period and compensation (and, if applicable, bonus and incentive compensation) as determined under Section (a) (and, if applicable, Subsection (b) above);

- (d) Employee shall receive continued coverage during the Termination Period under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available, in lieu thereof be compensated for such coverage), provided that, such coverage shall terminate for any such benefit on the earlier of the following events: (i) the covered person becomes eligible for similar type coverage under another employer's group plans (in which event the Company shall only be required to provide compensation to Employee sufficient for Employee to acquire benefits similar to those provided by the Company); (ii) the covered person becomes eligible for Medicare health benefits; or (iii) the covered person fails to pay the premium for such coverage by the due date thereof (including any grace period provided under the Plan or applicable law); and
- (e) In the event of the death of Employee during the Termination Period, the Company shall continue to make payments under Subsection 3.5(a) for the period that is the lesser of the remainder of the Termination Period or twelve (12) months, and shall pay any bonuses due under Subsection 3.5(b) on a pro-rata basis until the date of Employee's death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

Except as provided in Section 3.6, payment of compensation shall be made in accordance with Subsection 3.5(a) above, and payments of other benefits under Subsections 3.5(b)-(e), if any, shall be paid at the same time and to the same person as compensation or benefits would have been paid under the plan, program, or arrangement to which they relate (after taking into account any election made by the Employee with respect to payments under such plan, program, or arrangement), and shall be pro-rated for any partial year through the date of expiration of the Termination Period; provided that any amount that would be payable to the Employee during the six-month period beginning on this date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended ("Code") shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section

409A of the Code, each individual payment required to be made under Subsections 3.5(a)-(e) above shall be treated as a separate payment from all other such payments.

3.6 In no event will the Company be obligated to continue Employee's compensation and other benefits under Section 3.5 of this Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement. During the Period of Employment and for a period of three (3) years after the termination thereof, Employee shall not, without the written consent of the Company, directly or indirectly be employed or retained by, or render any services for, or be financially interested in, any firm or corporation engaged in any business which is competitive with any business in which the Company or any of its Affiliates may have been engaged during the Period of Employment. The foregoing restriction shall not apply to the purchase by Employee of up to 5% of the outstanding shares of capital stock of any corporation whose securities are listed on any national securities exchange.
5. Loyalty Commitments. During and after the Period of Employment: (a) Employee shall not disclose any confidential business information about the affairs of the Company or any of its Affiliates; and (b) Employee shall not, without the prior written consent of the Company, induce or attempt to induce any employee or agency representative of the Company or any Affiliate to leave the employment or representation of the Company or such Affiliate, or any customer of the Company or an Affiliate to terminate its customer relationship with the Company or an Affiliate.
6. Change of Control Provisions.

6.1 "Change of Control" means any event by which (i) an Acquiring Person has become such, or (ii) Continuing Directors cease to comprise a majority of the members of the Board of Directors of the Company (the "Board"). For purposes of this definition:

- (a) An "Acquiring Person" means any person or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder as in effect on the date of this Agreement) who or which, together with all affiliates and associates (as defined in Rule 12B-2 under the Exchange Act) becomes, by way of any transaction, the beneficial owner of shares of the Company having 30% or more of (i) the then outstanding shares of Common Stock of the Company, or (ii) the voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors of the Company; and
- (b) "Continuing Director" means any member of the Board who is not an Acquiring Person, or an affiliate or associate of an Acquiring Person or a representative of an Acquiring Person or of any such affiliate or associate and who (i) was a member of the Board prior to the date of this Agreement,

or (ii) subsequently becomes a member of the Board and whose nomination for election or election to the Board is recommended or approved by resolution of a majority of the Continuing Directors or who is included as a nominee in a proxy statement of the Company distributed when a majority of the Board consists of Continuing Directors.

6.2 If, within two (2) years after a Change of Control the Period of Employment is terminated by the Employee under Section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (regardless of whether in accordance with Section 2.4), then in lieu of the periodic payment of the amounts specified in Subsections 3.5(a), (b), and (c) any of the other provisions of Section 3.5 (except as may be otherwise prohibited by law or by said plans), the Company shall pay the following amounts to Employee in a single lump sum cash payment within five (5) business days of such termination (provided, that any amount that would be payable to the Employee during the six-month period beginning on his date of termination and which would not otherwise be exempt from the application of Section 409A(a)(2)(B) of the Code shall be withheld and paid instead on the six (6) month anniversary of the date of termination. For purposes of Section 409A of the Code, each individual payment required to be made under this Section 3.6 shall be treated as a separate payment from all other such payments) :

- (a) An amount equal to three (3) times the Employee's current annual salary;
- (b) An amount equal to three (3) times the Employee's Annual Incentive bonus for the year in which the termination occurs based on the target of 100% achievement; and
- (c) An amount equal to the benefits that would have been accrued by the Employee for the three (3) year period from the date of termination ("Continuation Period") from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") Supplemental Executive Retirement Plan ("SERP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during such three (3) year period and compensation (and, if applicable, Annual Incentive bonus) as determined under Section (a) and (b) above;
- (d) In addition, Employee shall receive continued coverage for the two (2) year period from the date of termination under all employee disability, annuity, insurance, or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available or if required in order

to comply with Code Section 409A, in lieu thereof be compensated in monthly cash payments for the premium-equivalent amount of such coverage and then be permitted to purchase such coverage, if available, by paying 100% of the premium cost for such coverage on an after-tax basis).

6.3. Certain Adjustments in Payments.

- (a) The provisions of this Section 6.3 shall apply notwithstanding anything in this Agreement to the contrary. Subject to subsection (b) below, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall pay the Employee an additional amount (the "Gross-Up Payment") such that the net amount retained by the Employee after deduction of any excise tax imposed under section 4999 of the Code, and any federal, state and local income tax, employment tax, excise tax and other tax imposed upon the Gross-Up Payment, shall be equal to the Payment.
- (b) Notwithstanding subsection (a), and notwithstanding any other provisions of this Agreement to the contrary, if the net after-tax benefit to the Employee of receiving the Gross-Up Payment does not exceed the Safe Harbor Amount (as defined below) by more than 10% (as compared to the net after-tax benefit to the Employee resulting from elimination of the Gross-Up Payment and reduction of the Payments to the Safe Harbor Amount), then (i) the Company shall not pay the Employee the Gross-Up Payment, and (ii) the provisions of subsection (c) below shall apply. The term "Safe Harbor Amount" means the maximum dollar amount of parachute payments that may be paid to the Participant under section 280G of the Code without imposition of an excise tax under section 4999 of the Code.
- (c) The provisions of this subsection (c) shall apply only if the Company is not required to pay the Employee a Gross-Up Payment as a result of subsection (b) above. If the Company is not required to pay the Employee a Gross-Up Payment as a result of the provisions of subsection (b), the Company will apply a limitation on the Payment amount as follows: The aggregate present value of the benefits under Sections 3.5 or 6.2 (the "Separation Benefits") of this Agreement shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of such Separation Benefits without causing any Payment to be subject to the limitation of deduction under section 280G of the Code. For purposes of this Section 6.3, "present value" shall be determined in accordance with section 280G(d)(4) of the Code.
- (d) All determinations to be made under this Section 6.3 shall be made by the independent public accounting firm used by the Company immediately prior to the Change of Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Employee within ten days of the Employee's Date of Termination. If any Gross-Up Payment is required to be made, the Company shall make the Gross-Up Payment within ten days after receiving the Accounting Firm's calculations. Any such determination by the Accounting Firm shall be binding upon the Company and the Employee. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6.3 shall be borne solely by the Company.

7. Separability of Provisions. The terms of this Agreement shall be considered to be separable from each other, and in the event any shall be found to be invalid, it shall not affect the validity of the remaining terms.
8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of (a) the Company and its successors and assigns, and (b) Employee, his personal representatives, heirs, and legatees.
9. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and revokes all prior oral or written understandings between the parties relating to Employee's employment. The Agreement may not be changed orally but only by a written document signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.
10. Definitions. The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:
 - 10.1 "Affiliate" when used with reference to the Company means any corporations, joint ventures, or other business enterprises directly or indirectly controlling, controlled by, or under common control with the Company. For purposes of this definition, "control" means ownership or power to vote 50% or more of the voting stock, venture interests, or other comparable participation in such business enterprises.
 - 10.2 "Period of Employment" means the period commencing on the effective date hereof and terminating pursuant to Section 2.
 - 10.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.
11. Notices. Where there is provision herein for the delivery of written notice to either of the parties, such notice shall be deemed to have been delivered for the purposes of this Agreement when delivered in person or placed in a sealed, postpaid envelope addressed to such party and mailed by registered mail, return receipt requested to the address set forth below for the Company and the most recent address as may be on the Company records for the Employee:
For Employee: Deborah M. Rasin

High Trees
Hook Heath Road
Woking
Surrey
GU22 0QF
UK

For Company: DENTSPLY International Inc.
221 West Philadelphia Street
York, PA 17404
Attention: Chairman and Chief Executive Officer

12. Arbitration. Any controversy arising from or related to this Agreement shall be determined by arbitration in the City of Philadelphia, Pennsylvania, in accordance with the rules of the American Arbitration Association, and judgment upon any such determination or award may be entered in any court having jurisdiction. In the event of any arbitration between Employee and Company related to the Agreement, if employee shall be the successful party, Company will indemnify and reimburse Employee against any reasonable legal fees and expenses incurred in such arbitration.
13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.
14. Compliance with Code Section 409A. The payment provisions of this Agreement are intended to comply with, or to be exempt from, Section 409(a)(2) of the Code. The Company may make any changes to this Agreement it determines in its sole discretion are necessary to comply with the provisions of the Code Section 409A and any regulations or any other guidance issued thereunder without the consent of Employee, so long as such changes do not materially reduce the value of any of the economic benefits provided under this Agreement to the Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Attest: DENTSPLY INTERNATIONAL INC.

By: _____

DEBORAH M. RASIN

DENTSPLY International Inc.**Computation of Ratios of Earnings to Fixed Charges**

Exhibit 12.1

(in thousands except ratios)

	Year Ended December 31,				
	2011	2010	2009	2008	2007
Consolidated Earnings:					
Pre-tax income from continuing operations before adjustment for income or loss from equity interests	\$ 256,111	\$ 357,656	\$ 363,356	\$ 354,873	\$ 358,192
Add fixed charges computed below	66,761	37,171	33,210	43,409	33,195
Net adjustments for capitalized interest	52	43	45	43	—
Consolidated Earnings Available for Fixed Charges	\$ 322,924	\$ 394,870	\$ 396,612	\$ 398,325	\$ 391,387
Consolidated Fixed Charges:					
Interest expense per financial statements	\$ 43,814	\$ 25,089	\$ 21,896	\$ 32,527	\$ 23,783
Interest expense - capitalized	132	22	137	685	—
Amortization of deferred financing	8,023	428	443	364	279
Interest portion of rental expense	14,792	11,633	10,733	9,833	9,133
Consolidated Fixed Charges	\$ 66,761	\$ 37,171	\$ 33,210	\$ 43,409	\$ 33,195
Consolidated Ratio of Earnings to Fixed Charges	4.84	10.62	11.94	9.18	11.79

Subsidiaries of DENTSPLY International Inc. (the “Company”)- December 31 2011

- 1) DENTSPLY Prosthetics U.S. LLC (Delaware)
- 2) AMD Lasers LLC (US)
- 3) GAC International LLC (New York)
 - a) Orthodontal International, Inc. (US)
 - b) Orthodontal S.A. de C.V. (Mexico)
- 4) DENTSPLY Finance Co. (Delaware)
 - a) Dentsply Germany Investments GmbH (Germany)
 - 1) Ceramco Manufacturing B.V. (Netherlands)
 - 2) ES Holding NV Co.(Belgium)
 - (a) ES Healthcare (Belgium)
 - (b) ES Tooling NV(Belgium)
 - 3) Dental Depot Lomberg BV (Netherlands)
 - 4) Dentsply Germany Holdings GmbH (Germany)
 - (a) VDW GmbH (Germany)
 - (b) Dentsply DeTrey GmbH (Germany)
 - (c) Friadent GmbH (Germany)
 - (d) DeguDent GmbH (Germany)
 - (i) Ducera Dental Verwaltungs GmbH (Germany)
 - 5) Zhermack SpA (Italy)
 - (a) Zhermack GmbH (Germany)
 - (b) Zhermapol SP Zoo (Poland)
 - (c) Zhermack, Inc. (US – Nevada)
 - 6) OrthoSpain S.L. (Spain)
 - 7) D Luxembourg Sarl
 - 5) DENTSPLY North America LLC (Delaware)
 - 6) Dentsply Argentina S.A.C.e.I. (Argentina)
 - 7) Dentsply Mexico S.A. de C.V. (Mexico)
 - 8) Dentsply India Pvt. Ltd. (India)
 - 9) Dentsply (Philippines) Inc. (Philippines)
 - 10) Dentsply (Thailand) Ltd. (Thailand)
 - 11) Dentsply Dental (Tianjin) Co. Ltd. (China)
 - 12) Dentsply Tianjin International Trading Co. Ltd. (China)
 - 13) Dentsply Korea Limited (Korea)
 - 14) Ceramco Europe Limited (Cayman Islands)
 - 15) Dentsply LLC (Delaware)
 - 16) DSHealthcare Inc. (Delaware)
 - 17) Raintree Essix Inc. (Delaware)

- 18) Dentsply Israel Ltd. (Israel)
- 19) Ransom & Randolph Company (Delaware)
- 20) EndoAction Inc.
- 21) Osteointegration Materials LLC (Delaware)
- 22) Dentsply Friadent Turkey (Istanbul)
- 23) Tulsa Dental Products LLC (Delaware)
 - a) Tulsa Finance Co. (Delaware)
- 24) Dentsply Canada Ltd. (Canada)
- 25) Dentsply Services (Switzerland) S.a.r.L. (Switzerland)
- 26) Prident International, Inc. (California)
 - a) Prident (Shanghai) Dental Medical Devices Co., Ltd. (China)
- 27) Dentsply Espana SL (Spain)
- 28) Dentsply Australia Pty. Ltd. (Australia)
 - a) Dentsply (NZ) Limited (New Zealand)
- 29) GAC (International) Pty Ltd (Australia)
- 30) Planer Dentaprise GmbH (Austria)
- 31) DENTSPLY Holding Company
 - a) DENTSPLY-Sankin K.K. (Japan)
 - 1) Sankin Laboratories K.K. (Japan)
 - b) DeguDent Industria e Comercio Ltda. (Brazil)
 - 1) DeguDent da Amazonia Industria e Comercio Ltda. (Brazil)
 - 2) DLA Pharmaceutical Ltda. (Brazil)
 - c) Dentsply Industria e Comercio Ltda. (Brazil)
 - d) Dentsply EU Holding S.a.r.L (Luxembourg)
 - 1) Dentsply Europe S.a.r.l. (Luxembourg)
 - (a) Dentsply Investments KG (Germany)
 - (b) Dentsply Friadent Espana SA (Spain)
 - (c) Elephant Dental B.V. (Netherlands)
 - (i) Cicero Dental Systems B.V. (Netherlands)
 - (ii) DeguDent Benelux B.V. (Netherlands)
 - (iii) Dental Trust B.V. (Netherlands)
 - (iv) Materialise Dental NV (Belgium)
 1. Materialise Dental GmbH(Germany)
 2. Materialise Dental Japan Inc. (70%)(Japan)
 3. Materialise Dental France SAS(France)
 4. Materialise Dental Spain S.L.U.(Spain)
 5. Materialise Dental Inc. (US)
 - (d) Dentsply Austria GmbH (Austria)
 - (e) Dentsply Limited (Cayman Islands)
 - (i) Dentsply Holdings Unlimited (U.K.)
 - (ii) Dentsply Russia Limited (U.K.)
 1. Dentsply Russia LLC (Russia)
 - (f) Dentsply Italia Srl (Italy)
 - (g) Dentsply France S.A.S. (France)
 - (h) Dentsply South Africa (Pty) Limited (South Africa)
 - (i) Friadent Schweiz AG (Switzerland)
 - (j) Friadent Brasil Ltda. (Brazil)
 - (k) Dentsply Friadent Scandinavia Aps (Denmark)
 - (l) Dentsply Friadent Benelux NV (Belgium)
 - 2) Dentsply Sarl (Luxembourg)
 - (i) Dentsply Sweden AB (Sweden)
 1. Astra Tech AB(Sweden)
 - a. Astra Tech Ltd (UK)
 - b. Astra Tech Oy (Finland)
 - c. Astra Tech France SAS (France)
 - d. Astra Tech Pty/ Ltd (Australia)
 - e. Astra Tech S.A. (Spain)
 - f. Astra Tech S.A. (Switzerland)

- g. Astra Tech SpA (Italy)
- h. Astra Tech GmbH (Germany)
- i. Astra Tech SP.z.o.o (Poland)
- j. Astra Tech K.K. (Japan)
- k. Astra Tech GmbH (Austria)
- l. Astra Tech AS (Denmark)
- m. Astra Tech Benelux B.V. (Netherlands)
- n. Astra Tech AS (Norway)
- o. Astra Tech SA (Portugal)
- p. Astra Tech Sverige AB (Sweden)
- q. Astra Tech Russia (Russia)

- e) TDP NT LLC (Delaware)
- f) Dentsply Holdings Sarl (Luxembourg)
 - 1) Dentsply Acquisition Sarl (Luxembourg)
 - (a) Dentsply Acquisition US LLC
- g) Astra Tech Inc (US)
- h) Dentsply Switzerland Holdings SA (Switzerland)
 - 1) Maillefer Instruments Holding S.a.r.l. (Switzerland)
 - (a) Maillefer Instruments Trading S.a.r.l. (Switzerland)
 - (b) Maillefer Instruments Consulting S.a.r.l. (Switzerland)
 - (c) Maillefer Instruments Manufacturing S.a.r.l. (Switzerland)
 - (i) Advanced Technology Research SRL (Italy)
 - (d) GAC, SA (Switzerland)
 - (i) GAC Deutschland GmbH (Germany)
 - (ii) GAC Norge AS (Norway)
 - (iii) Societe D'Orthodontie Francaise SAS (France)
 - 1. Ortho Concept Sarl (France)
- i) Dentsply CE S.a.r.l. (Luxembourg)
 - 1) Dentsply Dental S.a.r.l. (Luxembourg)
- j) Dentsply DeTrey Sarl (Switzerland)

32) Dentsply (Singapore) Pte. Ltd. (Singapore)

33) GAC International Asia Pte. Ltd. (Singapore)

34) ACE Result Taiwan Co, Ltd. (Taiwan)

35) PT Dentsply Indonesia (Indonesia)

36) R&R China (China)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-167410, 333-101548 and 333-56093) and Form S-3 (333-176307) of DENTSPLY International Inc. of our report dated February 24, 2012 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 24, 2012

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bret W. Wise, certify that:

1. I have reviewed this Form 10-K of DENTSPLY International Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers 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 controls 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 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 officers 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 the 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.

/s/ Bret W. Wise

Bret W. Wise

Chairman of the Board and Chief Executive Officer

Date: February 24, 2012

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William R. Jellison, certify that:

1. I have reviewed this Form 10-K of DENTSPLY International Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers 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 controls 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 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 officers 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 the 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.

/s/ *William R. Jellison*

William R. Jellison

Senior Vice President and Chief Financial Officer

Date: February 24, 2012

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of DENTSPLY International Inc. (the "Company") on Form 10-K for the year ending December 31, 2011 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 William R. Jellison, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge and belief:

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

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

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

Date: February 24, 2012