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PRESENTATION

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Good morning and thank you for joining us for our third quarter conference call. This is Bret Wise, Chairman and CEO of DENTSPLY International, and also with us on the call today are Chris Clark, our President and Chief Operating Officer, and Bill Jellison, our Senior Vice President and Chief Financial Officer. Each of us will have some prepared statements to make this morning and then, of course, after our remarks we'll be glad to answer any questions that you may have. Before we get started it is important to note that this conference call may include forward-looking statements involving risks and uncertainties. These should be considered in conjunction with our disclosures of the risk factors and uncertainties in our 10-K and our quarterly and periodic reports with the SEC. The Company undertakes no obligation to update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this call. And as usual a recording of this conference call in its entirety will be available on our website.

This morning we are pleased to announce our results for the third quarter of 2010 with revenues up 2% on a reported basis and positive 0.1% on a non-GAAP basis and that's excluding precious metal content. We continue to see the dental consumable market as stable overall, with improvements occurring in international markets and the US market muted by weak or non-existed job growth at this point. As mentioned sales ex-precious metals were essentially flat, up 0.1%. This was driven by 2.0% internal growth, 0.4% acquisition growth to yield constant currency growth of 2.4% and this was essentially offset by negative currency translation of 2.3% to arrive at that overall growth number of 0.1% ex-precious metal. On a regional basis, internal growth was down 0.8% in the US, was positive 4.5% in Europe and was positive 2.7% for the rest of the world.

US growth was aided by continued positive growth in our specialty category, dental implants in particular, and true chairside consumables, but was hurt by lower small equipment sales off of a very tough comp from last year when we were running heavy end-user promotions on certain of our small equipment products. In the US we're essentially flat on internal growth for the first nine months of the year and our overall assessment is the US market has not shown any meaningful improvement over what we saw in the first half of the year. However, I think that should not be a surprise to anyone at this point, as we look at the economic data and the jobless recovery resulting in slow growth or no growth, perhaps, of offices at this point. European growth remains strong at 4.5%.

That's helped in part by an easier comparison from the prior year, particularly in the CIS region, but also from strong growth in all of our specialty categories and in chairside consumable, while lab products continue to represent a headwind to our European growth in the quarter. Year-to-date internal growth in Europe is 3.7%. The remainder of the world had internal growth of 2.7% for the quarter and is 4.0% year-to-date. And we see generally positive developments in most of the regions that we have in that category. As usual, we did announce our implemented price increases on October 1 in most of our consumable products. Given very low interest rates on cash holdings, we believe there may have been a bit more purchasing ahead of the price increases this year, which we would expect to wash out in the fourth quarter.

From our perspective this makes sense as liquidity is certainly better than it was a year ago at this time and the dealers can easily make an extra 1 to 2 percentage points in 30 to 60 days by increasing their inventory ahead of the price increase and that can be significant to the yield for their business models. Our earnings non-GAAP came in at $0.45. It was $0.44 on a GAAP basis, $0.45 on a non-GAAP basis and that was at 2.3% improvement over the prior-year quarter, again on a non-GAAP basis. This is basically consistent with the trend we've experienced in the first half of the year, although we're now coming up with, coming up against slightly tougher comps both in this the third quarter and again in the fourth quarter. Earnings continued to be hurt by currency translation and transaction effects. Despite that we saw higher gross margins in the quarter that were essentially offset by higher SG&A spending as the investments we began to implement at the beginning of this year are now fully in place and the prior year base spending was very low in both the third and fourth quarters of last year.

We would expect this trend to continue for the fourth quarter with improving gross margins and with higher spending in advance of product releases in 2011. And also as compared to what was a very low base for SG&A expense in the fourth quarter of last year. Our cash flows continue to be strong and our priorities for cash deployment remain the same, with acquisitions being our top priority. Activity in this area has picked up, with execution and timing risks of course remaining very high. Year-to-date we've closed four transactions and signed a fifth, which is contributing a bit to constant currency growth at this point. Our second priority is share repurchases where we acquired 6.2 million shares for $209 million year-to-date, completing roughly 80% of the share repurchase authorization we announced earlier in the year. Our product pipeline looks good for 2011, including what could be major initiatives in several product categories, hopefully early in the year. And that obviously is what's driving the higher spending a bit in the third quarter and in fourth quarters we prepare for those.

For the full year outlook our exposure to the Euro will likely continue to have a negative effect on our results in the fourth quarter, although the impact may be less than what we saw in Q2 and Q3. At current rates the Euro is down about 6% from the average rate that we saw in Q4 last year. The strength of the Swiss franc and Japanese yen will continue to have a negative impact on our cost of goods sold, as these are major production or product sourcing regions for us. Given the currency, the current currency rates and the continued lag in the US economy and the dental market, we're narrowing our earnings guidance and now expect full year results to be in the $1.86 to $1.91 range and, again, that is measured on a non-GAAP basis. I'd like to now turn the call over to Chris Clark, who is going to speak more to our new product pipeline and the performance of our specialty businesses. Chris?

Chris Clark - *DENTSPLY International Inc. - President & COO*

Thank you, Bret, and good morning, everyone. I'd like to take the next few minutes and supply some additional perspective about a couple of the new products we have introduced recently, as well as more details about our performance in the specialty areas in general and in implants in particular. On the new product front innovation continues to be a cornerstone strategy for us. We're pleased with the performance of some new, some of the key new products that we have introduced a few quarters ago that continue to gain significant market traction. These include the SureFil SDR, (inaudible) composite, which has gained over 35,000 new users at this point since introduction just over a year ago in the US and earlier this year in Europe. We're particularly pleased with the repurchase rates on this product, as that indicates to us strong customer acceptance in addition to the strong trial levels.

We're also very pleased and continue to be pleased with the ProFile Vortex nickel titanium rotary files. These continue to gain competitive endodontic users in the US for us and we continue to be pleased with the performance of that product. We're also pleased with the Ceramco iC porcelain induced rim lock porcelain systems. These continue to be well received by laboratory technicians really for their versatility as well as for the beautiful esthetics they create. In the last few months we've also introduced several new innovations to the market, including the SmartLite Max L.E.D. Curing Light. This offers dual wavelength technology and provides a wide range of versatility and confidence in securing all different types of restorative materials. Also on the restorative side we introduced Xeno IV Plus. This is our latest one component self etch adhesive and offers long working time, very short curing time, excellent bonding performance and clinical reliability.

In the prosthetics area we continue to expand our Compartus centralized manufacturing platform and we are now offering fabrication of precious metal substructures in Europe, in the US and also in Japan. We've also added a new scanning option to provide broader appeal to our Compartus platform. And as Bret mentioned, looking ahead we are pleased with our innovation pipeline and we're looking forward to new product launches across several of our businesses early next year. And at this point we are spending against some of those opportunities now. Now I'd like to provide some additional insights into our performance in the specialties area in general and specifically into our implant performance. Specialties continue to be a strong growth platform in aggregate for us, with third quarter and year-to-date internal growth both in the mid-single digit range.

All three of our specialty areas, implants, endodontics, and orthodontics, have had positive internal growth for each of the three quarters in 2010 and we believe we continue to gain market share in this area as a whole. Now looking specifically at implants, our third quarter performance was encouraging. Internal growth was, for the quarter was solidly in the mid-single digit range and continued a sequential strengthening of our growth rate throughout the year. Now this is an area where we continue to invest on several fronts, including internally and also via acquisition. We have completed one small implant related acquisition earlier this year and recently signed another. Importantly we believe that this global performance continues to indicate that we're gaining market share in implants.

We believe our strong implant performance is really due to a number of factors. These include our two well accepted global implant systems, XiVE, with its wide range of restorative options, and also Ankylos, with its bone level design in tissue care positioning. Also the strong key opinion leader support we have in over 20 years of clinical evidence, the additional restorative versatility of the Ankylos C/X abutment connection that we introduced last year, our expanded implant prosthetics positioning which includes the ISUS custom milled implant bars and bridges from (inaudible) healthcare, and finally the fact that we have invested in this area over the last several quarters while some of our key competitors have cut back. We continue to believe that our implant business with Ankylos and XiVE is growing faster than market, as we continue to gain customers in many of the key markets around the world.

Geographically on implants our internal growth in the US implant market is double digits through September, well above market growth. We're pleased with our progress in generating new implant specialist customers in the US in particular, as they're responding favorably to our increased focus in the Ankylos tissue care message. Our growth in Europe is in the mid-single digit range for the quarter and we believe our performance in many geographies, including the core German market, continues to outpace market growth. You might recall that we spoke of our global implant symposium on our first quarter call. That event, which was held in March in Barcelona, has helped to continue our considerable momentum on this business in many countries in Europe, including Germany. Looking forward we're continuing to make investments to continue the momentum on this business and look forward to sharing the results of some of those initiatives with you on future calls. I would now like to turn the call over to Bill Jellison, who will cover the financial results of the quarter in greater detail.

Bill Jellison - *DENTSPLY International Inc. - SVP & CFO*

Good morning, everyone. Net sales for the third quarter of 2010 increased by 2% in total and increased by 0.1% excluding precious metals. The sales increase ex-precious metals for the quarter included a constant currency increase of 2.4%, which includes a 2% increase from internal growth and a 0.4% increase from acquisitions. The quarter was also negatively impacted by 2.3% from foreign exchange translation. The geographic mix of sales ex-precious metals in the third quarter of 2010 included the US at 40%, Europe represented 37%, and the rest of the world was 23% of our sales. Our internal growth in the quarter also benefited by a slightly higher buy-in ahead of our price increases, strong performance from our speciality businesses, and improvement in our non-dental business. But sales were negatively impacted by soft equipment sales, which had a tougher comparison against some equipment promos which benefited the third quarter of last year, and a decline in our lab business.

Currency rates not only had a negative impact on sales in the quarter, but also negatively impacted earnings by just over $0.01 per share as the dollar was generally stronger compared to last year. The yen continued to be strong and the Swiss franc strengthened against the Euro. Based on current currency rates, foreign exchange is expected to still have a slight negative impact in the fourth quarter as the Swiss and the yen continue to be strong and the Euro is weaker than last year in the fourth quarter despite its recent strengthening compared to earlier this year. Gross profit margins as a percentage of sales ex-precious metals content in the third quarter of 2010 were 55.2% compared to 55% for the third quarter of 2009. The rate was slightly higher than last year as the benefits from price increases and improved operational leverage were offsetting the negative impacts of both foreign exchange, product mix, and the effect of acquisitions in the quarter.

We expect the gross margins will again expand in the fourth quarter due to continued operating improvements, particularly compared to the prior year when we were liquidating substantial inventories. SG&A expenses were $182.1 million or 36.8% of sales ex-precious metals in the third quarter of 2010 versus 36% in the third quarter of 2009. These expenses increased as a percentage of sales as we are running against lower levels that occurred in the back half of 2009, when our cost reductions were fully implemented and more importantly the investments we discussed at the beginning of the year are now fully in place and should benefit us as we enter 2011. We believe the fourth quarter will be our toughest comp in this category, as we benefited from our lowest expense level as a percent of sales in the fourth quarter of last year and the investments we see coming through in the third quarter will also be present in the fourth quarter.

Operational margins for the quarter were 16.7% compared to 17.5% in the third quarter of last year. Operating margins based on sales excluding precious metals were 18.3% compared to 18.8% last year in the same period. Operating margins based on sales excluding precious metals for comparative purposes, excluding recent acquisition related activities and restructuring and other costs in both periods, would have been 18.7% in the third quarter of 2010 and 19.1% in 2009. Net interest and other expense in the third quarter was $5.3 million compared to $5.1 million last year in the third quarter. But net interest was aided by higher cash balances, although return rates remain very low on those balances. Offsetting this was higher interest expense on over $200 million of share repurchases thus far this year.

The corporate tax rate in the quarter was approximately 25% and we expect a tax rate of 25% to 26% to be a reasonable assumption for an operational tax rate for all of 2010. Net income attributable to DENTSPLY in the third quarter of 2010 was $63.1 million (Sic-See Press Release) or $0.44 per diluted share, compared to $67.5 million or $0.45 per diluted share in the third quarter of 2009. Net income attributable to DENTSPLY on an adjusted non-GAAP basis, excluding acquisition-related costs, restructuring and other costs and income tax related adjustments, was $64.9 million or $0.45 per diluted share in 2010 compared to $65.9 million or $0.44 per diluted share in the third quarter of 2009, a 2.3% improvement. Cash flow from operating activities for the first nine months of 2010 was up slightly at $249 million. Capital expenditures were $30 million in the first nine months of the year, with depreciation and amortization at $50 million in the first nine months.

Inventory days were 103 at the end of the third quarter of 2010, a slight increase since year-end but a slight reduction from 106 days in the third quarter of last year. Accounts receivable days were 59 days at the end of the third quarter of 2010 compared to 61 days at the end of the third quarter in 2009 and 55 days at the end of the year. At the end of the third quarter of 2010 we had $534 million in cash and short-term investments. Total debt was $600 million at the end of the third quarter, as well. Year-to-date we have repurchased approximately $209 million of our stock, or approximately 6.2 million shares, at an average price of roughly $33. Based on the Company's authorization to maintain up to 22 million shares of treasury stock, we now have approximately 1.3 million shares available for repurchase. Finally, as Bret noted, our 2010 full year earnings per diluted share guidance is now $1.86 to $1.91 on a non-GAAP basis, excluding restructuring and other costs, recent acquisition related activities and income tax related adjustments. That concludes our prepared remarks, thanks for your support and we'd be glad to answer any questions that you may have at this time.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) We'll take our first question from Brandon Couillard with Jefferies.

Brandon Couillard - *Jefferies - Analyst*

Hi, thanks for taking the question. Bill, on the gross margin line I thought you would have expected mix to be slightly favorable in the third quarter, but I think you called out that it was a negative impact in the period and how should we think about going into the fourth quarter?

Bill Jellison - *DENTSPLY International Inc. - SVP & CFO*

Yes, I think that the mix side of the equation is probably still a little bit of a drag. Keep in mind last year when we talked about mix, it was a relatively big number and we expected that the mix impacts were going to take a while before that actually improved, because of a number of purchasing-related assumptions in each really of each of our different franchise areas. However, as you look at the fourth Q, as I mentioned before, we should still expect to see some operating margin improvements. Last year in the fourth quarter was our lowest gross profit margin rate period and, as I also mentioned, we ended up capitalizing some positive variances that occurred in the third quarter of this year, which will also roll off in the fourth quarter.

Brandon Couillard - *Jefferies - Analyst*

Okay, thanks. And then based on current rates do you expect FX to be a headwind to both revenue and operating margins in the fourth?

Bill Jellison - *DENTSPLY International Inc. - SVP & CFO*

Actually I would say that we're still expecting it to be a little bit of a headwind at this point now where rates are currently at, but probably not quite as much as it was in the third quarter.

Brandon Couillard - *Jefferies - Analyst*

Okay. Thanks.

Operator

(Operator Instructions) We will take our next question from Jeff Johnson with Robert W. Baird.

Jeff Johnson - *Robert W. Baird - Analyst*

Thank you. Good morning, guys.

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Good morning, Jeff.

Jeff Johnson - *Robert W. Baird - Analyst*

Bret or Chris, I guess, if I could start with you guys just on the new product. Chris, you've provided a lot of detail on a lot of the products that have been launched, but costs has been a little elevated here ahead of some new product launches for 2011. Can you give us any, I know you don't like to talk about new products before they launch, but obviously I'd assume the office-based MTM product that I'm hearing now may be early in 2011 is one of those, but anything else you can give us regarding new products in 2011?

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Jeff, this is Bret and I'll make a few comments. Chris may have something to add to this, I'm not sure. But I think the message we are trying to send here is that the pipeline is in really good shape and we have got numerous meaningful product launches across numerous businesses and I think those are probably more like Chicago mid-winter launches or perhaps IDS launches in the international market. And as for our policy, we're not going to describe those to the market in advance. We would rather bring those to market through the show, which will boost our ability to have an impact on the dental market, we hope.

Chris Clark - *DENTSPLY International Inc. - President & COO*

I would just add, Jeff, that the spending on that it is clinical work. It is work with opinion leaders and basically marketing prep work in advance of those launches, again across several of the businesses.

Jeff Johnson - *Robert W. Baird - Analyst*

Okay, fair enough. And obviously US organic growth here has been kind of bouncing around at the flatish range plus or minus a point. If we kind of stay in that range over the next few quarters from a market perspective, you feel like as we get into Chicago mid-winter in February and beyond that those new products would have enough of an ability to drive a bit of an improvement even if market stays deadly flat here?

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Well, there is a number of assumptions in that question. I think the way I would characterize it is we believe that these new product introductions have the potential to have a positive effect on our performance versus market. Where market will end up, of course, is anyone's guess at this points. Until we see a couple of months or a quarter or two of job growth in the US, I don't expect the US dental market to get robust. But irrespective of that, I think these new product launches can help us in our own results remain ahead of market in the US.

Jeff Johnson - *Robert W. Baird - Analyst*

Okay. And two last questions if I could. US organic growth, again, we kind of swing from a minus 2.5% comp in Q3 last year to a plus 3% in Q4 and you're making some comments about the buy-ins maybe being a little bit bigger this year. So I think it wouldn't be surprising to see the organic growth number soften in the US next quarter a little bit sequentially. But the offset to that is that 3% comp in Q4 '09 is really a vestige of the prior year's issues and the sequential trend in Q4, 2010 doesn't make me feel like US organic growth is going to fall off significantly in Q4. Am I off on that, just when I look at kind of absolute revenue numbers and sequential trends?

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Well, what I would say is the comment we made about small equipment depressing the US growth rate in the third quarter.

Jeff Johnson - *Robert W. Baird - Analyst*

Yes.

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Is a meaningful comment because we were doing heavy end user promotions with small equipment, particularly one or two lines last year in the late in the second quarter and throughout the third quarter, and that is what caused the US rate to be what it was. Absent that, which is not a huge part of our business, we would have had low-single digit growth in the US in our consumable category. So I wouldn't read too much into what is going to happen in the fourth quarter from the third quarter's US growth number, because it is artificially depressed because of the prior year base in the small equipment.

Jeff Johnson - *Robert W. Baird - Analyst*

Yes, got it. Okay. And then, Bill, last question for you, if I could, just on foreign currency. As we get into 2011 currency could have a little bit of a benefit, maybe to you, but I'm thinking more on product demand. I know a lot of your European countries that you sell into some distributors maybe have been out of the market for DENTSPLY product over the last six to 12 months or maybe even a little longer given some dollar strength. With the dollar weakness here do you feel like there is any opportunity at all for those distributors to come back and start purchasing some more product just given a more favorable purchase price on their end?

Bill Jellison - *DENTSPLY International Inc. - SVP & CFO*

No, I mean we think that those dealers have been buying in. Obviously, we have had some solid growth throughout the European area this entire year, as well as some of the rest of the world areas. So from that perspective, while I think maybe you're getting around a question of that we produce in different parts of Europe, including in Switzerland and Swiss is one of our key currencies for us, as we ship products outside of Switzerland and sell into Euros, that obviously has some margin pressure for us. But as far as product demand side goes it's been actually very strong for those products that are coming out of that region.

Jeff Johnson - *Robert W. Baird - Analyst*

Okay, fair enough. But FX as a whole, and again not trying to get into 2011 too much, but FX as a whole, at least at this point, should be a bit of a tailwind for you if it holds at current levels for next year?

Bill Jellison - *DENTSPLY International Inc. - SVP & CFO*

It is actually relatively flat. There are different currencies that are in different directions on that, Jeff. It really depends on where the Swiss goes and where the Japanese yen goes. The Euro has been strengthening up a little bit recently, although I think in the last couple of days it drifted back down some what. But I would say that we aren't expecting too much of an incremental impact on that, with the exception of some of the margin rate impacts on Swiss-related currencies, if that stays strong.

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

And this is Bret. I would add that just on a pure translation basis, we would think at least in the early part of next year it won't be, it won't have a drag. It won't have the drag that it had on us this year.

Jeff Johnson - *Robert W. Baird - Analyst*

Right.

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

It may be neutral, which would be better than the drag.

Jeff Johnson - *Robert W. Baird - Analyst*

Yes. The welcome change, I guess, than what you have been facing.

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Yes.

Jeff Johnson - *Robert W. Baird - Analyst*

Got it, thanks guys.

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Okay.

Operator

We'll take our next question from Scott Green from BofA Merrill Lynch.

Scott Green - *BofA Merrill Lynch - Analyst*

Hi, thanks for the question. A couple here. Bill, I was hoping you could help us put this higher-level of SG&A spending in the back half of the year into perspective. I would think that marketing new products is kind of a recurring expense and so with SG&A ticking a little bit higher, is that going to continue to be the case until we see sort of a sales acceleration that allows you to leverage fixed costs better or is there opportunities into next year that will allow SG&A to tick lower as a percentage of sales?

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Good morning, Scott. This is Bret, I'll try to address most of that. The circumstances we're going to face in the fourth quarter on SG&A is that we're accelerating spending ahead of these product launches. We have got clinical trials we have to do, markings, many of the things that Chris described earlier, which is going to cause fourth quarter spending to be a little bit higher than it would have otherwise been. At the same time if you go back and look at the SG&A trends in last year, you will see that SG&A

was extraordinarily low in the fourth quarter, particularly as a percent of sales. So we're in that position just for this one quarter, where we're going to have higher spending this year going up against a very low base last year. And we have been kind of telegraphing that all year, without these most recent additions to expense that we're going to put forth so we can launch these products. I don't think you should assume that this is the norm. When we get into next year's guidance, which we'll do on our early February call, we'll give you more insights into where we think spending will be in 2011, but I don't think you should translate this into a new trend.

Scott Green - *BofA Merrill Lynch - Analyst*

Okay. That's helpful.

Bill Jellison - *DENTSPLY International Inc. - SVP & CFO*

I think, Scott, you should look at your trends kind of based off of kind of how SG&A is currently running. I think what, where you'll see the blip from the fourth quarter is that the fourth quarter of last year was our absolutely lowest SG&A-related rate as a percent of sales. So as you move forward, as well, into 2011 you shouldn't see that same kind of level of drag.

Scott Green - *BofA Merrill Lynch - Analyst*

Okay. And then when I look back historically in terms of contribution from acquisitions to the top-line, it's, well, on average, it is generally been maybe a couple hundred basis points if I look back on average over the past decade or so. Did I interpret your commentary right, that it seems like you're getting a little more active on M&A or the pipeline is picking up here and do you think we're kind of trending back towards that level versus it's been less than 100 basis points top-line contribution for a while now?

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Scott, this is Bret again. I think in 2009 it was 450 basis points growth from acquisition. And then in the depth of the recession we didn't transact many, in fact I don't think we transacted any deals in 2009. So that, what you're seeing now is the consequence of that drought that we had for that one year. Your other comments about us hoping that we can transact more is true. We're very active in looking at transactions and we hate to predict what it will be in the short-term, because transaction risk is always very high. But when you look at our balance sheet with over $500 million in cash, a very strong balance sheet, good cash flow, our target is to redeploy that in growing the Company through acquisitions and our target is around 4% growth per year on average from acquisitions. So this year is a little bit lower than normal and last year at 4.5% was kind of normal or maybe just a little bit above normal.

Scott Green - *BofA Merrill Lynch - Analyst*

Okay. Thanks. And one last one. Could you -- I know previous, on previous calls you've indicated that the tax rate might move higher in out years, so after this year now, I guess, and I was hoping you could update us on your outlook for the tax rate as you see it today.

Bill Jellison - *DENTSPLY International Inc. - SVP & CFO*

Well, obviously you know that there has been a lot of discussions, not just in the US, but around the world as far as looking for ways to bring in revenue to different governments. At this point in time we obviously don't know what's going to be changing on the US front that's going to be, I think, a major driver. We hope that some of those things don't go into place, but at this point in time it's still a little bit too early to tell what kind of changes are going to take place there. As we know more facts associated with what different government bodies are doing from a tax positioning perspective, that will get us into more reviews associated with how to make sure that we're doing kind of the best tax planning that we can around those areas.

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

The only thing I think I would add to that is when we kind of look around the world at how economies are performing. Germany cut their rate a year or maybe it was two years ago and now coming out of the recession they have a very low unemployment rate and the economy is very strong. And in the US, of course, our government is talking about raising rates, particularly on foreign earnings, and thus we don't see that much growth here. So that's not a political statement or a prediction of what's going to happen to tax rates, but I think there is a lot of uncertainty as to what is going to happen, particularly with the US rates going into next year or the next two years.

Scott Green - *BofA Merrill Lynch - Analyst*

Okay, makes sense. Thank you.

Operator

It appears there are no further questions in queue. At this time I would like to turn the conference back over to our presenters for any additional or closing remarks.

Bret Wise - *DENTSPLY International Inc. - Chairman & CEO*

Okay. Thank you for joining us this morning. I think we're pleased with how we have been performing year-to-date. We think we've got some good prospects going into next year, particularly on these new product launches and, again, we remain active in trying to find transactions to grow the Company through acquisitions. And we look forward to updating you on our progress as we move through the fourth quarter here and into early 2011. Thank you.

Operator

That does conclude today's conference. Thank you for your participation.
