

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

FORM 10-Q

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

For the quarterly period ended June 30, 2010

OR

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

For the transition period from _____ to _____

Commission File Number 0-16211

DENTSPLY International Inc.

(Exact name of registrant as specified in its charter)

Delaware
(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)

(717) 845-7511

(Registrant's telephone number, including area code)

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

Yes No

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

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At July 26, 2010, DENTSPLY International Inc. had 142,821,937 shares of Common Stock outstanding, with a par value of \$.01 per share.

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PART I – FINANCIAL INFORMATION

Item 1 – Financial Statements

**DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS**

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Net sales	\$ 565,086	\$ 552,832	\$ 1,111,030	\$ 1,059,781
Cost of products sold	277,491	267,164	541,397	508,381
Gross profit	287,595	285,668	569,633	551,400
Selling, general and administrative expenses	182,383	183,817	370,417	361,804
Restructuring and other costs	243	3,125	4,923	4,695
Operating income	104,969	98,726	194,293	184,901
Other income and expenses:				
Interest expense	6,686	5,268	12,406	11,421
Interest income	(827)	(1,512)	(1,614)	(3,468)
Other expense (income), net	722	(50)	1,667	868
Income before income taxes	98,388	95,020	181,834	176,080
Provision for income taxes	25,042	24,440	46,297	45,571
Net income	73,346	70,580	135,537	130,509
Less: Net income (loss) attributable to the noncontrolling interests	960	381	1,308	(1,433)
Net income attributable to DENTSPLY International	\$ 72,386	\$ 70,199	\$ 134,229	\$ 131,942
Earnings per common share:				
Basic	\$ 0.50	\$ 0.47	\$ 0.92	\$ 0.89
Diluted	\$ 0.49	\$ 0.47	\$ 0.91	\$ 0.88
Cash dividends declared per common share	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10
Weighted average common shares outstanding:				
Basic	144,779	148,577	145,772	148,546
Diluted	146,939	150,057	148,048	149,822

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands)
(unaudited)

	June 30, 2010	December 31, 2009
Assets		
Current Assets:		
Cash and cash equivalents	\$ 340,347	\$ 450,348
Accounts and notes receivables-trade, net	351,304	348,684
Inventories, net	284,394	291,640
Prepaid expenses and other current assets	113,197	127,124
Total Current Assets	1,089,242	1,217,796
Property, plant and equipment, net	399,077	439,619
Identifiable intangible assets, net	76,998	89,086
Goodwill, net	1,208,765	1,312,596
Other noncurrent assets, net	23,185	28,835
Total Assets	\$ 2,797,267	\$ 3,087,932
Liabilities and Equity		
Current Liabilities:		
Accounts payable	\$ 106,864	\$ 100,847
Accrued liabilities	192,203	249,169
Income taxes payable	11,380	12,366
Notes payable and current portion of long-term debt	11,927	82,174
Total Current Liabilities	322,374	444,556
Long-term debt	462,976	387,151
Deferred income taxes	73,779	72,524
Other noncurrent liabilities	196,728	276,743
Total Liabilities	1,055,857	1,180,974
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 June 30, 2010 and December 31, 2009	1,628	1,628
Capital in excess of par value	198,237	195,495
Retained earnings	2,202,130	2,083,459
Accumulated other comprehensive (loss) income	(55,678)	83,542
Treasury stock, at cost, 19.6 million shares at June 30, 2010 and 15.8 million shares at December 31, 2009	(670,603)	(532,019)
Total DENTSPLY International Equity	1,675,714	1,832,105
Noncontrolling interests	65,696	74,853
Total Equity	1,741,410	1,906,958
Total Liabilities and Equity	\$ 2,797,267	\$ 3,087,932

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(unaudited)

	Six Months Ended June 30,	
	2010	2009
Cash flows from operating activities:		
Net income	\$ 135,537	\$ 130,509
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	29,438	26,373
Amortization	4,771	6,574
Deferred income taxes	(57)	4,379
Share-based compensation expense	10,238	9,723
Restructuring and other costs - noncash	363	328
Excess tax benefits from share-based compensation	(4,666)	(2,003)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable-trade, net	(28,487)	(34,458)
Inventories, net	(9,111)	2,291
Prepaid expenses and other current assets	(16,549)	4,124
Accounts payable	12,603	(11,257)
Accrued liabilities	4,183	(10,261)
Income taxes payable	4,913	(9,878)
Other, net	7,292	(1,085)
Net cash provided by operating activities	<u>150,468</u>	<u>115,359</u>
Cash flows from investing activities:		
Capital expenditures	(18,897)	(24,957)
Cash paid for acquisitions of businesses, net of cash acquired	(8,309)	(2,986)
Liquidation of short-term investments	-	214
Expenditures for identifiable intangible assets	(255)	(1,258)
Proceeds from sale of property, plant and equipment, net	279	998
Net cash used in investing activities	<u>(27,182)</u>	<u>(27,989)</u>
Cash flows from financing activities:		
Net change in short-term borrowings	(5,237)	36,342
Cash paid for treasury stock	(176,630)	(9,778)
Cash dividends paid	(15,741)	(14,919)
Proceeds from long-term borrowings	250,000	-
Payments on long-term borrowings	(240,108)	(55,140)
Proceeds from exercise of stock options	25,845	5,850
Excess tax benefits from share-based compensation	4,666	2,003
Net cash used in financing activities	<u>(157,205)</u>	<u>(35,642)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(76,082)</u>	<u>(3,848)</u>
Net (decrease) increase in cash and cash equivalents	(110,001)	47,880
Cash and cash equivalents at beginning of period	<u>450,348</u>	<u>203,991</u>
Cash and cash equivalents at end of period	<u>\$ 340,347</u>	<u>\$ 251,871</u>

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
Consolidated Statement of Changes in Equity

(In thousands)

(unaudited)

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income	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	-	-	131,942	-	-	131,942	(1,433)	130,509
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustments	-	-	-	9,907	-	9,907	1,245	11,152
Net gain on derivative financial instruments	-	-	-	7,631	-	7,631	-	7,631
Unrecognized losses and prior service pension cost, net	-	-	-	1,127	-	1,127	1	1,128
Comprehensive Income						150,607	(187)	150,420
Exercise of stock options	-	(6,386)	-	-	12,236	5,850	-	5,850
Tax benefit from stock options exercised	-	2,003	-	-	-	2,003	-	2,003
Share based compensation expense	-	9,723	-	-	-	9,723	-	9,723
Funding of Employee Stock Option Plan	-	(61)	-	-	1,407	1,346	-	1,346
Treasury shares purchased	-	-	-	-	(9,778)	(9,778)	-	(9,778)
RSU dividends	-	68	(68)	-	-	-	-	-
Cash dividends (\$0.10 per share)	-	-	(14,855)	-	-	(14,855)	-	(14,855)
Balance at June 30, 2009	\$ 1,628	\$ 192,501	\$ 1,955,977	\$ 58,277	\$ (475,765)	\$ 1,732,618	\$ 71,504	\$ 1,804,122

	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, 2009	\$ 1,628	\$ 195,495	\$ 2,083,459	\$ 83,542	\$ (532,019)	\$ 1,832,105	\$ 74,853	\$ 1,906,958
Comprehensive Income:								
Net income	-	-	134,229	-	-	134,229	1,308	135,537
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustments	-	-	-	(204,568)	-	(204,568)	(10,465)	(215,033)
Net gain on derivative financial instruments	-	-	-	63,672	-	63,672	-	63,672
Unrecognized losses and prior service pension cost, net	-	-	-	1,676	-	1,676	-	1,676
Comprehensive Income						(4,991)	(9,157)	(14,148)
Exercise of stock options	-	(8,213)	-	-	34,058	25,845	-	25,845
Tax benefit from stock options exercised	-	4,666	-	-	-	4,666	-	4,666
Share based compensation expense	-	10,238	-	-	-	10,238	-	10,238
Funding of Employee Stock Option Plan	-	207	-	-	1,132	1,339	-	1,339
Treasury shares purchased	-	-	-	-	(176,630)	(176,630)	-	(176,630)
RSU distributions	-	(4,234)	-	-	2,856	(1,378)	-	(1,378)
RSU dividends	-	78	(78)	-	-	-	-	-
Cash dividends (\$0.10 per share)	-	-	(15,480)	-	-	(15,480)	-	(15,480)
Balance at June 30, 2010	\$ 1,628	\$ 198,237	\$ 2,202,130	\$ (55,678)	\$ (670,603)	\$ 1,675,714	\$ 65,696	\$ 1,741,410

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and the rules of the Securities and Exchange Commission (“SEC”). The year-end consolidating balance sheet data was derived from audited financial statements, but does not include all disclosures required by US GAAP. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement of the results for interim periods have been included. Results for interim periods should not be considered indicative of results for a full year. These financial statements and related notes contain the accounts of DENTSPLY International Inc. and Subsidiaries (DENTSPLY or the “Company”) on a consolidated basis and should be read in conjunction with the consolidated financial statements and notes included in the Company’s most recent Form 10-K for the year ended December 31, 2009.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company, as applied in the interim consolidated financial statements presented herein are substantially the same as presented in the Company’s Form 10-K for the year ended December 31, 2009, except as may be indicated below:

Accounts and Notes Receivable-Trade

Accounts and notes receivables – trade, net are stated net of allowances for doubtful accounts and trade discounts, which were \$10.3 million and \$13.3 million at June 30, 2010 and December 31, 2009, respectively.

Variable Interest Entities

In June 2009, the Financial Accounting Standards Board (“FASB”) issued accounting guidance for variable interest entities (“VIE”). The new 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 adopted this guidance on January 1, 2010, and the adoption did not have a material impact on the Company’s financial position and results of operations.

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.

Revisions in Classification

Certain revisions in classification have been made to prior years’ data in order to conform to current year presentation.

NOTE 2 – STOCK COMPENSATION

The Company maintains the 2010 Equity Incentive Plan (the “Plan”) under which it may grant non-qualified stock options, 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.

Stock options generally expire ten years after the date of grant under these plans and grants become exercisable, subject to a service condition, 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. It is the Company's practice to issue shares from treasury stock when options are exercised.

At the date of grant, the Company uses the Black-Scholes option-pricing model to estimate the fair value of the non-qualified stock options. The assumptions used to calculate the fair value of the awards granted are evaluated and revised, as necessary, to reflect market conditions and the Company's experience.

The following table represents total stock based compensation expense and the tax related benefit for the three and six months ended June 30, 2010 and 2009:

(in millions)	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
Stock option expense	\$ 2.9	\$ 3.0	\$ 5.8	\$ 5.9
RSU expense	1.8	1.7	3.8	3.2
Total stock based compensation expense	<u>\$ 4.7</u>	<u>\$ 4.7</u>	<u>\$ 9.6</u>	<u>\$ 9.1</u>
Total related tax benefit	\$ 1.5	\$ 1.5	\$ 2.9	\$ 2.6

The remaining unamortized compensation cost related to non-qualified stock options is \$13.6 million, which will be expensed over the weighted average remaining vesting period of the options, or 1.6 years. The unamortized compensation cost related to RSU is \$10.2 million, which will be expensed over the remaining restricted period of the RSU, or 1.7 years.

The following table reflects the non-qualified stock option transactions from December 31, 2009 through June 30, 2010:

(in thousands, except per share data)	Outstanding			Exercisable		
	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
December 31, 2009	12,038	\$ 28.34	\$ 94,148	8,682	\$ 26.78	\$ 80,839
Granted	120	35.59				
Exercised	(1,135)	22.77				
Forfeited	(64)	34.28				
June 30, 2010	<u>10,959</u>	\$ 28.96	\$ 37,622	7,652	\$ 27.43	\$ 33,196

The weighted average remaining contractual term of all outstanding options is 6.3 years and the weighted average remaining contractual term of exercisable options is 5.0 years.

The following table summarizes the unvested restricted stock units and RSU dividend transactions from December 31, 2009 through June 30, 2010:

(in thousands, except per share data)	Unvested Restricted Stock and Stock Dividend Units	
	Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2009	662	\$ 31.94
Granted	250	32.93
Vested	(200)	31.27
Forfeited	(6)	32.59
Unvested at June 30, 2010	<u>706</u>	\$ 32.48

NOTE 3 – COMPREHENSIVE INCOME

The changes to balances included in accumulated other comprehensive income (“AOCI”), net of tax, in the consolidated balance sheets for the three and six months ended June 30, 2010 and 2009 are as follows:

(in thousands)	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
Net income	\$ 73,346	\$ 70,580	\$ 135,537	\$ 130,509
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(137,840)	91,338	(215,033)	11,152
Net gain (loss) on derivative financial instruments	39,948	(34,840)	63,672	7,631
Amortization of unrecognized losses and prior year service pension cost	913	(851)	1,676	1,128
Total other comprehensive (loss) income	<u>(96,979)</u>	<u>55,647</u>	<u>(149,685)</u>	<u>19,911</u>
Total comprehensive (loss) income	(23,633)	126,227	(14,148)	150,420
Comprehensive (loss) income attributable to the noncontrolling interests	<u>(5,734)</u>	<u>6,053</u>	<u>(9,157)</u>	<u>(187)</u>
Comprehensive (loss) income attributable to DENTSPLY International	<u>\$ (17,899)</u>	<u>\$ 120,174</u>	<u>\$ (4,991)</u>	<u>\$ 150,607</u>

During the quarter ended June 30, 2010, foreign currency translation adjustments included currency translation losses of \$134.2 million and losses of \$3.6 million on the Company’s loans designated as hedges of net investments. During the quarter ended June 30, 2009, foreign currency translation adjustments included currency translation gains of \$95.6 million and losses of \$4.3 million on the Company’s loans designated as hedges of net investments. During the six months ended June 30, 2010, foreign currency translation adjustments included currency translation losses of \$212.3 million and losses of \$2.7 million on the Company’s loans designated as hedges of net investments. During the six months ended June 30, 2009, foreign currency translation adjustments included currency translation gains of \$5.8 million and gains of \$5.4 million on the Company’s loans designated as hedges of net investments. These foreign currency translation adjustments were offset by net gains on derivative financial instruments, which are discussed in Note 10, Financial Instruments and Derivatives.

The balances included in AOCI, net of tax, in the consolidated balance sheets are as follows:

(in thousands)	June 30, 2010	December 31, 2009
Foreign currency translation adjustments	\$ 15,548	\$ 220,116
Net loss on derivative financial instruments	(50,128)	(113,800)
Unrecognized losses and prior year service pension cost	(21,098)	(22,774)
	<u>\$ (55,678)</u>	<u>\$ 83,542</u>

The cumulative foreign currency translation adjustments included translation gains of \$125.9 million and \$327.8 million as of June 30, 2010 and December 31, 2009, respectively, partially offset by losses of \$110.4 million and \$107.7 million, respectively, on loans designated as hedges of net investments. These foreign currency translation adjustments were offset by net losses on derivatives financial instruments, which are discussed in Note 10, Financial Instruments and Derivatives.

NOTE 4 - EARNINGS PER COMMON SHARE

The dilutive effect of outstanding options and restricted stock is reflected in diluted earnings per share by application of the treasury stock method. The following table sets forth the computation of basic and diluted earnings per common share for the three and six months ended June 30, 2010 and 2009:

	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
Basic Earnings Per Common Share Computation (in thousands, except per share amounts)				
Net income attributable to DENTSPLY International	\$ 72,386	\$ 70,199	\$ 134,229	\$ 131,942
Common shares outstanding	144,779	148,577	145,772	148,546
Earnings per common share - basic	<u>\$ 0.50</u>	<u>\$ 0.47</u>	<u>\$ 0.92</u>	<u>\$ 0.89</u>
Diluted Earnings Per Common Share Computation (in thousands, except per share amounts)				
Net income attributable to DENTSPLY International	\$ 72,386	\$ 70,199	\$ 134,229	\$ 131,942
Common shares outstanding	144,779	148,577	145,772	148,546
Incremental shares from assumed exercise of dilutive options	2,160	1,480	2,276	1,276
Total shares	<u>146,939</u>	<u>150,057</u>	<u>148,048</u>	<u>149,822</u>
Earnings per common share - diluted	<u>\$ 0.49</u>	<u>\$ 0.47</u>	<u>\$ 0.91</u>	<u>\$ 0.88</u>

Options to purchase 3.1 million and 3.2 million shares of common stock that were outstanding during the three and six months ended June 30, 2010, respectively, were not included in the computation of diluted earnings per share since the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive. There were 4.6 million and 7.8 million antidilutive shares of common stock outstanding during the three and six months ended June 30, 2009, respectively.

NOTE 5 - BUSINESS ACQUISITIONS

The acquisition related activity for the six months ended June 30, 2010 of \$8.3 million, net of cash acquired, was related to two acquisitions in 2010 and two earn-out payments on acquisitions from 2008 and 2005. The purchase agreement for one acquisition provides for an additional payment to be made based upon the operating performance of the business; however, the Company does not expect the additional payment to be material to the financial statements. The results of operations for the two businesses have been included in the accompanying financial statements since the effective date of the respective transaction. The purchase prices have been allocated on the basis of preliminary estimates of the fair values of assets acquired and liabilities assumed. As of June 30, 2010, the Company has recorded a total of \$4.4 million in goodwill related to the unallocated portions of the respective purchase prices, and all of this goodwill is associated with the Canada/Latin America/Endodontics/Orthodontics segment.

As discussed in Note 1, Significant Accounting Policies, the Company adopted the accounting guidance for VIE. The adoption has not changed the Company's prior conclusion that all current VIE should be consolidated. Under the new accounting guidance for VIE, the Company believes it is the primary beneficiary for all the VIE since the Company directs the activities that most significantly impacts the economic performance of the VIE and has the obligation to absorb losses and the right to receive benefits that could potentially be significant to the VIE. The consolidation of the VIE net assets is immaterial to the Company's financial position with most of the net assets recorded in goodwill and identifiable intangible assets.

NOTE 6 - SEGMENT INFORMATION

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 97% of sales for the periods ended June 30, 2010 and 2009.

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 groups are consistent with those described in the Company's most recently filed Form10-K in the summary of significant accounting policies. The Company measures segment income for reporting purposes as operating income before restructuring and other costs, interest expense, interest income, other income and expenses and income taxes.

United States, Germany and Certain Other European Regions Consumable Businesses

This business group includes responsibility for the design, manufacturing, sales and distribution for 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 for 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

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 for 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 for implant and bone substitute/grafting materials and the sales and distribution of implants in Brazil. This business group is also responsible for the manufacture and sale of certain products in the Company's non-dental business.

Dental Laboratory Business/Implants/Non-Dental

This business group includes the responsibility for the design, manufacture, sales and distribution for 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; Asia; 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 and general and administrative costs.

Generally, the Company evaluates performance of the operating groups based on the groups' operating income, excluding restructuring and other costs, and net third party sales, excluding precious metal content.

The following tables set forth information about the Company's operating groups for the three and six months ended June 30, 2010 and 2009:

Third Party Net Sales

(in thousands)	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 137,245	\$ 139,600	\$ 272,219	\$ 264,512
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	121,601	118,860	231,886	223,988
Canada/Latin America/Endodontics/Orthodontics	170,715	157,306	327,335	301,986
Dental Laboratory Business/Implants/Non-Dental	136,265	137,833	281,375	270,851
All Other (a)	(740)	(767)	(1,785)	(1,556)
Total	<u>\$ 565,086</u>	<u>\$ 552,832</u>	<u>\$ 1,111,030</u>	<u>\$ 1,059,781</u>

Third Party Net Sales, Excluding Precious Metal Content

(in thousands)	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 137,245	\$ 139,600	\$ 272,219	\$ 264,512
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	112,509	109,690	214,718	207,090
Canada/Latin America/Endodontics/Orthodontics	170,011	156,558	326,041	300,596
Dental Laboratory Business/Implants/Non-Dental	100,255	106,446	205,573	206,534
All Other (a)	(740)	(767)	(1,785)	(1,556)
Total excluding precious metal content	<u>519,280</u>	<u>511,527</u>	<u>1,016,766</u>	<u>977,176</u>
Precious metal content	45,806	41,305	94,264	82,605
Total including precious metal content	<u>\$ 565,086</u>	<u>\$ 552,832</u>	<u>\$ 1,111,030</u>	<u>\$ 1,059,781</u>

(a) Includes amounts recorded at Corporate headquarters.

Inter-segment Net Sales

(in thousands)	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 30,846	\$ 23,649	\$ 57,063	\$ 46,729
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	5,037	3,063	8,656	6,447
Canada/Latin America/Endodontics/Orthodontics	29,357	24,219	54,677	52,817
Dental Laboratory Business/Implants/Non-Dental	30,915	28,193	57,595	55,149
All Other (a)	45,081	43,021	89,084	81,347
Eliminations	(141,236)	(122,145)	(267,075)	(242,489)
Total	\$ -	\$ -	\$ -	\$ -

Segment Operating Income

(in thousands)	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 49,654	\$ 42,824	\$ 94,515	\$ 76,746
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	5,536	4,624	5,407	7,525
Canada/Latin America/Endodontics/Orthodontics	49,141	45,468	97,163	95,525
Dental Laboratory Business/Implants/Non-Dental	22,495	23,934	44,957	46,190
All Other (b)	(21,614)	(14,999)	(42,826)	(36,390)
Segment operating income	105,212	101,851	199,216	189,596
Reconciling Items:				
Restructuring and other costs	(243)	(3,125)	(4,923)	(4,695)
Interest expense	(6,686)	(5,268)	(12,406)	(11,421)
Interest income	827	1,512	1,614	3,468
Other expense (income), net	(722)	50	(1,667)	(868)
Income before income taxes	\$ 98,388	\$ 95,020	\$ 181,834	\$ 176,080

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

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

Assets

(in thousands)	June 30, 2010	December 31, 2009
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 565,160	\$ 602,272
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	369,423	388,831
Canada/Latin America/Endodontics/Orthodontics	833,268	809,924
Dental Laboratory Business/Implants/Non-Dental	853,237	973,764
All Other (a)	176,179	313,141
Total	<u>\$ 2,797,267</u>	<u>\$ 3,087,932</u>

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

NOTE 7 - INVENTORIES

Inventories are stated at the lower of cost or market. At June 30, 2010 and December 31, 2009, the cost of \$8.1 million, or 2.9%, and \$7.8 million, or 2.7%, 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 in order to present the net realizable value. The inventory valuation reserves were \$31.7 million and \$31.9 million as of June 30, 2010 and December 31, 2009, respectively.

If the FIFO method had been used to determine the cost of LIFO inventories, the amounts at which net inventories are stated would be higher than reported at June 30, 2010 and December 31, 2009 by \$4.2 million and \$4.0 million, respectively.

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

(in thousands)	June 30, 2010	December 31, 2009
Finished goods	\$ 171,770	\$ 178,721
Work-in-process	51,389	53,056
Raw materials and supplies	61,235	59,863
	<u>\$ 284,394</u>	<u>\$ 291,640</u>

NOTE 8 - BENEFIT PLANS

The following sets forth the components of net periodic benefit cost of the Company's benefit plans and for the Company's other postretirement employee benefit plans for the three and six months ended June 30, 2010 and 2009, respectively:

Defined Benefit Plans (in thousands)	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
Service cost	\$ 1,918	\$ 2,061	\$ 3,933	\$ 4,067
Interest cost	2,014	1,979	4,157	3,898
Expected return on plan assets	(1,116)	(981)	(2,268)	(1,939)
Amortization of transition obligation	28	59	59	116
Amortization of prior service cost	24	35	44	69
Amortization of net loss	234	415	475	818
Net periodic benefit cost	\$ 3,102	\$ 3,568	\$ 6,400	\$ 7,029

Other Postretirement Plans (in thousands)	Three Months Ended		Six Months Ended	
	2010	2009	2010	2009
Service cost	\$ 14	\$ 14	\$ 29	\$ 27
Interest cost	153	155	306	311
Amortization of net loss	69	51	137	101
Net periodic benefit cost	\$ 236	\$ 220	\$ 472	\$ 439

The following sets forth the information related to the funding of the Company's benefit plans for 2010:

(in thousands)	Pension	Other
	Benefits	Postretirement Benefits
Actual at June 30, 2010	\$ 3,751	\$ (7)
Projected for the remainder of the year	4,921	1,114
Total for year	\$ 8,672	\$ 1,107

NOTE 9 – RESTRUCTURING AND OTHER COSTS**Restructuring Costs**

During the three and six months ended June 30, 2010, the Company recorded restructuring costs of \$0.2 million and \$1.0 million, respectively. During the three and six months ended June 30, 2009, the Company recorded restructuring costs of \$3.1 million and \$4.3 million, respectively. These costs are recorded in "Restructuring and other costs" in the consolidated statements of operations and the associated liabilities are recorded in accrued liabilities in the consolidated balance sheets. These costs primarily consist of employee severance costs.

During 2010 and 2009, the Company initiated several restructuring plans primarily related to the integration, reorganization and closure or consolidation of certain production and selling facilities in order to better leverage the Company's resources by minimizing costs and obtaining operational efficiencies.

As of June 30, 2010, the Company's restructuring accruals were as follows:

(in thousands)	Severance			
	2008 and Prior Plans	2009 Plans	2010 Plans	Total
Balance at December 31, 2009	\$ 5,301	\$ 3,240	\$ -	\$ 8,541
Provisions and adjustments	(128)	-	956	828
Amounts applied	(2,091)	(1,345)	(817)	(4,253)
Balance at June 30, 2010	<u>\$ 3,082</u>	<u>\$ 1,895</u>	<u>\$ 139</u>	<u>\$ 5,116</u>

(in thousands)	Lease/Contract Terminations	
	2008 and Prior Plans	Total
Balance at December 31, 2009	\$ 1,093	\$ 1,093
Provisions and adjustments	-	-
Amounts applied	(32)	(32)
Balance at June 30, 2010	<u>\$ 1,061</u>	<u>\$ 1,061</u>

(in thousands)	Other Restructuring Costs		
	2008 and Prior Plans	2009 Plans	Total
Balance at December 31, 2009	\$ 112	\$ 16	\$ 128
Provisions and adjustments	45	138	183
Amounts applied	(67)	(154)	(221)
Balance at June 30, 2010	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ 90</u>

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

(in thousands)	December 31, 2009	Provisions and Adjustments	Amounts Applied	June 30, 2010
United States, Germany and Certain Other European Regions				
Consumable Businesses	\$ 1,245	\$ 485	\$ (504)	\$ 1,226
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	84	116	(116)	84
Canada/Latin America/Endodontics/Orthodontics	639	-	(639)	-
Dental Laboratory Business/Implants/Non-Dental	7,794	410	(3,247)	4,957
	<u>\$ 9,762</u>	<u>\$ 1,011</u>	<u>\$ (4,506)</u>	<u>\$ 6,267</u>

Other Costs

During the six months ended June 30, 2010 and 2009, the Company recorded other costs of \$3.9 million and \$0.4 million, respectively. Other costs for the six months ended June 30, 2010 and 2009 are primarily related to impairments of long-term assets and several legal matters. These other costs are reflected in "Restructuring and other costs" in the consolidated statements of operations.

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.

Certain of the Company's inventory purchases are denominated in foreign currencies, which expose the Company to market risk associated with foreign currency exchange rate movements. 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 addition, the Company's investments in foreign subsidiaries are denominated in foreign currencies, which create exposures to changes in foreign currency exchange rates. The Company uses debt and derivatives denominated in the applicable foreign currency as a means of hedging a portion of this risk.

With the Company's significant level of variable interest rate long-term debt and net investment hedges, changes in the interest rate environment can have a major impact on the Company's earnings, depending upon its interest rate exposure. As a result, the Company manages its interest rate exposure with the use of interest rate swaps, when appropriate, based upon market conditions.

The manufacturing of some of the Company's products requires the use of commodities, which are subject to market fluctuations. In order to limit the unanticipated impact on earnings from such market fluctuations, the Company selectively enters into commodity swaps for certain materials used in the production of its products. Additionally, the Company uses non-derivative methods, such as the precious metal consignment agreements to effectively hedge commodity risks.

Cash Flow Hedges

The Company uses interest rate swaps to convert a portion of its variable interest rate debt to fixed interest rate debt. As of June 30, 2010, the Company has two groups of significant variable interest rate to fixed 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 1.6% for a term of ten years, ending in September 2012. 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 4.2% for a term of seven years, ending in September 2012. 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 enters into forward exchange contracts to hedge the foreign currency exposure of its anticipated purchases of certain inventory. In addition, exchange contracts are used by certain of the Company's subsidiaries to hedge intercompany inventory purchases, which are denominated in non-local currencies. The forward contracts that are used in these programs typically mature in twelve months or less. For these derivatives which qualify as hedges of future anticipated cash flows, the effective portion of changes in fair value is temporarily deferred in AOCI until the hedged item is recognized in earnings.

The Company selectively enters into commodity swaps to effectively fix certain variable raw material costs. At June 30, 2010, the Company had swaps in place to purchase 135 troy ounces of platinum bullion for use in the production of its impression material products. The average fixed rate of this agreement is \$1,225 per troy ounce. In addition, the Company had swaps in place to purchase 34,419 troy ounces of silver bullion for use in the production of its amalgam products at an average fixed rate of \$16 per troy ounce.

The following tables summarize the fair value of the Company's cash flow hedges at June 30, 2010.

Foreign Exchange Forward Contracts (in thousands)	Notional Amounts			Fair Value Asset (Liability)
	2010	2011	2012	2010
Forward sale, 12.5 million Australian dollars	\$ 6,871	\$ 3,464	\$ 235	\$ 16
Forward purchase, 5.8 million British pounds	(6,279)	(2,464)	-	763
Forward sale, 26.0 million Canadian dollars	12,833	10,540	1,063	750
Forward sale, 5.1 million Danish kroner	837	-	-	1
Forward purchase, 77.4 million euros	(106,668)	11,840	-	1,108
Forward purchase, 24.0 million Japanese yen	3,267	(3,539)	-	88
Forward sale, 102.7 million Mexican pesos	7,986	-	-	72
Forward purchase, 1.0 million Norwegian kroner	(156)	-	-	(2)
Forward sale, 1.0 million Singapore dollars	702	-	-	(52)
Forward sale, 1.3 billion South Korean won	1,025	-	-	(8)
Forward purchase, 40.2 million Swiss francs	(37,296)	-	-	539
Total foreign exchange forward contracts	\$ (116,878)	\$ 19,841	\$ 1,298	\$ 3,275

Interest Rate Swaps (in thousands)	Notional Amount					Fair Value Liability
	2010	2011	2012	2013	2014 and Beyond	2010
Euro	\$ 1,145	\$ 1,158	\$ 1,158	\$ 1,158	\$ 3,762	\$ (768)
Japanese yen	-	-	141,732	-	-	(2,653)
Swiss francs	-	-	60,319	-	-	(3,726)
Total interest rate swaps	\$ 1,145	\$ 1,158	\$ 203,209	\$ 1,158	\$ 3,762	\$ (7,147)

Commodity Contracts (in thousands)	Notional Amount		Fair Value Asset
	2010	2011	2010
Silver swap - U.S. dollar	\$ (539)	\$ (108)	\$ 89
Platinum swap - U.S. dollar	(207)	-	42
Total commodity contracts	\$ (746)	\$ (108)	\$ 131

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 foreign currency exchange rates. Currently, the Company uses 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.

During the first quarter of 2010, the Company entered into new cross currency basis swaps of Swiss francs 100.0 million and Swiss francs 55.5 million (collectively the "Swiss Swaps"). The Swiss Swaps mature on February 2013, and the Company pays three month Swiss franc LIBOR and receives three month U.S. dollar LIBOR. The new contracts were entered into to replace maturing contracts. The Swiss franc and euro cross currency basis 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.

The fair value of all the cross currency basis swap agreements is the estimated amount the Company would (pay) or receive at the reporting date, taking into account the effective interest rates and foreign exchange rates. As of June 30, 2010 and December 31, 2009, the estimated net fair values of the swap agreements were negative \$61.8 million and negative \$176.6 million, respectively, which were recorded in AOCI, net of tax effects, and as other noncurrent liabilities and other noncurrent assets.

At June 30, 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 accumulated translation impact on investments in foreign subsidiaries, primarily denominated in euros, Swiss francs and Japanese yen, net of these net investment hedges, was a loss of \$33.6 million as of June 30, 2010 and a gain of \$111.1 million as of December 31, 2009, which are included in AOCI, net of tax effects.

The following tables summarize the fair value of the Company's cross currency basis swaps that are designated as hedges of net investments in foreign operations at June 30, 2010.

Cross Currency Basis Swaps (in thousands)	Notional Amount				Fair Value
	2010	2011	2012	2013	Liability 2010
Swiss franc 592.5 million @ \$1.17					
pay CHF three month LIBOR rec. USD three month LIBOR	\$ -	\$ 74,610	\$ 52,524	\$ 422,699	\$ (42,805)
Euros 358.0 million @ \$1.17					
pay EUR three month LIBOR rec. USD three month LIBOR	132,381	-	-	306,438	(18,957)
Total cross currency basis swaps	\$ 132,381	\$ 74,610	\$ 52,524	\$ 729,137	\$ (61,762)

As of June 30, 2010, deferred net losses on derivative instruments of \$0.7 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.

The following tables summarize the fair value and consolidated balance sheet location of the Company's derivatives at June 30, 2010 and December 31, 2009:

(in thousands)	June 30, 2010				
	Designated as Hedges	Prepaid Expenses and Other Current Assets	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts	\$ 2,483	\$ 806	\$ 111	\$ -	
Commodity contracts	131	-	-	-	
Interest rate swaps	-	-	4,977	1,402	
Cross currency basis swaps	-	-	5,680	56,082	
Total	\$ 2,614	\$ 806	\$ 10,768	\$ 57,484	
Not Designated as Hedges					
Foreign exchange forward contracts	\$ 995	\$ -	\$ 898	\$ -	
Interest rate swaps	-	-	113	655	
Total	\$ 995	\$ -	\$ 1,011	\$ 655	

December 31, 2009

(in thousands)	December 31, 2009			
	Prepaid Expenses and Other Current Assets	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Designated as Hedges				
Foreign exchange forward contracts	\$ 598	\$ 5	\$ 1,010	\$ 16
Commodity contracts	293	-	-	-
Interest rate swaps	-	-	6,130	2,775
Cross currency basis swaps	-	-	52,411	124,210
Total	\$ 891	\$ 5	\$ 59,551	\$ 127,001
Not Designated as Hedges				
Foreign exchange forward contracts	\$ 556	\$ -	\$ 409	\$ -
Interest rate swaps	-	-	-	882
Total	\$ 556	\$ -	\$ 409	\$ 882

The following table summarizes the consolidated statement of operations impact of the Company's cash flow hedges for the three and six months ended June 30, 2010 and 2009:

Derivatives in Cash Flow Hedging

(in thousands)	(Loss) Gain in AOCI	Classification of Gains (Losses)	Effective Portion Reclassified from AOCI into Income
Interest rate contracts	\$ (302)	Interest expense	\$ (1,075)
Foreign exchange forward contracts	3,425	Cost of products sold	(48)
Foreign exchange forward contracts	679	SG&A expenses	124
Commodity contracts	48	Cost of products sold	182
Total	\$ 3,850		\$ (817)

Three Months Ended June 30, 2010

Derivatives in Cash Flow Hedging

(in thousands)	Classification of Gains (Losses)	Ineffective Portion Recognized in Income
Interest rate contracts	Other expense, net	\$ (104)
Foreign exchange forward contracts	Interest expense	(195)
Foreign exchange forward contracts	Interest expense	-
Commodity contracts	Interest expense	2
Total		\$ (297)

Three Months Ended June 30, 2009

Derivatives in Cash Flow Hedging

(in thousands)	(Loss) Gain in AOCI	Classification of Gains (Losses)	Effective Portion Reclassified from AOCI into Income
Interest rate contracts	\$ (2,068)	Interest expense	\$ (1,892)
Foreign exchange forward contracts	(468)	Cost of products sold	310
Foreign exchange forward contracts	755	SG&A expenses	115
Commodity contracts	262	Cost of products sold	(375)
Total	<u>\$ (1,519)</u>		<u>\$ (1,842)</u>

Three Months Ended June 30, 2009

Derivatives in Cash Flow Hedging

(in thousands)	Classification of Gains (Losses)	Ineffective portion Recognized in Income
Interest rate contracts	Other expense, net	\$ (87)
Foreign exchange forward contracts	Interest expense	(105)
Foreign exchange forward contracts	Interest expense	(6)
Commodity contracts	Interest expense	(12)
Total		<u>\$ (210)</u>

Six Months Ended June 30, 2010

Derivatives in Cash Flow Hedging

(in thousands)	(Loss) Gain in AOCI	Classification of Gains (Losses)	Effective Portion Reclassified from AOCI into Income
Interest rate contracts	\$ (879)	Interest expense	\$ (3,239)
Foreign exchange forward contracts	2,903	Cost of products sold	25
Foreign exchange forward contracts	697	SG&A expenses	218
Commodity contracts	171	Cost of products sold	440
Total	<u>\$ 2,892</u>		<u>\$ (2,556)</u>

Derivatives in Cash Flow Hedging

(in thousands)	Classification of Gains (Losses)	Ineffective portion Recognized in Income
Interest rate contracts	Other expense, net	\$ 192
Foreign exchange forward contracts	Interest expense	(284)
Foreign exchange forward contracts	Interest expense	(3)
Commodity contracts	Interest expense	(6)
Total		<u>\$ (101)</u>

Six Months Ended June 30, 2009

Derivatives in Cash Flow Hedging

(in thousands)	(Loss) Gain in AOCI	Classification of Gains (Losses)	Effective Portion Reclassified from AOCI into Income
Interest rate contracts	\$ (1,373)	Interest expense	\$ (3,342)
Foreign exchange forward contracts	(258)	Cost of products sold	1,407
Foreign exchange forward contracts	880	SG&A expenses	194
Commodity contracts	1,122	Cost of products sold	(904)
Total	<u>\$ 371</u>		<u>\$ (2,645)</u>

Derivatives in Cash Flow Hedging

(in thousands)	Classification of Gains (Losses)	Ineffective portion Recognized in Income
Interest rate contracts	Other expense, net	\$ (102)
Foreign exchange forward contracts	Interest expense	(181)
Foreign exchange forward contracts	Interest expense	(48)
Commodity contracts	Interest expense	(29)
Total		<u>\$ (360)</u>

The following tables summarize the consolidated statement of operations impact of the Company's hedges of net investment for the three and six months ended June 30, 2010 and 2009:

Three Months Ended June 30, 2010

Derivatives in Net Investment Hedging

(in thousands)	Gain in AOCI	Classification of Gains (Losses)	Gain (Loss) Recognized in Income
Cross currency interest rate swaps	\$ 13,809	Interest income	\$ 173
		Interest expense	(22)
Cross currency interest rate swaps	45,645	Interest expense	(464)
Total	<u>\$ 59,454</u>		<u>\$ (313)</u>

Three Months Ended June 30, 2009

Derivatives in Net Investment Hedging

(in thousands)	Loss in AOCI	Classification of Gains (Losses)	Gain (Loss) Recognized in Income
Cross currency interest rate swaps	\$ (27,869)	Interest income	\$ 634
Cross currency interest rate swaps	(29,301)	Interest expense	(831)
Total	<u>\$ (57,170)</u>		<u>\$ (197)</u>

Six Months Ended June 30, 2010

Derivatives in Net Investment Hedging

(in thousands)	Gain in AOCI	Classification of Gains (Losses)	Gain (Loss) Recognized in Income
Cross currency interest rate swaps	\$ 23,019	Interest income	\$ 220
		Interest expense	(79)
Cross currency interest rate swaps	74,403	Interest expense	(1,121)
Total	<u>\$ 97,422</u>		<u>\$ (980)</u>

Six Months Ended June 30, 2009

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	\$ 12,914	Interest income	\$ 1,213
Cross currency interest rate swaps	(3,529)	Interest expense	(2,443)
Total	<u>\$ 9,385</u>		<u>\$ (1,230)</u>

The following tables summarize the consolidated statement of operations impact of the Company's derivatives not designated as hedges for the three and six months ended June 30, 2010 and 2009:

Derivatives Not Designated as Hedging

(in thousands)	Classification of Gains (Losses)	Three Months Ended June 30, 2010	Six Months Ended June 30, 2010
Foreign exchange forward contracts	Other expense, net	\$ (8,601)	\$ (10,878)
Interest rate contracts	Interest expense	(31)	(179)
Total		<u>\$ (8,632)</u>	<u>\$ (11,057)</u>

Derivatives Not Designated as Hedging

(in thousands)	Classification of Gains (Losses)	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Foreign exchange forward contracts	Other expense, net	\$ 731	\$ (15,913)
Interest rate contracts	Other expense, net	-	(2)
Interest rate contracts	Interest expense	(10)	(266)
Total		<u>\$ 721</u>	<u>\$ (16,181)</u>

Amounts recorded in AOCI, net of tax, related to cash flow hedging instruments for the three and six months ended June 30, 2010 and 2009:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Beginning balance	\$ (4,387)	\$ (6,268)	\$ (4,799)	\$ (7,874)
Changes in fair value of derivatives	2,933	(830)	2,272	354
Reclassifications to earnings from equity	510	1,093	1,583	1,515
Total activity	3,443	263	3,855	1,869
Ending balance	\$ (944)	\$ (6,005)	\$ (944)	\$ (6,005)

Amounts recorded in AOCI, net of tax, related to hedges of net investments in foreign operations for the three and six months ended June 30, 2010 and 2009:

(in thousands, net of tax)	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Beginning balance	\$ 61,006	\$ 42,692	\$ 111,115	\$ 77,585
Foreign currency translation adjustment	(127,527)	89,998	(201,846)	4,512
Changes in fair value of:				
Foreign currency debt	(3,620)	(4,314)	(2,722)	5,414
Derivative hedge instruments	36,505	(35,103)	59,817	5,762
Total activity	(94,642)	50,581	(144,751)	15,688
Ending balance	\$ (33,636)	\$ 93,273	\$ (33,636)	\$ 93,273

NOTE 11 – FAIR VALUE MEASUREMENT

The Company records financial instruments at fair value with unrealized gains and losses related to certain financial instruments reflected in AOCI on the consolidated balance sheets. In addition, the Company recognizes certain liabilities at fair value. The Company 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.

The degree of judgment utilized in measuring the fair value of financial instruments generally correlates to the level of pricing observability. Pricing observability is impacted by a number of factors, including the type of financial instrument. Financial instruments 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 instruments 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 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 as of June 30, 2010 and December 31, 2009, which are classified as "Cash and cash equivalents," "Other noncurrent assets, net," "Accrued liabilities," and "Other noncurrent liabilities" on the consolidated balance sheets. Financial assets and liabilities that are recorded at fair value as of the balance sheet date are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

June 30, 2010

(in thousands)	Total	Level 1	Level 2	Level 3
Assets				
Money market funds	\$ 340,384	\$ 340,384	\$ -	\$ -
Commodity contracts	131	-	131	-
Foreign exchange forward contracts	4,284	-	4,284	-
Total assets	\$ 344,799	\$ 340,384	\$ 4,415	\$ -
Liabilities				
Interest rate swaps	\$ 7,147	\$ -	\$ 7,147	\$ -
Cross currency basis swaps	61,762	-	61,762	-
Foreign exchange forward contracts	1,009	-	1,009	-
Total liabilities	\$ 69,918	\$ -	\$ 69,918	\$ -

December 31, 2009

(in thousands)	Total	Level 1	Level 2	Level 3
Assets				
Money market funds	\$ 450,348	\$ 450,348	\$ -	\$ -
Commodity contracts	293	-	293	-
Foreign exchange forward contracts	1,159	-	1,159	-
Total assets	\$ 451,800	\$ 450,348	\$ 1,452	\$ -
Liabilities				
Interest rate swaps	\$ 9,787	\$ -	\$ 9,787	\$ -
Cross currency basis swaps	176,621	-	176,621	-
Foreign exchange forward contracts	1,435	-	1,435	-
Total liabilities	\$ 187,843	\$ -	\$ 187,843	\$ -

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, interest rate swaps and foreign exchange forward contracts are considered cash flow hedges and cross currency interest rate swaps are considered hedges of net investments in foreign operations as discussed in Note 10, Financial Instruments and Derivatives.

NOTE 12 – UNCERTAINTIES IN INCOME TAXES

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

It is reasonably possible that certain amounts of unrecognized tax benefits will significantly increase or decrease within 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 \$1.0 million. In addition, expiration of statutes of limitation in various jurisdictions during the next twelve months could include unrecognized tax benefits of approximately \$1.0 million.

NOTE 13 - FINANCING ARRANGEMENTS

On February 19, 2010, the Company received the proceeds of a \$250.0 million Private Placement Note at a fixed rate of 4.11% for an average term of five years and a final maturity of six years. On March 1, 2010 the Company entered into a term loan facility with PNC Bank for Swiss francs 65.0 million at a variable rate based upon three month Swiss franc LIBOR, which matures in March 2012. The Company's notes payable and current portion of long-term debt, as classified on the consolidated balance sheets, amounted to \$12.0 million and \$82.2 million at June 30, 2010 and December 31, 2009, respectively.

On May 7, 2010 the Company entered into a \$200.0 million multi-currency revolving credit agreement with eight lenders for a period of three years maturing May 7, 2013. The multi-currency revolving credit agreement replaced the \$500.0 million multi-currency revolving credit agreement which matured May 9, 2010. As a consequence of the smaller multi-currency revolving credit agreement, the Company also reduced its U.S. dollar Commercial Paper facility to \$200.0 million in May, 2010.

The Company estimates the fair value of its total debt as compared to its carrying value as \$482.6 million and \$474.9 million, respectively, as of June 30, 2010. As of December 31, 2009, the fair value approximated the carrying value, which was \$474.9 million. The interest rate on the Company's \$250.0 million Private Placement Note is fixed rate at 4.11%, and the fair value is based on the interest rates as of June 30, 2010. The interest rates on term loan debt and commercial paper are variable and therefore the fair value of these instruments approximates their carrying values.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

On January 5, 1999, the Department of Justice filed a Complaint against the Company in the U.S. District Court in Wilmington, Delaware alleging that the Company's tooth distribution practices violated the antitrust laws and seeking an order for the Company to discontinue its practices. This case has been concluded and the District Court, upon the direction of the Court of Appeals, issued an injunction in May 2006, preventing DENTSPLY from taking action to restrict its tooth dealers in the U.S. from adding new competitive teeth lines.

Subsequent to the filing of the Department of Justice Complaint in 1999, a private party putative class action was filed based on allegations similar to those in the Department of Justice case, on behalf of dental laboratories who purchased Trubyte® teeth or products containing Trubyte® teeth. The District Court granted the Company's Motion on the lack of standing of the laboratory class action to pursue damage claims. The Plaintiffs appealed this decision to the Third Circuit and the Court largely upheld the decision of the District Court in dismissing the Plaintiffs' damages claims against DENTSPLY, with the exception of allowing the Plaintiffs to pursue a damage claim based on a theory of resale price maintenance between the Company and its tooth dealers. The Plaintiffs then filed an amended complaint in the District Court asserting that DENTSPLY and its tooth dealers, and the dealers among themselves, engaged in a conspiracy to violate the antitrust laws. The District Court granted the Motions filed by DENTSPLY and the dealers, to dismiss Plaintiffs' claims, except for the resale price maintenance claims. The Plaintiffs appealed the dismissal of these claims to the Third Circuit and the Third Circuit has affirmed the decision of the District Court. Following the Third Circuit Court's decision, the Plaintiffs have dismissed their complaint with prejudice, bringing to a conclusion all of the private party antitrust cases involving the Company's challenged tooth distribution practice.

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 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 Company filed a Petition for Review of the Court of Appeals decision with the California Supreme Court. The California Supreme Court denied the Company's Petition. This case has been remanded to and is pending in the San Francisco County Court.

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. The plaintiffs have now filed another complaint in which they named the corporate practices of Drs. Hildebrand and Jaffin as class representatives. The Company has moved to dismiss this complaint.

On November 21, 2008, Guidance Endodontics LLC filed a complaint in the U.S. District Court of New Mexico asserting claims against DENTSPLY arising principally out of a breach of a manufacturing and supply contract between the parties. Prior to trial, Guidance had claimed its damages were \$1.2 million. The case went to trial in late September and early October 2009. On October 9, 2009, a jury returned a verdict against DENTSPLY, in the amount of approximately \$4.0 million for past and future compensatory damages and \$40.0 million in punitive damages. In April 2010, the District Court Judge formally entered the verdict that was reached in October 2009. The Company believes that this decision is not supported by the facts in the case or the applicable law and intends to vigorously pursue all available options to challenge it. The Company has filed a number of separate motions to overturn various aspects of the verdict, including the punitive and future damages, or in the alternative to be granted a new trial, because of the inappropriateness of such verdicts. The Court has ruled on one of the Company's post-trial Motions, denying the Company's Motion to set aside the New Mexico Unfair Practices Act verdict. DENTSPLY does not believe the outcome of this matter will have a material adverse effect on its financial position.

As of June 30, 2010, a reasonable estimate of a possible range of loss related to the above litigation cannot be made except as reflected above. DENTSPLY does not believe the outcome of any of these matters will have a material adverse effect on its financial position. 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.

Purchase Commitments

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

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

The nature and geographic scope of the DENTSPLY International Inc. and Subsidiaries ("DENTSPLY" or the "Company") business subjects it to changing economic, competitive, regulatory and technological risks and uncertainties. In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company provides the following cautionary remarks regarding important factors, which, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by the Company are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are identified by the use of such terms as "may," "could," "expect," "intend," "believe," "plan," "estimate," "forecast," "project," "anticipate" or words of similar expression.

Investors are cautioned that forward-looking statements should be read in conjunction with the risk factors and uncertainties discussed within Item 1A, Part I of the Company's Form 10-K for the year ended December 31, 2009. Investors are further cautioned that the risk factors in Item 1A, Part I of the Company's Form 10-K may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty and has no obligation to update forward-looking statements.

OVERVIEW

DENTSPLY believes it is the world's largest designer, developer, manufacturer and marketer of a broad range of products for the dental market. The Company is headquartered in the United States of America ("U.S.") and operates in more than 120 other countries, principally through its foreign subsidiaries. The Company also has strategically located distribution centers throughout the world to enable it to better serve its customers and increase its operating efficiency. While the U.S. and Europe are the Company's largest markets, the Company serves all of the major professional dental markets worldwide.

Principal Products

The Company has three main product categories: 1) Dental Consumable Products; 2) Dental Laboratory Products; and 3) Dental Specialty Products.

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

Dental laboratory products are used in the preparation of dental appliances by dental laboratories. DENTSPLY's products within this category include dental prosthetics, artificial teeth, precious metal dental alloys, dental ceramics, and crown and bridge materials. This category also includes fabricated dental appliances, computer aided design software and centralized manufacturing of frameworks. Equipment in this category includes computer aided machining ceramic systems and porcelain furnaces.

Dental specialty products are specialized treatment products used within the dental office and laboratory settings. DENTSPLY's products within this category include endodontic instruments and materials, implants and related products, bone grafting materials, 3D digital implantology, and orthodontic appliances and accessories.

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 controlling expenses; (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, which is defined as the net sales, for a period of twelve months following the transaction date, of businesses that have been acquired or 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 sustainable rate for the Company. The internal growth rate may vary outside of this range based on weaker or stronger economic conditions. Management expects the Company to operate below this range in the near future due to the current economic conditions; however, history shows that growth in the dental industry typically performs better than the overall economy. There can be no assurance that the Company’s assumptions concerning the growth rates in its markets or the dental market generally 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 its focus on minimizing costs and achieving operational efficiencies. Management continues to evaluate the consolidation of operations or functions to reduce the cost of those operations and functions. 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 this 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.

Although the professional dental market in which the Company operates has experienced consolidation, it is still a fragmented industry. The Company continues to focus on opportunities to expand the Company’s product offerings through acquisitions. Management believes that there will continue to be adequate opportunities to participate as a consolidator in the industry for the foreseeable future.

Impact of Foreign Currencies

Due to the international nature of DENTSPLY’s business, movements in foreign exchange rates may impact the consolidated statements of operations. With over 60% of the Company’s sales located in regions outside the U.S., the Company’s 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 gross profit, certain operating expenses, interest expense, interest income, other expense and other income.

RESULTS OF OPERATIONS, QUARTER ENDED JUNE 30, 2010 COMPARED TO QUARTER ENDED JUNE 30, 2009

Net Sales

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 precious metal content of the Company's sales is largely a pass-through to customers and has minimal effect on earnings, DENTSPLY reports net sales both with and without precious metal content to show the Company's performance independent of precious metal price volatility and to enhance comparability of performance between periods. The Company uses its cost of precious metal purchased as a proxy for the precious metal content of sales, as the precious metal content of sales is not separately tracked and invoiced to customers. The Company believes that it is reasonable to use the cost of precious metal content purchased in this manner since precious metal dental alloy sale prices are typically adjusted when the prices of underlying precious metals change.

The presentation of net sales, excluding precious metal content, is considered a measure not calculated in accordance with the generally accepted accounting principles in the U.S. ("US GAAP"), and is therefore considered a non-US GAAP measure. The Company provides the following reconciliation of net sales to net sales, excluding precious metal content. The Company's definitions and calculations of net sales, excluding precious metal content, and other operating measures derived using net sales, excluding precious metal content, may not necessarily be the same as those used by other companies.

(in millions)	Three Months Ended June 30,		\$ Change	% Change
	2010	2009		
Net sales	\$ 565.1	\$ 552.8	\$ 12.3	2.2%
Less: precious metal content of sales	45.8	41.3	4.5	10.9%
Net sales, excluding precious metal content	<u>\$ 519.3</u>	<u>\$ 511.5</u>	\$ 7.8	1.5%

Net sales, excluding precious metal content, for the three months ended June 30, 2010 was \$519.3 million, an increase of 1.5% over the second quarter of 2009. The change in net sales, excluding precious metal content, was driven by constant currency growth of 2.8%, partially offset by currency translation of 1.3%. The constant currency sales growth included internal growth of 2.5%.

Constant Currency and Internal Sales Growth

United States

Net sales, excluding precious metal content, were flat for the second quarter of 2010 compared to the second quarter of 2009. Flat internal growth was the result of positive growth in dental specialty products, driven primarily by dental implants, and positive growth in the non-dental products, offset by modestly lower sales from the other product categories in this region.

Europe

Net sales, excluding precious metal content, in Europe increased 5.2% in the second quarter of 2010 on a constant currency basis, including 4.4% of internal growth. Internal 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.

All Other Regions

Net sales, excluding precious metal content, in the other regions of the world increased by 3.7% on both a constant currency basis and an internal growth basis. Internal growth was driven by growth across all product categories. These geographic regions were also impacted by lower dealer inventory levels in 2010 compared to the 2009.

Gross Profit

(in millions)	Three Months Ended June 30,			
	2010	2009	\$ Change	% Change
Gross profit	\$ 287.6	\$ 285.7	\$ 1.9	0.7%
Gross profit as a percentage of net sales, including precious metal content	50.9%	51.7%		
Gross profit as a percentage of net sales, excluding precious metal content	55.4%	55.8%		

Gross profit as a percentage of net sales, excluding precious metal content, decreased 0.4 percentage points for the three months ended June 30, 2010 compared to 2009. The decrease was the result of unfavorable product mix partially offset by product pricing. Additionally, the 2009 results included the roll-off of inventory step-up from acquisition-related activities, which negatively impacted the 2009 gross profit as a percentage of net sales, excluding precious metal content.

Operating Expenses

(in millions)	Three Months Ended June 30,			
	2010	2009	\$ Change	% Change
Selling, general and administrative expenses ("SG&A")	\$ 182.4	\$ 183.8	\$ (1.4)	(0.8)%
Restructuring and other costs	\$ 0.2	\$ 3.1	\$ (2.9)	NM
SG&A as a percentage of net sales, including precious metal content	32.3%	33.3%		
SG&A as a percentage of net sales, excluding precious metal content	35.1%	35.9%		

NM – Not meaningful

SG&A Expenses

SG&A expenses as a percentage of net sales, excluding precious metal content, decreased to 35.1% in the second quarter of 2010 from 35.9% in the second quarter of 2009. Expenses continue to be tightly controlled, and the Company benefited from prior year expense reductions on certain discretionary costs and various fixed costs.

Restructuring and Other Costs

During the three months ended June 30, 2010, the Company recorded restructuring and other costs of \$0.2 million. These costs are related to new and ongoing restructuring plans to reduce operational costs through consolidation of facilities and business re-organizations. In 2009, the Company incurred costs of \$3.1 million primarily related to new and ongoing restructuring plans. (See also Note 9, Restructuring and Other Costs, of the Notes to Unaudited Interim Consolidated Financial Statements).

Other Income and Expenses

(in millions)	Three Months Ended June 30,			Change
	2010	2009		
Net interest expense	\$ 5.9	\$ 3.8	\$ 2.1	
Other expense (income), net	0.7	(0.1)	0.8	
Net interest and other expense	\$ 6.6	\$ 3.7	\$ 2.9	

Net Interest Expense

Net interest expense for the three months ended June 30, 2010 increased by \$2.1 million from the three months ended June 30, 2009 as the Company recorded a credit risk adjustment to outstanding derivatives and experienced higher average interest rates and average debt balances as well as significantly lower interest rates earned on investments. Interest expense increased by \$1.4 million due to a credit risk adjustment to outstanding derivatives, higher average interest rates on higher average debt balances and slightly worse negative interest differential on the Company's cross currency swaps. Interest income decreased \$0.7 million as the interest rates on euro investment balances decreased while the average euro investment balance was higher in the current year than the prior year.

Other Expense, Net

Other expense in the 2010 period included approximately \$1.4 million of currency transaction losses and \$0.7 million of other non-operating income. The 2009 period included \$0.2 million of currency transaction gains and \$0.1 million of other non-operating costs.

Income Taxes and Net Income

(in millions, except per share data)	Three Months Ended June 30,		<u>\$ Change</u>	<u>% Change</u>
	2010	2009		
Effective income tax rates	25.5%	25.7%		
Net income attributable to DENTSPLY International	\$ 72.4	\$ 70.2	\$ 2.2	3.1%
Earnings per common share:				
Diluted	\$ 0.49	\$ 0.47		

Income Taxes

The Company's effective income tax rates for the second quarter 2010 and 2009 were 25.5% and 25.7%, respectively. In 2010, the Company's effective income tax rate included the impact of restructuring and other costs, 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 \$1.4 million and \$0.1 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 \$4.3 million and \$1.0 million, respectively.

Net Income attributable to DENTSPLY International

In addition to the results reported in accordance with US GAAP, the Company provided adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted common share. These adjusted amounts consist of US GAAP amounts excluding (1) restructuring and other costs, (2) acquisition related charges, (3) a credit risk adjustment to outstanding derivatives, and (4) income tax related adjustments. Adjusted earnings per diluted common share are 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.

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.

	Three Months Ended June 30, 2010	
	Income (Expense)	Diluted Per Common Share
Net income attributable to DENTSPLY International	\$ 72,386	\$ 0.49
Restructuring and other costs, net of tax and noncontrolling interests	219	0.00
Credit risk adjustment to outstanding derivatives, net of tax	732	0.00
Income tax related adjustments	571	0.00
Rounding	-	0.01
Adjusted non-US GAAP earnings	<u>\$ 73,908</u>	<u>\$ 0.50</u>

	Three Months Ended June 30, 2009	
	Income (Expense)	Diluted Per Common Share
Net income attributable to DENTSPLY International	\$ 70,199	\$ 0.47
Restructuring and other costs, net of tax and noncontrolling interests	2,185	0.01
Acquisition related activities, net of tax and noncontrolling interests	519	0.00
Income tax related adjustments	212	0.00
Rounding	-	0.01
Adjusted non-US GAAP earnings	<u>\$ 73,115</u>	<u>\$ 0.49</u>

Operating Segment Results

Third Party Net Sales, Excluding Precious Metal Content

(in millions)	Three Months Ended June 30,		\$ Change	% Change
	2010	2009		
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 137.2	\$ 139.6	\$ (2.4)	(1.7)%
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ 112.5	\$ 109.7	\$ 2.8	2.6%
Canada/Latin America/Endodontics/Orthodontics	\$ 170.0	\$ 156.6	\$ 13.4	8.6%
Dental Laboratory Business/Implants/Non-Dental	\$ 100.3	\$ 106.4	\$ (6.1)	(5.7)%

Segment Operating Income

(in millions)	Three Months Ended June 30,		<u>\$ Change</u>	<u>% Change</u>
	<u>2010</u>	<u>2009</u>		
U.S., Germany and Certain Other European Regions Consumable Businesses	\$ 49.7	\$ 42.8	\$ 6.9	16.1%
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ 5.5	\$ 4.6	\$ 0.9	19.7%
Canada/Latin America/Endodontics/Orthodontics	\$ 49.1	\$ 45.5	\$ 3.6	7.9%
Dental Laboratory Business/Implants/Non-Dental	\$ 22.5	\$ 23.9	\$ (1.4)	(6.0)%

United States, Germany and Certain Other European Regions Consumable Businesses

Net sales, excluding precious metal content, decreased \$2.4 million, or negative 1.7%, during the three months ended June 30, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, were flat. The decrease was attributable to the negative currency impact from the weakening of the euro.

Operating income increased \$6.9 million during the three months ended June 30, 2010 compared to 2009. The increase was primarily attributable to the improvements in gross profit, which were the result of improved manufacturing performance and an increase in sales price. Additionally, gross profit was also favorably impacted in 2010 as the 2009 results included \$1 million for the roll-off of inventory step-up from acquisition-related activities. A reduction in selling, general administrative expenses also benefited the segment by \$1 million.

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

Net sales, excluding precious metal content, increased \$2.8 million, or 2.6%, during the three months ended June 30, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, increased 3.6% when compared to the same period in 2009. Net sales, excluding precious metal content, were favorably impacted by \$5 million due to the business recovery in the CIS markets and growth in Europe, the Middle East and Africa businesses partially offset by lower sales of \$1 million in the Pacific Rim businesses and the negative impact of translation of \$1 million.

Operating income increased \$0.9 million during the three months ended June 30, 2010 compared to 2009, primarily related to the increase in sales volume.

Canada/Latin America/Endodontics/Orthodontics

Net sales, excluding precious metal content, increased \$13.4 million, or 8.6%, during the three months ended June 30, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, increased by \$11 million, when compared to the same period in 2009. Of the \$11 million, \$9 million was attributable to increase sales related to dental specialty products and Latin America and acquisition-related activities contributed \$2 million.

Operating income increased \$3.6 million during the three months ended June 30, 2010 compared to 2009. The increase was attributable to higher sales and improved manufacturing performance for dental specialty products, partially offset by incremental investments to promote dental specialty products.

Dental Laboratory Business/Implants/Non-Dental

Net sales, excluding precious metal content, decreased \$6.1 million, or negative 5.7%, during the three months ended June 30, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, decreased \$1 million when compared to the same period in 2009 due to lower sales in the dental laboratory business.

Operating income for the three months ended June 30, 2010 decreased \$1.4 million due to lower sales in the dental laboratory business offset by continued growth in dental implant products.

RESULTS OF OPERATIONS, SIX MONTHS ENDED JUNE 30, 2010 COMPARED TO SIX MONTHS ENDED JUNE 30, 2009

Net Sales

The following is a reconciliation of net sales to net sales, excluding precious metal content.

(in millions)	Six Months Ended June 30,		\$ Change	% Change
	2010	2009		
Net sales	\$ 1,111.0	\$ 1,059.8	\$ 51.2	4.8%
Less: precious metal content of sales	94.2	82.6	11.6	14.0%
Net sales, excluding precious metal content	<u>\$ 1,016.8</u>	<u>\$ 977.2</u>	\$ 39.6	4.1%

Net sales, excluding precious metal content, for the six months ended June 30, 2010 was \$1,016.8 million, an increase of 4.1% over prior year amount. The change in net sales, excluding precious metal content, was driven by constant currency growth of 2.8%, and currency translation of 1.3%. The constant currency sales growth included internal growth of 2.5%.

Constant Currency and Internal Sales Growth

United States

Net sales, excluding precious metal content, increased 0.4% on a constant currency basis and internal growth basis as compared to the six months ended 2009. This growth was driven by dental consumable, dental implants and non-dental products.

Europe

Net sales, excluding precious metal content, in Europe increased 4.1% in the second quarter of 2010 on a constant currency basis, including 3.4% of internal growth. Internal 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.

All Other Regions

Net sales, excluding precious metal content, in the other regions of the world increased by 4.7% on both a constant currency basis and an internal growth basis. Internal growth was driven by growth in dental specialty and dental consumable products.

Gross Profit

(in millions)	Six Months Ended June 30,			
	2010	2009	\$ Change	% Change
Gross profit	\$ 569.6	\$ 551.4	\$ 18.2	3.3%
Gross profit as a percentage of net sales, including precious metal content	51.3%	52.0%		
Gross profit as a percentage of net sales, excluding precious metal content	56.0%	56.4%		

Gross profit as a percentage of net sales, excluding precious metal content, decreased 0.4 percentage points for the six months ended June 30, 2010 compared to 2009. The decrease was the result of unfavorable product mix partially offset by product pricing. Additionally, the 2009 results included the roll-off of inventory step-up from acquisition-related activities, which negatively impacted the 2009 gross profit as a percentage of net sales, excluding precious metal content.

Operating Expenses

(in millions)	Six Months Ended June 30,			
	2010	2009	\$ Change	% Change
Selling, general and administrative expenses ("SG&A")	\$ 370.4	\$ 361.8	\$ 8.6	2.4%
Restructuring and other costs, net	\$ 4.9	\$ 4.7	\$ 0.2	4.9%
SG&A as a percentage of net sales, including precious metal content	33.3%	34.1%		
SG&A as a percentage of net sales, excluding precious metal content	36.4%	37.0%		

SG&A Expenses

SG&A expenses as a percentage of net sales, excluding precious metal content, decreased to 36.4% in the second quarter of 2010 from 37.0% in the second quarter of 2009. Expenses continue to be tightly controlled, and the Company benefited from prior year expense reductions on certain discretionary costs and various fixed costs.

Restructuring and Other Costs

During the six months ended June 30, 2010, the Company recorded restructuring and other costs of \$4.9 million. These costs are primarily related to several legal matters, new and ongoing restructuring plans to reduce operational costs through consolidation of facilities and business re-organizations. In 2009, the Company incurred costs of \$4.7 million primarily related to new and ongoing restructuring plans.

The 2010 restructuring plans and the ongoing benefits associated with these plans were immaterial to the current period as well as future periods. The majority of the benefits of the 2008 and 2009 restructuring plans have been incorporated into the Company's results. While certain restructuring plans continue to be executed, the future benefits of these plans on the Company's results would be immaterial in the period realized. (See also Note 9, Restructuring and Other Costs, of the Notes to Unaudited Interim Consolidated Financial Statements).

Other Income and Expenses

(in millions)	Six Months Ended June 30,			Change
	2010	2009		
Net interest expense	\$ 10.8	\$ 8.0	\$ 2.8	
Other expense, net	1.7	0.8	0.9	
Net interest and other expense	\$ 12.5	\$ 8.8	\$ 3.7	

Net Interest Expense

Net interest expense for the six months ended June 30, 2010 increased by \$2.8 million from the six months ended June 30, 2009 as the Company recorded a credit risk adjustment to outstanding derivatives, experienced higher average interest rates and average debt balances as well as significantly lower interest rates earned on investments. Interest expense increased by \$0.9 million due to a credit risk adjustment to outstanding derivatives, higher average interest rates on higher average debt balances, which were offset by a slightly lower average negative interest differential spread on the Company's cross currency swaps. Interest income decreased \$1.9 million as the interest rates on euro investment balances decreased while the average euro investment balance was higher in the current year than the prior year.

Other Expense, Net

Other expense in the 2010 period included approximately \$1.9 million of currency transaction losses and \$0.2 million of other non-operating income. The 2009 period included \$0.4 million of currency transaction losses and \$0.4 million of other non-operating costs.

Income Taxes and Net Income

(in millions, except per share data)	Six Months Ended June 30,		<u>\$ Change</u>	<u>% Change</u>
	<u>2010</u>	<u>2009</u>		
Effective income tax rates	25.5%	25.9%		
Net income attributable to DENTSPLY International	\$ 134.2	\$ 131.9	\$ 2.3	1.7%
Earnings per common share:				
Diluted	\$ 0.91	\$ 0.88		

Income Taxes

The Company's effective income tax rates for the six months ended 2010 and 2009 were 25.5% and 25.9%, 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 \$6.6 million and \$1.4 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 \$8.5 million and \$2.1 million, respectively.

Net Income attributable to DENTSPLY International

In addition to the results reported in accordance with US GAAP, the Company provided adjusted net income attributable to DENTSPLY International and adjusted earnings per diluted common share. These adjusted amounts consist of US GAAP amounts excluding (1) restructuring and other costs, (2) acquisition related charges, (3) a credit risk adjustment to outstanding derivatives and (4) income tax related adjustments. Adjusted earnings per diluted common share are 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.

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.

	Six Months Ended June 30, 2010	
	Income (Expense)	Diluted Per Common Share
Net income attributable to DENTSPLY International	\$ 134,229	\$ 0.91
Restructuring and other costs, net of tax and noncontrolling interests	3,010	0.02
Credit risk adjustment to outstanding derivatives	732	0.00
Acquisition related activities, net of tax and noncontrolling interests	388	0.00
Income tax related adjustments	1,007	0.01
Adjusted non-US GAAP earnings	<u>\$ 139,366</u>	<u>\$ 0.94</u>

	Six Months Ended June 30, 2009	
	Income (Expense)	Diluted Per Common Share
Net income attributable to DENTSPLY International	\$ 131,942	\$ 0.88
Restructuring and other costs, net of tax and noncontrolling interests	3,181	0.02
Acquisition related activities, net of tax and noncontrolling interests	1,638	0.01
Income tax related adjustments	495	0.00
Rounding	-	0.01
Adjusted non-US GAAP earnings	<u>\$ 137,256</u>	<u>\$ 0.92</u>

Operating Segment Results

Third Party Net Sales, Excluding Precious Metal Content

(in millions)	Six Months Ended June 30,			
	2010	2009	\$ Change	% Change
U.S., Germany, and Certain Other European Regions Consumable Businesses	\$ 272.2	\$ 264.5	\$ 7.7	2.9%
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ 214.7	\$ 207.1	\$ 7.6	3.7%
Canada/Latin America/Endodontics/Orthodontics	\$ 326.0	\$ 300.6	\$ 25.4	8.5%
Dental Laboratory Business/Implants/Non-Dental	\$ 205.6	\$ 206.5	\$ (1.0)	(0.5)%

Segment Operating Income

(in millions)	Six Months Ended June 30,		\$ Change	% Change
	2010	2009		
U.S., Germany, and Certain Other European Regions Consumable Businesses	\$ 94.5	\$ 76.7	\$ 17.8	23.2%
France, U.K., Italy and Certain Other European Countries, CIS, Middle East, Africa, Pacific Rim Businesses	\$ 5.4	\$ 7.5	\$ (2.1)	(28.1)%
Canada/Latin America/Endodontics/Orthodontics	\$ 97.2	\$ 95.5	\$ 1.7	1.8%
Dental Laboratory Business/Implants/Non-Dental	\$ 45.0	\$ 46.2	\$ (1.2)	(2.6)%

United States, Germany and Certain Other European Regions Consumable Businesses

Net sales, excluding precious metal content, increased \$7.7 million, or 2.9% during the six months ended June 30, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, increased 3.1%. The increase was primarily due to strong sales growth in the European consumable markets.

Operating income increased \$17.8 million during the six months ended June 30, 2010 compared to 2009. The increase was primarily attributable to higher sales volume in the European consumable markets and improved manufacturing performance. Additionally, the 2009 results included \$4 million from the roll-off of inventory step-up from acquisition-related activities. A reduction in selling, general administrative expenses also benefited the segment by \$3 million.

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

Net sales, excluding precious metal content, increased \$7.6 million, or 3.7%, during the six months ended June 30, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, increased 1.1% when compared to the same period in 2009. Net sales, excluding precious metal content, were favorably impacted by the positive impact from translation of \$5 million from the strengthening of the Australian dollar, the Japanese Yen and other currencies in the Pacific Rim. Additionally, net sales, excluding precious metal content, increased by \$2 million due to the recovery in the CIS markets and increased sales in Middle East and Africa businesses, partially offset by lower sales in the Pacific Rim businesses.

Operating income decreased \$2.1 million during the six months ended June 30, 2010 compared to 2009 due to higher expenses in the Pacific Rim businesses partially offset by the recovery of the CIS markets.

Canada/Latin America/Endodontics/Orthodontics

Net sales, excluding precious metal content, increased \$25.4 million or 8.5% during the six months ended June 30, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, increased by \$17 million when compared to the same period in 2009. Of the \$17 million, \$12 million was attributable to increased sales related to dental specialty products and Canada, and acquisition-related activity contributed \$4 million.

Operating income increased \$1.7 million during the six months ended June 30, 2010 compared to 2009. The increase was attributable to higher sales and improved manufacturing performance for dental specialty products partially offset by incremental investments to promote dental specialty products and lower gross profit margins in Latin America.

Dental Laboratory Business/Implants/Non-Dental

Net sales, excluding precious metal content, decreased \$1.0 million, or negative 0.5%, during the six months ended June 30, 2010 compared to 2009. On a constant currency basis, net sales, excluding precious metal content, were flat. Low single digit growth in the dental implants business was offset by lower sales in the dental laboratory business.

Operating income for the six months ended June 30, 2010 decreased \$1.2 million due to lower sales in the dental laboratory business partially mitigated by expense reductions throughout the segment.

CRITICAL ACCOUNTING POLICIES

There have been no other material changes to the Company's disclosure in its Form 10-K for the year ended December 31, 2009.

LIQUIDITY AND CAPITAL RESOURCES

Six months ended June 30, 2010

Cash flow from operating activities during the six months ended June 30, 2010 was \$150.5 million compared to \$115.4 million during the six months ended June 30, 2009. Net income increased by \$5.0 million to \$135.5 million. Improvements in working capital of \$28.8 million during 2010 were the primary reason for the increase in cash from operations. Accounts payable, accruals and accounts receivable balances on a constant currency basis were positive contributors to the change in cash flow. Increases in inventory and prepaid expenses partly offset the benefits from accounts payable, accruals and accounts receivable. On a constant currency basis, as of June 30, 2010, reported days for inventory and accounts receivable increased by one day each to 100 days and 57 days, respectively, as compared to December 31, 2010.

Investing activities during the first six months of 2010 include capital expenditures of \$18.9 million. The Company expects that capital expenditures will be between \$50.0 million and \$60.0 million for the full year of 2010. The acquisition related activity for the six months ended June 30, 2010 of \$8.3 million was related to two acquisitions and two earn-out payments on a prior year acquisition.

At June 30, 2010, the Company had authorization to maintain up to 22.0 million shares of treasury stock under the stock repurchase program as approved by the Board of Directors. Under this program, the Company purchased 5.1 million shares for \$176.6 million during the first six months of 2010 at an average price of \$34.44. As of June 30, 2010, the Company held 19.6 million shares of treasury stock. The Company also received proceeds of \$25.8 million as a result of the exercise of 1.1 million of stock options during the six months ended June 30, 2010.

The Company's long-term borrowings increased by a net of \$12.1 million during the six months ended June 30, 2010. This change included net borrowings of \$9.9 million during the first six months and an increase of \$2.2 million due to exchange rate fluctuations on debt denominated in foreign currencies. At June 30, 2010, the Company's ratio of long-term debt to total capitalization increased to 21.1% compared to 19.2% at December 31, 2009. Also in that same period, the Company's cash and cash equivalents and short-term investments have decreased from \$450.3 million to \$340.4 million.

Under its multi-currency revolving credit agreement, the Company is able to borrow up to \$200.0 million through May 7, 2013. This facility is unsecured and contains certain affirmative and negative covenants relating to its operations and financial condition. The most restrictive of these covenants pertain to asset dispositions and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. At June 30, 2010, the Company was in compliance with these covenants. The Company also has available an aggregate \$200.0 million under a U.S. dollar commercial paper facility. The multi-currency revolving credit facility serves as a back-up to the commercial paper facility. The total available credit under the commercial paper facility and the multi-currency revolving credit facility in the aggregate is \$200.0 million with \$1.7 million outstanding under the multi-currency revolving facility.

On February 19, 2010, the Company entered into a Note Purchase Agreement ("Note") with a group of initial purchasers through a private placement for \$250.0 million aggregate principal amount of fixed rate 4.11% Senior Notes with an average maturity of five years and a final maturity in six years. This Note is unsecured and contains certain affirmative and negative covenants relating to its operations and financial condition of the Company similar in substance to the existing \$150.0 million U.S. Private Placement Note ("U.S. Note") maturing March 15, 2010. The new Note was used to refinance the existing U.S. Note at maturity as well as for general corporate purposes.

On March 1, 2010, the Company entered into a Term Loan Agreement (“Term Loan”) with PNC Bank providing for the issuance by the Company of Swiss francs 65.0 million aggregate principal amount of floating rate Senior Term Loan with a final maturity in March 2012. This Term Loan is unsecured and contains certain affirmative and negative covenants relating to its operations and financial condition of the Company similar in substance to the existing multi-currency revolving credit agreement maturing May 9, 2010. The new Term Loan was used to refinance a loan under the existing multi-currency revolving credit agreement.

On May 7, 2010, the Company entered into a multi-currency revolving credit agreement (“Revolver”) with a syndicate of eight lenders with a final maturity in May 2013. This Revolver is unsecured and contains certain affirmative and negative covenants relating to its operations and financial condition of the Company similar in substance to the previous multi-currency revolving credit agreement which matured May 9, 2010.

The Company also has access to \$66.7 million in uncommitted short-term financing under lines of credit from various financial institutions. The lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institutions. At June 30, 2010, the Company had \$9.1 million outstanding under these short-term lines of credit. At June 30, 2010, the Company had total unused lines of credit related to the revolving credit agreement and the uncommitted short-term lines of credit of \$255.9 million.

The Company entered into new cross currency swaps of Swiss francs 100.0 million and Swiss francs 55.5 million on February 18, 2021 and March 1, 2010 respectively to replace maturing trades. The contracts are designated as net investment hedges.

At June 30, 2010, the Company held \$112.8 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.

Except for the new term loan facility with PNC Bank for Swiss francs 65.0 million and the new multicurrency revolving credit facility discussed in Note 13, Financial Instruments and Derivatives, of the Notes to Unaudited Interim Consolidated Financial Statements, there have been no other material changes to the Company’s scheduled contractual cash obligations disclosed in its Form 10-K for the year ended December 31, 2009. 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 funds generated from operations and amounts available under its existing credit facilities.

NEW ACCOUNTING PRONOUNCEMENTS

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

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

There have been no significant material changes to the market risks as disclosed in the Company’s Form 10-K for the year ended December 31, 2009.

Item 4 - Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and 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 is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that it is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting that occurred during the most recent six months to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1 - Legal Proceedings

Incorporated by reference to Part I, Item 1, Note 14, Commitments and Contingencies, to the Unaudited Interim Consolidated Financial Statements.

Item 1A – Risk Factors

There have been no significant material changes to the risks factors as disclosed in the Company's Form 10-K for the year ending December 31, 2009.

Item 2 - Unregistered Sales of Securities and Use of Proceeds

At June 30, 2010, the Company had authorization to maintain up to 22.0 million shares of treasury stock under the stock repurchase program as approved by the Board of Directors. During the quarter ended June 30, 2010, the Company had the following activity with respect to this repurchase program:

(in thousands, except per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Cost of Shares Purchased	Number of Shares that May be Purchased Under the Share Repurchase Program
April 1-30, 2010	-	\$ -	\$ -	6,126.6
May 1-31, 2010	3,683.1	34.98	128,843.8	2,508.1
June 1-30, 2010	212.0	30.02	6,363.3	2,355.0
	<u>3,895.1</u>	\$ 34.71	<u>\$ 135,207.1</u>	

Item 4 - Submission of Matters to Vote of Security Holders

Reserved.

Item 6 - Exhibits

Exhibit Number	Description
10.20	2010 Equity Incentive Plan
30	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

Signatures

Pursuant to the requirements 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.

/s/	<u>Bret W. Wise</u>	<u>July 29, 2010</u>
	Bret W. Wise	Date
	Chairman of the Board and	
	Chief Executive Officer	

/s/	<u>William R. Jellison</u>	<u>July 29, 2010</u>
	William R. Jellison	Date
	Senior Vice President and	
	Chief Financial Officer	

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.

(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, all Options and Stock Appreciation Right Awards held by such Key Employee shall become fully exercisable on the date of such Employee retirement. Each of the Options and Stock Appreciation Right Awards held by such a Key Employee shall expire on the earlier of (i) the fifth anniversary of the date of the Employee retirement, or (ii) the date that such Option 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 the Company. 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 Options and Stock Appreciation Right Awards held by such Key Employee. In the event the employment of a Key Employee with the Company shall be terminated by reason of "Normal Retirement" or "Early Retirement", all restrictions and conditions on all Restricted Stock and/or Restricted Stock Units held by such Key Employee shall lapse on the date of such Normal Retirement or Early Retirement. 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 restrictions and conditions, if any, on Restricted Stock and/or Restricted Stock Units held by such Key Employee that will lapse.

(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.

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.

Section 302 Certifications Statement

I, Bret W. Wise, certify that:

1. I have reviewed this Form 10-Q of DENTSPLY International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under their 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2010

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

Section 302 Certifications Statement

I, William R. Jellison, certify that:

1. I have reviewed this Form 10-Q of DENTSPLY International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under their 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2010

/s/ William R. Jellison
William R. Jellison
Senior Vice President and
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of DENTSPLY International Inc. (the "Company") on Form 10-Q for the period ending June 30, 2010 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

July 29, 2010
